Intelsat S.A.
Form 20-F
March 08, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

¨ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2015

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

¨ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 001-35878

INTELSAT S.A.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant s name into English)

Grand Duchy of Luxembourg

(Jurisdiction of incorporation or organization)

4 rue Albert Borschette

Luxembourg

Grand-Duchy of Luxembourg

L-1246

(Address of principal executive offices)

Michelle V. Bryan, Esq.

Executive Vice President, General Counsel and Chief Administrative Officer

Intelsat S.A.

4, rue Albert Borschette

L-1246 Luxembourg

Telephone: +352 27-84-1600

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(Name, Telephone, E-Mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange On Which Registered
Common Shares, nominal value $0.01 per share	**New York Stock Exchange**
5.75% Series A mandatory convertible junior non-voting preferred shares, nominal value $0.01 per share	**New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the Annual Report.

107,631,194 common shares, nominal value $0.01 per share	**3,450,000 5.75% Series A mandatory convertible junior non-voting preferred shares, nominal value $0.01 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ¨ No x

Note checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ¨ Accelerated Filer x Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP x International Financial Reporting Standards as issued by the International Accounting Standards Board ¨ Other ¨

If Other has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ¨ Item 18 ¨

If this is an Annual Report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

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FORWARD-LOOKING STATEMENTS

Some of the statements in this Annual Report on Form 20-F, or Annual Report, and oral statements made from time to time by our representatives constitute forward-looking statements that do not directly or exclusively relate to historical facts. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for certain forward-looking statements as long as they are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements.

When used in this Annual Report, the words may, will, might, should, expect, plan, anticipate, project, estimate, predict, intend, potential, outlook and continue, and the negative of these terms, and other similar expressions are intended to identify forward-looking statements and information. Examples of these forward-looking statements include, but are not limited to, statements regarding the following: our belief that the growing worldwide demand for reliable bandwidth, together with our leadership position in our attractive sector, global scale, efficient operating and financial profile, diversified customer sets and sizeable contracted backlog, provide us with a platform for long-term success; our belief that our next generation Intelsat Epic^{NG} satellites will in the future provide inventory to offset the relatively lower level of business activity expected in our network services sector in the near to mid-term; our expectation that over time new demand for capacity to support the new ultra-high definition could compensate for reductions in demand related to use of new compression technologies in our media business; our belief that building infrastructure, introducing services and investing in related technology will allow us to address sectors that are much larger, and growing much faster, than the sectors we support today; our belief that our efficient operating structure and our strategies will position us to continue to deliver high operating margins; our belief that as we place into service our next generation capacity starting in 2016, we will have increased opportunity to generate organic revenue growth; our expectation that we will not replace our existing fleet of approximately 50 satellites on a one-for-one basis; our expectation that our cost per bit delivered will decrease significantly with our Intelsat Epic^{NG} satellites, the number of station-kept satellites we maintain in our fleet will decline over the course of a 15 year cycle, our capital expenditure efficiency will thereby be enhanced over time, our competitiveness with existing applications will improve, the value we can provide to customers will increase, and that these improvements will also allow us to expand our addressable market into new fixed and mobile broadband applications; the expectation that our investing in a new generation of ground hardware will simplify access to satellite communications, potentially opening much larger and faster growing sectors than those traditionally served by our industry; our expectation that our development partnership with Kymeta Inc. will result in an affordable, flat antenna that could be installed in the automotive sector, enabling connected cars on a global basis; our expectation that our investment in OneWeb will result in a low earth orbit platform that will complement our geostationary orbit satellite services; our expectations of pricing for our services in the future; our ability to efficiently incorporate new technologies into our network to capture growth; our intention to maximize our revenues and returns by managing our capacity in a disciplined and efficient manner; our intention to leverage our satellite launches and orbital rights to supply specialized capabilities for certain customers; the trends we believe will increase demand for satellite services and that we believe will allow us to capture new business opportunities in the future; our intent to consider select acquisitions of complementary businesses or technology; the trends that we believe will impact our revenue and operating expenses in the future; our assessments regarding how long satellites that have experienced anomalies in the past should be able to provide service on their transponders; our assessment of the risk of additional anomalies occurring on our satellites; our expectation that certain anomalies will not result in the acceleration of capital expenditures; our plans for satellite launches in the near term; our expected capital expenditures in 2016 and during the next several years; our belief that the diversity of our revenue and customer base allows us to recognize trends, capture new growth opportunities, and gain experience that can be transferred to customers in other regions; our belief that the scale of our fleet can reduce the financial impact of any satellite or launch failures and protect against service interruption; and the impact on our financial position or results of operations of pending legal proceedings.

Forward-looking statements reflect our intentions, plans, expectations, assumptions and beliefs about future events. These forward-looking statements speak only as of their dates and are not guarantees of future performance or results and are subject to risks, uncertainties and other factors, many of which are outside of our control. These factors could cause actual results or developments to differ materially from the expectations expressed or implied in the forward-looking statements and include known and unknown risks. Known risks include, among others, the risks discussed in Item 3D Risk Factors, the political, economic and legal conditions in the markets we are targeting for communications services or in which we operate and other risks and uncertainties inherent in the telecommunications business in general and the satellite communications business in particular.

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Other factors that may cause results or developments to differ materially from the forward-looking statements made in this Annual Report include, but are not limited to:

- risks associated with operating our in-orbit satellites;
- satellite launch failures, satellite launch and construction delays and in-orbit failures or reduced satellite performance;
- potential changes in the number of companies offering commercial satellite launch services and the number of commercial satellite launch opportunities available in any given time period that could impact our ability to timely schedule future launches and the prices we pay for such launches;
- our ability to obtain new satellite insurance policies with financially viable insurance carriers on commercially reasonable terms or at all, as well as the ability of our insurance carriers to fulfill their obligations;
- possible future losses on satellites that are not adequately covered by insurance;
- U.S. and other government regulation;
- changes in our contracted backlog or expected contracted backlog for future services;
- pricing pressure and overcapacity in the markets in which we compete;
- our ability to access capital markets for debt or equity;
- the competitive environment in which we operate;
- customer defaults on their obligations to us;
- our international operations and other uncertainties associated with doing business internationally;
- litigation; and

other risks discussed under Item 3D Risk Factors.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee our future results, level of activity, performance or achievements. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future, you are urged not to rely on forward-looking statements in this Annual Report and to view all forward-looking statements made in this Annual Report with caution. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

INDUSTRY AND MARKET DATA

This Annual Report includes information with respect to regional and sector share and industry conditions from third-party sources, public filings and based upon our estimates using such sources when available. While we believe that such information and estimates are reasonable and reliable, we have not independently verified the data from third-party sources, including *22nd Satellite Communications & Broadcasting Markets Survey, Forecasts to 2024*, dated September 2015, by *Euroconsult; Satellite Pay-TV: Key Economics and Prospects,* dated December 2014, by *Euroconsult; Global Satellite Capacity Supply and Demand Study, 12th Edition*, dated July 2015, by *NSR*; *Government and Military Satellite Communications,* 12th Edition, dated September 2015, by *NSR*; *Wireless Backhaul via Satellite, 9th* Edition, dated April 2015, by *NSR*; *Pyramid Research Fixed Communications Demand Africa & Middle East*, dated December 2015, *Pyramid Research Fixed Communications Demand Latin America*, dated December 2015, and *Contribution and Occasional Use TV Markets*, 2nd Edition, dated December 2014, by NSR. Similarly, our internal research is based upon our understanding of industry conditions, and such information has not been verified by independent sources. Specifically, when we refer to the relative size, regions served, number of customers contracted, experience and financial performance of our business as compared to other companies in our sector, our assertions are based upon public filings of other operators and comparisons provided by third-party sources, as outlined above.

Throughout this Annual Report, unless otherwise indicated, references to market positions are based on third-party market research. If a regional position or statement as to industry conditions is based on internal research, it is identified as management s belief. Throughout this Annual Report, unless otherwise indicated, statements as to our relative positions as a provider of services to customers and regions are based upon our relative share. For additional information regarding our regional share with respect to our customer sets, services and regions, and the bases upon which we determine our share, see Item 4B Business Overview.

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PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

In this Annual Report unless otherwise indicated or the context otherwise requires, (1) the terms we, us, our, the Company and Intelsat refer to Intelsat S.A., and its subsidiaries on a consolidated basis, (2) the term Intelsat Holdings refers to our indirect subsidiary, Intelsat Holdings S.A., (3) the term Intelsat Investments refers to Intelsat Investments S.A., Intelsat Holding s direct wholly-owned subsidiary, (4) the term Intelsat Luxembourg refers to Intelsat (Luxembourg) S.A., Intelsat Investments S.A. s direct wholly-owned subsidiary, (5) the term Intelsat Jackson refers to Intelsat Jackson Holdings S.A., Intelsat (Luxembourg) S.A. s direct wholly-owned subsidiary, and (6) the term IS- refers to specific Intelsat- satellites. We refer to Intelsat General Corporation, one of our subsidiaries, as Intelsat General. In this Annual Report, unless the context otherwise requires, all references to transponder capacity or demand refer to transponder capacity or demand in the C-band and Ku-band only.

A. Selected Financial Data

The following selected historical consolidated financial data should be read in conjunction with, and is qualified by reference to, Item 5 Operating and Financial Review and Prospects and our audited consolidated financial statements and their notes included elsewhere in this Annual Report. The consolidated statement of operations data and consolidated cash flow data for the years ended December 31, 2013, 2014 and 2015, and the consolidated balance sheet data as of December 31, 2014 and 2015 have been derived from audited consolidated financial statements included elsewhere in this Annual Report. The consolidated statement of operations data and consolidated cash flow data for the years ended December 31, 2011 and 2012 and the consolidated balance sheet data as of December 31, 2011, 2012 and 2013 have been derived from audited consolidated financial statements that are not included in this Annual Report.

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	Year Ended December 31,				
	2011	2012	2013	2014	2015
	(in thousands, except share and per share amounts)				
Consolidated Statement of Operations Data					
Revenue	$ 2,588,426	$ 2,610,152	$ 2,603,623	$ 2,472,386	$ 2,352,521
Operating expenses:					
Direct costs of revenue (excluding depreciation and amortization)	417,179	415,900	375,769	348,348	328,501
Selling, general and administrative	208,381	204,025	288,467	197,407	199,412
Impairment of goodwill and other intangibles					4,165,400
Depreciation and amortization	769,440	764,903	736,567	679,351	687,729
Gain on satellite insurance recoveries			(9,618)		
Total operating expenses	1,395,000	1,384,828	1,391,185	1,225,106	5,381,042
Income (loss) from operations	1,193,426	1,225,324	1,212,438	1,247,280	(3,028,521)
Interest expense, net	1,335,198	1,310,783	1,122,261	944,787	890,279
Gain (Loss) on early extinguishment of debt	(326,183)	(73,542)	(368,089)	(40,423)	7,061
Earnings (loss) from previously unconsolidated affiliates	(24,658)				
Other income (expense), net	1,955	(10,128)	(4,918)	(2,593)	(6,201)
Income (loss) before income taxes	(490,658)	(169,129)	(282,830)	259,477	(3,917,940)
Provision for (benefit from) income taxes	(55,393)	(19,631)	(30,837)	22,971	1,513
Net income (loss)	(435,265)	(149,498)	(251,993)	236,506	(3,919,453)
Net (income) loss attributable to noncontrolling interest	1,106	(1,639)	(3,687)	(3,974)	(3,934)
Net income (loss) attributable to Intelsat S.A.	(434,159)	(151,137)	(255,680)	232,532	(3,923,387)
Cumulative preferred dividends			(10,196)	(9,917)	(9,919)
Net income (loss) attributable to common shareholders	$ (434,159)	$ (151,137)	$ (265,876)	$ 222,615	$ (3,933,306)
Other Data					
Capital expenditures	$ 844,688	$ 866,016	$ 600,792	$ 645,424	$ 724,362
Basic income (loss) per common share attributable to Intelsat S.A.	$ (5.23)	$ (1.82)	$ (2.70)	$ 2.09	$ (36.68)
	$ (5.23)	$ (1.82)	$ (2.70)	$ 1.99	$ (36.68)

Diluted income (loss) per common share attributable to Intelsat S.A.					
Basic weighted average shares outstanding (in millions)	83.0	83.0	98.5	106.5	107.2
Diluted weighted average shares outstanding (in millions)	83.0	83.0	98.5	116.6	107.2
Dividends declared per 5.75% series A mandatory convertible junior non-voting preferred shares			$ 2.96	$ 2.87	$ 2.88
Consolidated Cash Flow Data					
Net cash provided by operating activities	$ 915,897	$ 821,310	$ 716,892	$ 1,046,170	$ 910,031
Net cash used in investing activities	(840,431)	(783,601)	(134,061)	(645,250)	(749,354)
Net cash used in financing activities	(478,659)	(139,619)	(516,523)	(519,003)	(102,986)
Consolidated Balance Sheet Data					
Cash and cash equivalents, net of restricted cash	$ 296,724	$ 187,485	$ 247,790	$ 123,147	$ 171,541
Restricted cash	94,131				
Satellites and other property and equipment, net	6,142,731	6,355,192	5,805,540	5,880,264	5,988,317
Total assets	17,148,849	17,067,705	16,408,217	16,326,434	12,253,590
Total debt	15,795,641	15,706,053	15,105,961	14,668,221	14,611,379
Shareholders deficit	(1,198,885)	(1,357,760)	(975,353)	(776,268)	(4,649,565)
Net assets	(1,147,959)	(1,312,090)	(934,667)	(742,567)	(4,620,353)
Number of common shares (in millions)	83.2	83.2	106.0	106.7	107.6
Number of 5.75% series A mandatory convertible junior non-voting preferred shares (in millions)			3.5	3.5	3.5

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B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

The risks described below are not the only ones that we may face. Additional risks that are not currently known to us or that we currently consider immaterial may also impair our business, financial condition or results of operations.

Risk Factors Relating to Our Business

We are subject to significant competition from within the FSS sector, from alternative satellite service providers and from other providers of communications capacity, such as fiber optic cable capacity. Competition from other telecommunications providers could have a material adverse effect on our business and could prevent us from implementing our business strategy and expanding our operations as planned.

We face significant competition in the fixed satellite services (FSS) sector in different regions around the world. We compete against other satellite operators and against suppliers of ground-based communications capacity. The increasing availability of satellite capacity and capacity from other forms of communications technology, has historically created an excess supply of telecommunications capacity in certain regions from time to time. We believe such an imbalance could again occur in certain regions, particularly as we and other operators begin to introduce next generation high-throughput satellite technology to our fleets. Additionally, there is emerging interest from new entrants to launch new constellations in different orbits that could potentially compete with portions of our business. Increased competition in the FSS sector could lower prices, which could reduce our operating margins and the cash available to fund our operations and service our debt obligations. In addition, there has been a trend toward consolidation of major FSS providers as customers increasingly demand more robust distribution platforms with network redundancies and worldwide reach, and we expect to face increased competition as a result of this trend. Our direct competitors are likely to continue developing and launching satellites with greater power and more transponders, which may create satellite capacity at lower costs. In order to compete effectively, we invest in similar technology.

We also believe that there are many companies that are seeking ways to improve the ability of existing land-based infrastructure, such as fiber optic cable, to transmit signals. Any significant improvement or increase in the amount of land-based capacity, particularly with respect to the existing fiber optic cable infrastructure and point-to-point applications, may cause our video and network services customers to shift their transmissions to land-based capacity or make it more difficult for us to obtain new customers. If fiber optic cable networks or other ground-based high-capacity transmission systems are available to service a particular point, that capacity, when available, is generally less expensive than satellite capacity. As land-based telecommunications services expand, demand for some satellite-based services may be reduced.

In addition, we face challenges to our business apart from these industry trends that our competition may not face. A portion of our revenue has historically been derived from channel services, and from other point-to-point services which comprise a portion of our transponder services. Because fiber optic cable capacity is generally available at

lower prices than satellite capacity, competition from fiber optic cable has historically caused a migration of our point-to-point customers from satellite to fiber optic cable on certain routes, resulting in erosion in our revenue from point-to-point services over the last ten years. Some other FSS operators have service mixes that are less weighted towards point-to-point connectivity than our current service mix. We have been addressing this erosion and sustaining our business by expanding our customer base in point-to-multipoint services, such as video, and growing our presence in serving wireless communications providers and the mobility sector.

Failure to compete effectively with other FSS operators and to adapt to new competition and new technologies or failure to implement our business strategy while maintaining our existing business could result in a loss of revenue and a decline in profitability, a decrease in the value of our business and a downgrade of our credit ratings, which could restrict our access to the capital markets.

The market for fixed satellite services may not grow or may shrink and therefore we may not be able to attract new customers, retain our existing customers or implement our strategies to grow our business. In addition, pricing pressures may have an adverse impact on FSS sector revenue.

The FSS sector, as a whole, has experienced growth over the past few years. However, the future market for FSS may not grow or may shrink. Competing technologies, such as fiber optic cable, are continuing to adversely affect the point-to-point segment of the

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FSS sector. In the point-to-multipoint segment, economic downturns, the transition of video traffic from analog to digital and continuing improvements in compression technology, which allows for improved transmission efficiency, have negatively impacted demand for certain fixed satellite services. Developments that we expect to support the growth of the satellite services industry, such as continued growth in data traffic and the proliferation of direct-to-home (DTH) platforms, high definition television (HDTV) and niche programming, may fail to materialize or may not occur in the manner or to the extent we anticipate. Any of these industry dynamics could negatively affect our operations and financial condition.

Because the market for FSS may not grow or may shrink, we may not be able to attract customers for the services that we are providing as part of our strategy to sustain and grow our business. Reduced growth in the FSS sector may also adversely affect our ability to retain our existing customers. A shrinking market could reduce the number and value of our customer contracts and would have a material adverse effect on our business and results of operations. In addition, there could be a substantial negative impact on our credit ratings and our ability to access the capital markets.

The FSS sector has in the past experienced periods of pricing pressures that have resulted in reduced revenues of FSS operators. Current pricing pressures and potential pricing pressures in the future could have a significant negative impact on our revenues and financial condition.

Our financial condition could be materially and adversely affected if we were to suffer a satellite loss that is not adequately covered by insurance.

We currently carry in-orbit insurance only with respect to a small portion of our satellite fleet, generally for a short period of time following launch. As of December 31, 2015, four of the satellites in our fleet were covered by in-orbit insurance. Amounts recoverable from in-orbit insurance coverage may initially be comparable to amounts recoverable with respect to launch insurance coverage; however, such amounts generally decrease over time and are typically based on the declining book value of the satellite.

As our satellite insurance policies expire, we may elect to reduce or eliminate insurance coverage relating to certain of our satellites to the extent permitted by our debt agreements if, in our view, exclusions make such policies ineffective or the costs of coverage make such insurance impractical and we believe that we can more reasonably protect our business through the use of in-orbit spare satellites, backup transponders and self-insurance. A partial or complete failure of a revenue-producing satellite, whether insured or not, could require additional, unplanned capital expenditures, an acceleration of planned capital expenditures, interruptions in service, a reduction in contracted backlog and lost revenue and could have a material adverse effect on our business, financial condition and results of operations. We do not currently insure against lost revenue in the event of total or partial loss of a satellite.

We also maintain third-party liability insurance on our satellites to cover damage caused by our satellites. As of December 31, 2015, certain satellites in our fleet were covered by third-party liability insurance. This insurance, however, may not be adequate or available to cover all third-party liability damages that may be caused by any of our satellites, and we may not in the future be able to renew our third-party liability coverage on reasonable terms and conditions, if at all.

We have a substantial amount of indebtedness, which may adversely affect our cash flow and our ability to operate our business, remain in compliance with debt covenants and make payments on our indebtedness.

As of December 31, 2015, on a consolidated basis, we had approximately $14.7 billion principal amount of third-party indebtedness, approximately $3.1 billion of which was secured debt. Our subsidiaries were the issuers or borrowers of this debt as follows: (a) Intelsat (Luxembourg) S.A. (Intelsat Luxembourg), had approximately $14.7 billion principal

amount of total third-party indebtedness on a consolidated basis, approximately $3.1 billion of which was secured debt, and (b) Intelsat Jackson Holdings S.A. (Intelsat Jackson) had approximately $11.2 billion principal amount of total third-party indebtedness on a consolidated basis, approximately $3.1 billion of which was secured debt. Intelsat Luxembourg debt and Intelsat Jackson debt are included in our consolidated debt.

The indentures and credit agreements governing a substantial portion of the outstanding debt of Intelsat Luxembourg and Intelsat Jackson and their respective subsidiaries permit each of these companies to make payments to their respective direct and indirect parent companies to fund the cash interest payments on such indebtedness, so long as no default or event of default shall have occurred and be continuing or would occur as a consequence thereof.

Our substantial indebtedness could have important consequences. For example, it could:

- make it more difficult for us to satisfy obligations with respect to indebtedness, and any failure to comply with the obligations of any of our debt instruments, including financial and other restrictive covenants, could result in an event of default under the indentures governing our notes and the agreements governing such other indebtedness;

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require us to dedicate a substantial portion of available cash flow to pay principal and interest on our outstanding debt, which will reduce the funds available for working capital, capital expenditures, acquisitions and other general corporate purposes;

limit flexibility in planning for and reacting to changes in our business and in the industry in which we operate;

limit our ability to engage in strategic transactions or implement our business strategies;

limit our ability to borrow additional funds; and

place us at a disadvantage compared to any competitors that have less debt.

Any of the factors listed above could materially and adversely affect our business and our results of operations. Furthermore, our interest expense could increase if interest rates rise because certain portions of our debt bear interest at floating rates. Our interest expense could also increase when we refinance debt. If we do not have sufficient cash flow to service our debt, we may be required to refinance all or part of our existing debt, sell assets, borrow more money or sell securities, none of which we can guarantee we will be able to do.

We may be able to incur significant additional indebtedness in the future. Although the agreements governing our indebtedness contain restrictions on the incurrence of certain additional indebtedness, these restrictions are subject to a number of important qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. If we incur new indebtedness, the related risks, including those described above, could intensify.

The terms of the Intelsat Jackson Secured Credit Agreement, the indentures governing our existing notes and the terms of our other indebtedness may restrict our current and future operations, particularly our ability to respond to changes in our business or to take certain actions.

On January 12, 2011, Intelsat Jackson, our wholly-owned subsidiary, entered into a secured credit agreement (as amended, the Intelsat Jackson Secured Credit Agreement). The Intelsat Jackson Secured Credit Agreement, the indentures governing our existing notes and the terms of our other outstanding indebtedness contain, and any future indebtedness of ours would likely contain, a number of restrictive covenants imposing significant operating and financial restrictions on Intelsat S.A. and some or all of its subsidiaries, including restrictions that may limit our ability to engage in acts that may be in our long-term best interests. The Intelsat Jackson Secured Credit Agreement includes two financial covenants. Intelsat Jackson must maintain a consolidated secured debt to consolidated EBITDA ratio of less than or equal to 3.50 to 1.00 at the end of each fiscal quarter as well as a consolidated EBITDA to consolidated interest expense ratio of greater than or equal to 1.75 to 1.00 at the end of each fiscal quarter, in each case as such financial measures are defined in the Intelsat Jackson Secured Credit Agreement.

In addition, the Intelsat Jackson Secured Credit Agreement requires Intelsat Jackson to use a portion of the proceeds of certain asset sales, in excess of a specified amount, that are not reinvested in its business to repay indebtedness under the agreement.

The Intelsat Jackson Secured Credit Agreement, the indentures governing our existing notes and the terms of our other outstanding indebtedness include covenants restricting, among other things, the ability of Intelsat S.A. and its

subsidiaries to:

- incur or guarantee additional debt or issue disqualified stock;
- pay dividends (including to fund cash interest payments at different entity levels), or make redemptions, repurchases or distributions, with respect to ordinary shares or capital stock;
- create or incur certain liens;
- make certain loans or investments;
- engage in mergers, acquisitions, amalgamations, asset sales and sale and leaseback transactions; and
- engage in transactions with affiliates.

These covenants are subject to a number of qualifications and exceptions. The operating and financial restrictions and covenants in our existing debt agreements and any future financing agreements may adversely affect our ability to finance future operations or capital needs or to engage in other business activities. A breach of any of the restrictive covenants in the Intelsat Jackson Secured Credit Agreement could result in a default under such agreement. If any such default occurs, the lenders under the Intelsat Jackson Secured Credit Agreement may elect to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable, enforce their security interest or require us to apply all available cash to repay these borrowings. If this occurred under the Intelsat Jackson Secured Credit Agreement, this would result in an event of default under our existing notes. The lenders under the Intelsat Jackson Secured Credit Agreement will also have the right in these circumstances to terminate any

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commitments they have to fund further borrowings. If Intelsat Jackson were unable to repay outstanding borrowings when due, the lenders under the Intelsat Jackson Secured Credit Agreement would have the right to proceed against the collateral granted to them to secure the debt owed to them. If the debt under the Intelsat Jackson Secured Credit Agreement were to be accelerated, our assets might not be sufficient to repay such debt in full or to repay our notes and our other debt.

Our business is capital intensive and requires us to make long-term capital expenditure decisions, and we may not be able to raise adequate capital to finance our business strategies, or we may be able to do so only on terms that significantly restrict our ability to operate our business.

Implementation of our business strategy requires a substantial outlay of capital. As we pursue our business strategies and seek to respond to opportunities and trends in our industry, our actual capital expenditures may differ from our expected capital expenditures and there can be no assurance that we will be able to satisfy our capital requirements in the future. The nature of our business also requires us to make capital expenditure decisions in anticipation of customer demand, and we may not be able to correctly predict customer demand. We have only a fixed amount of transponder capacity available to serve a particular region. If our customer demand exceeds our transponder capacity, we may not be able to fully capture the growth in demand in the region served by that capacity. We currently expect that our liquidity requirements in 2016 will be satisfied by cash on hand, cash generated from our operations, and borrowings under our revolving credit facility. However, if we determine we need to obtain additional funds through external financing and are unable to do so, we may be prevented from fully implementing our business strategy.

The availability and cost to us of external financing depend on a number of factors, including general market conditions, our financial performance and our credit rating. Both our credit rating and our ability to obtain financing generally may be influenced by the supply and demand characteristics of the telecommunications sector in general and of the FSS sector in particular. Declines in our expected future revenue under contracts with customers and challenging business conditions faced by our customers are among factors that may adversely affect our credit. Other factors that could impact our credit include the amount of debt in our current capital structure, activities associated with our strategic initiatives, our expected future cash flows and the capital expenditures required to execute our business strategy. The overall impact on our financial condition of any transaction that we pursue may be negative or may be negatively perceived by the financial markets and ratings agencies and may result in adverse rating agency actions with respect to our credit rating. A disruption in the capital markets, a deterioration in our financial performance or a credit rating downgrade could limit our ability to obtain financing or could result in any such financing being available only at greater cost or on more restrictive terms than might otherwise be available. Our debt agreements also impose restrictions on our operation of our business and could make it more difficult for us to obtain further external financing if required. See The terms of the Intelsat Jackson Secured Credit Agreement, the indentures governing our existing notes and the terms of our other indebtedness may restrict our current and future operations, particularly our ability to respond to changes in our business or to take certain actions.

Long-term disruptions in the capital and credit markets as a result of uncertainty due to recent recessions, changing or increased regulation or failures of significant financial institutions could adversely affect our access to capital. If financial market disruptions intensify, it may become difficult for us to raise additional capital or refinance debt when needed, on acceptable terms or at all. Any disruption could require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business needs can be arranged. Such measures could include deferring capital expenditures and reducing or eliminating other discretionary uses of cash, which could adversely impact our business and our ability to execute our business strategies.

We may become subject to unanticipated tax liabilities that may have a material adverse effect on our results of operations.

Intelsat S.A and certain of its subsidiaries are Luxembourg-based companies and are subject to Luxembourg taxation for corporations. We believe that a significant portion of the income derived from our communications network will not be subject to tax in certain countries in which we own assets or conduct activities or in which our customers are located, including the United States and the United Kingdom. However, this belief is based on the presently anticipated nature and conduct of our business and on our current position under the tax laws of the countries in which we own assets or conduct activities. This position is subject to review and possible challenge by taxing authorities and to possible changes in law that may have a retroactive effect.

In addition, we conduct business with customers and counterparties in multiple countries and jurisdictions. Our overall tax burden is affected by tax legislation in these jurisdictions and the terms of income tax treaties between these countries and the countries in which our subsidiaries are qualified residents for treaty purposes as in effect from time to time. Tax legislation in these countries and jurisdictions may be amended and treaties are regularly renegotiated by the contracting countries and, in each case, may change. If tax legislation or treaties were to change, we could become subject to additional taxes, including retroactive tax claims or assessments of withholding on amounts payable to us or other taxes assessed at the source, in excess of the taxation we anticipate based on business contracts and practices and the current tax regimes. The extent to which certain taxing jurisdictions may require us to pay tax or to make payments in lieu of tax cannot be determined in advance. Our results of operations could be materially adversely affected if we become subject to a significant amount of unanticipated tax liabilities.

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We are subject to political, economic, regulatory and other risks due to the international nature of our operations.

We provide communications services in approximately 200 countries and territories. Accordingly, we may be subject to greater risks than other companies as a result of the international nature of our business operations. We could be harmed financially and operationally by tariffs, taxes, government sanctions and regulatory actions, and other trade barriers that may be imposed on our services, or by political and economic instability in the countries in which we provide services, for instance in countries heavily reliant on revenues from natural resources. If we ever need to pursue legal remedies against our customers or our business partners located outside of Luxembourg, the United States or the United Kingdom, it may be difficult for us to enforce our rights against them depending on their location.

Substantially all of our on-going technical operations are conducted and/or managed in the United States, Luxembourg and Germany. However, providers of satellite launch services, upon which we are reliant to place our satellites into orbit, locate their operations in other countries, including Kazakhstan. Political disruptions in this country could increase the risk of launching the satellites that provide capacity for our operations, which could result in financial harm to us.

Our business is subject to foreign currency risk.

Almost all of our customers pay for our services in U.S. dollars, although we are exposed to some risk related to customers who do not pay in U.S. dollars. Fluctuations in the value of non-U.S. currencies may make payment in U.S. dollars more expensive for our non-U.S. customers, and in certain circumstances, cause us to renegotiate prices or other terms in contracts in order to retain such customers. For instance, our Russian customers and others may face difficulties paying for our services because of recent deterioration in the Russian currency and the relative strength of the U.S. dollar compared to many other currencies. In addition, our non-U.S. customers may have difficulty obtaining U.S. currency and/or remitting payment due to currency exchange controls.

Our Sponsors own a significant amount of our common shares and may have conflicts of interest with us in the future.

Our Sponsors (as defined below in Item 4A History and Development of the Company The Sponsors Acquisition Transactions) beneficially own in the aggregate approximately 71% of our common shares. By virtue of their share ownership, the Sponsors may be able to influence decisions to enter into any corporate transaction or other matter that requires the approval of shareholders. Additionally, the Sponsors are in the business of making investments in companies and, although they do not currently hold interests in any business that competes directly or indirectly with us, may from time to time acquire and hold interests in businesses that compete with us. The Sponsors may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

We have several large customers and the loss of, or default by, these customers could materially reduce our revenue and materially adversely affect our business.

A limited number of customers provide a substantial portion of our revenue and contracted backlog. For the year ended December 31, 2015, our ten largest customers and their affiliates represented approximately 29% of our revenue. The loss of, or default by, our larger customers could adversely affect our current and future revenue and operating margins.

Some customers have in the past defaulted and, although we monitor our larger customers financial performance and seek deposits, guarantees and other methods of protection against default where possible, our customers may in the

future default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, devaluation of local currency or other reasons. Defaults by any of our larger customers or by a group of smaller customers who, collectively, represent a significant portion of our revenue could adversely affect our revenue, operating margins and cash flows. If our contracted backlog is reduced due to the financial difficulties of our customers, our revenue, operating margins and cash flows would be further negatively impacted.

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Reductions or changes in U.S. government spending, including the U.S. defense budget, could reduce our revenue and adversely affect our business.

The U.S. government, through the Department of Defense and other agencies, is one of our largest customers. Spending authorizations for defense-related and other programs by the U.S. government have fluctuated in the past, and future levels of expenditures and authorizations for these programs may decrease, remain constant or shift to programs in areas where we do not currently provide services. We provide services to the U.S. government and its agencies through contracts that are conditioned upon the continuing availability of Congressional appropriations. Congress usually appropriates funds on a fiscal year basis, even though contract performance may extend over many years. In recent years, there has been a pattern of delays in the finalization and approval of the U.S. government budget, which can create uncertainty over the extent of future government demand for our services. Furthermore, in light of the current geopolitical situation, with reductions in US operational presence in Iraq, Afghanistan and potentially the Middle East more generally, there may be additional future declines in the U.S. government s demand for and use of our services. To the extent the U.S. government and its agencies reduce spending on commercial satellite services, this could adversely affect our revenue and operating margins.

The loss of the services of key personnel could have a material adverse effect on our business.

Our executive officers and other members of our senior management have been a critical element of our success. These individuals have substantial experience and expertise in our business and have made significant contributions to its growth and success. We have entered into employment agreements with each of our executive officers, including David McGlade, our Executive Chairman, Stephen Spengler, our Chief Executive Officer, Jacques Kerrest, our Executive Vice President and Chief Financial Officer, Michelle Bryan, our Executive Vice President, General Counsel and Chief Administrative Officer, Thierry Guillemin, our Executive Vice President and Chief Technical Officer, Kurt Riegelman, our Senior Vice President, Sales and Marketing and Michael DeMarco, our Senior Vice President, Operations, and certain targeted retention mechanisms; however, these agreements and mechanisms do not guarantee that these executives will remain with us. The unexpected loss of services of one or more of our executive officers or members of senior management could have a material adverse effect on our business.

Risk Factors Relating to Our Industry

We may experience in-orbit satellite failures or degradations in performance that could impair the commercial performance of our satellites, which could lead to lost revenue, an increase in our cash operating expenses, lower operating income or lost backlog.

Satellites utilize highly complex technology and operate in the harsh environment of space and, accordingly, are subject to significant operational risks while in orbit. These risks include malfunctions, commonly referred to as anomalies that have occurred in our satellites and the satellites of other operators as a result of:

- the satellite manufacturer s error, whether due to the use of new and largely unproven technology or due to a design, manufacturing or assembly defect that was not discovered before launch;

- problems with the power systems of the satellites, including:

circuit failures or other array degradation causing reductions in the power output of the solar arrays on the satellites, which could cause us to lose some of our capacity, require us to forego the use of some transponders initially and to turn off additional transponders in later years; and/or

failure of the cells within the batteries, whose sole purpose is to power the payload and spacecraft operations during the daily eclipse periods which occur for brief periods of time during two 40-day periods around March 21 and September 21 of each year; and/or

problems with the control systems of the satellites, including:

failure of the primary and/or backup satellite control processor (SCP); and

failure of the Xenon-Ion Propulsion System (XIPS) used on certain Boeing satellites, which is an electronic propulsion system that maintains the spacecraft s proper in-orbit position; and/or

general failures resulting from operating satellites in the harsh space environment, such as premature component failure or wear out, including:

failure of one or more gyroscope and/or associated electronics that are used to provide satellite attitude information during maneuvers.

We have experienced anomalies in each of the categories described above. Although we work closely with the satellite manufacturers to determine and eliminate the cause of these anomalies in new satellites and provide for on-satellite backups for certain critical components to minimize or eliminate service disruptions in the event of failure, we may experience anomalies in the future, whether of the types described above or arising from the failure of other systems or components. These anomalies can manifest themselves in scale from minor reductions of equipment redundancy to marginal reductions in capacity to complete satellite failure. Some of our satellites have experienced significant anomalies in the past and some have components that are now known to be susceptible to similar significant anomalies. Each of these is discussed in Item 4B Business Overview Satellite Health and Technology. An on-satellite backup for certain components may not be available upon the occurrence of such an anomaly.

Any single anomaly or series of anomalies could materially and adversely affect our operations, our revenues, our relationships with our current customers and our ability to attract new customers for our satellite services. In particular, future anomalies may result in the loss of individual transponders on a satellite, a group of transponders on that satellite or the entire satellite, depending on the nature of the anomaly and the availability of on-satellite backups. Anomalies and our estimates of their future effects may also cause a reduction of the expected service life of a satellite and contracted backlog. Anomalies may also cause a reduction of the revenue generated by that satellite or the recognition of an impairment loss, and in some circumstances could lead to claims from third parties

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for damages, if a satellite experiencing an anomaly were to cause physical damage to another satellite, create interference to the transmissions on another satellite, cause other satellite operators to incur expenses to avoid such physical damage or interference or lower operating income as a result of an impairment charge. Finally, the occurrence of anomalies may adversely affect our ability to insure our satellites at commercially reasonable premiums, if at all. While some anomalies are covered by insurance policies, others are not or may not be covered. See Risk Factors Relating to Our Business Our financial condition could be materially and adversely affected if we were to suffer a satellite loss that is not adequately covered by insurance.

Many of the technical problems we have experienced with our current fleet have been component failures and anomalies. Our IS-804 satellite experienced a sudden and unexpected electrical power system anomaly that resulted in the total loss of the satellite in January 2005. The IS-804 satellite was an LM 7000 series satellite, and as of December 31, 2015, we operated one other satellite in the LM 7000 series, IS-805. We believe that the IS-804 satellite failure was most likely caused by a high current event in the battery circuitry triggered by an electrostatic discharge that propagated to cause the sudden failure of the high voltage power system.

Our IS-802 satellite, which was also an LM 7000 series satellite, experienced a reduction of electrical power capability that resulted in a degraded capability of the satellite in September 2006. A significant subset of transponders on IS-802 was subsequently reactivated and operated normally until the end of its service life in September 2010, when it was decommissioned. We believe that the IS-802 anomaly was most likely caused by an electrical short internal to the solar array harness located on the south solar array boom.

Our Galaxy 26 and Galaxy 27 satellites experienced sudden anomalies in their electrical distribution systems that resulted in the loss of control of the satellites and the interruption of customer services on the satellites in June 2008 and November 2004, respectively. We believe the likely root cause of the anomalies is a design flaw that is affected by a number of parameters and in some extreme cases can result in an electrical system anomaly. This design flaw exists on two of our satellites, Galaxy 27 and IS-8. Galaxy 26 was decommissioned in June 2014.

Our Galaxy 15 satellite experienced an anomaly in April 2010 resulting in our inability to command the satellite. We transitioned all media traffic on this satellite to our Galaxy 12 satellite, which was our designated in-orbit spare satellite for the North America region. Galaxy 15 is a Star-2 satellite manufactured by Orbital Sciences Corporation. On December 23, 2010, we recovered command of the spacecraft and subsequently completed diagnostic testing and uploading of software updates that protect against future anomalies of this type. Galaxy 15 continues to provide normal service.

We may also experience additional anomalies relating to the failure of the SCP in our BSS 601 satellite (IS-26), various anomalies associated with XIPS in our BSS 601 HP satellites or a progressive degradation of the solar arrays in certain of our BSS 702 satellites.

Three of the BSS 601 satellites that we operated in the past, as well as BSS 601 satellites operated by others, have experienced a failure of the primary and backup SCPs. On February 1, 2010, our IS-4 satellite experienced an anomaly of its backup SCP and was taken out of service. This event did not have a material impact on our operations or financial results. As of December 31, 2015, we operate only one BSS 601 satellite, IS-26.

Certain of the BSS 601 HP satellites have experienced various problems associated with their XIPS. We currently operate four satellites of this type, three of which have experienced failures of both XIPS. We may in the future experience similar problems associated with XIPS or other propulsion systems on our satellites.

Two of the three BSS 702 satellites that we operate, as well as BSS 702 satellites of a similar design operated by others, have experienced a progressive degradation of their solar arrays causing a reduction in output power. Along with the manufacturer, we continually monitor the problem to determine its cause and its expected effect. The power reduction may require us to permanently turn off certain transponders on the affected satellites to allow for the continued operation of other transponders, which could result in a loss of revenues, or may result in a reduction of the satellite s service life. In 2004, based on a review of available data, we reduced our estimate of the service lives of both satellites due to the continued degradation.

On April 22, 2011, our IS-28 satellite, formerly known as the Intelsat New Dawn satellite, was launched into orbit. Subsequent to the launch, the satellite experienced an anomaly during the deployment of its west antenna reflector, which controls communications in the C-band frequency. The anomaly had not been experienced previously on other STAR satellites manufactured by Orbital Sciences Corporation, including those in our fleet. The New Dawn joint venture filed a partial loss claim with its insurers relating to the C-band antenna reflector anomaly and all of the insurance proceeds from the partial loss claim were received in 2011. The Ku-band antenna reflector deployed and that portion of the satellite is operating as planned, entering service in June 2011. A Failure Review Board established to determine the cause of the anomaly completed its investigation in July 2011 and concluded that the deployment anomaly of the C-band reflector was most likely due to a malfunction of the reflector sunshield. As a result, the

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sunshield interfered with the ejection release mechanism, and prevented the deployment of the C-band antenna. The Failure Review Board also recommended corrective actions for Orbital Sciences Corporation satellites not yet launched to prevent reoccurrence of the anomaly. Appropriate corrective actions were implemented on IS-18, which was successfully launched on October 5, 2011, and on IS-23, which was launched in October 2012.

During launch operations of IS-19 on June 1, 2012, the satellite experienced damage to its south solar array. Although both solar arrays are deployed, the power available to the satellite is less than is required to operate 100% of the payload capacity. The Independent Oversight Board (IOB) formed by Space Systems/Loral, LLC (SSL) and Sea Launch to investigate the solar array deployment anomaly. The IOB concluded that the anomaly occurred before the spacecraft separated from the launch vehicle, during the ascent phase of the launch, and originated in one of the satellite s two solar array wings due to a rare combination of factors in the panel fabrication and unrelated to the launch vehicle. While the satellite is operational, the anomaly resulted in structural and electrical damage to one solar array wing, which reduced the amount of power available for payload operation. Additionally, we filed a partial loss claim with our insurers relating to the solar array anomaly. We received $84.8 million of insurance proceeds related to the claim in 2013. As planned, IS-19 followed IS-8 at 166°E, in August 2012.

We may experience a launch failure or other satellite damage or destruction during launch, which could result in a total or partial satellite loss. A new satellite could also fail to achieve its designated orbital location after launch. Any such loss of a satellite could negatively impact our business plans and could reduce our revenue.

Satellites are subject to certain risks related to failed launches. Launch failures result in significant delays in the deployment of satellites because of the need both to construct replacement satellites, which can take 24 months or longer, and to obtain other launch opportunities. Such significant delays could materially and adversely affect our operations and our revenue. In addition, significant delays could give customers who have purchased or reserved capacity on that satellite a right to terminate their service contracts relating to the satellite. We may not be able to accommodate affected customers on other satellites until a replacement satellite is available. A customer s termination of its service contracts with us as a result of a launch failure would reduce our contracted backlog. Delay caused by launch failures may also preclude us from pursuing new business opportunities and undermine our ability to implement our business strategy.

Launch vehicles may also under-perform, in which case the satellite may still be placed into service by using its onboard propulsion systems to reach the desired orbital location, resulting in a reduction in its service life. In addition, although we have had launch insurance on all of our launches to date, if we were not able to obtain launch insurance on reasonable terms and a launch failure were to occur, we would directly suffer the loss of the cost of the satellite and related costs, which could be more than $250 million.

On February 1, 2013, the launch vehicle for our IS-27 satellite failed shortly after liftoff and the satellite was completely destroyed. A Failure Review Board was established and subsequently concluded that the launch failed due to the mechanical failure of one of the first stage engine s thrust control components. The satellite and launch vehicle were fully insured, and all of the insurance proceeds from the loss claim were received in 2013.

Since 1975, we and the entities we have acquired and launched 126 satellites. Including the IS-27 satellite, nine of these satellites were destroyed as a result of launch failures, six of which occurred prior to 1995. In addition, certain launch vehicles that we have used or are scheduled to use have experienced launch failures in the past. Launch failure rates vary according to the launch vehicle used.

As of December 31, 2015, we had 10 satellites in development that are expected to be launched from 2016 to 2018. See Item 5B Liquidity and Capital Resources Capital Expenditures.

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New or proposed satellites are subject to construction and launch delays, the occurrence of which can materially and adversely affect our operations.

The construction and launch of satellites are subject to certain delays. Such delays can result from delays in the construction of satellites and launch vehicles, the periodic unavailability of reliable launch opportunities, possible delays in obtaining regulatory approvals and launch failures. We have in the past experienced delays in satellite construction and launch which have adversely affected our operations. Future delays may have the same effect. A significant delay in the future delivery of any satellite may also adversely affect our marketing plan for the satellite. If satellite construction schedules are not met, a launch opportunity may not be available at the time a satellite is ready to be launched. Further, any significant delay in the commencement of service of any of our satellites could enable customers who pre-purchased or agreed to utilize transponder capacity on the satellite to terminate their contracts and could affect our plans to replace an in-orbit satellite prior to the end of its service life. The failure to implement our satellite deployment plan on schedule could have a material adverse effect on our financial condition and results of operations. Delays in the launch of a satellite intended to replace an existing satellite that results in the existing satellite reaching its end of life before being replaced could result in loss of business to the extent an in-orbit backup is not available. As of December 31, 2015, we had 10 satellites in development that are expected to be launched from 2016 to 2018. See Item 5B Liquidity and Capital Resources Capital Expenditures.

Our dependence on outside contractors could result in increased costs and delays related to the launch of our new satellites, which would in turn adversely affect our business, operating results and financial condition.

There is a limited number of companies that we are able to use to launch our satellites and a limited number of commercial satellite launch opportunities available in any given time period. Adverse events with respect to our launch service providers, such as satellite launch failures or financial difficulties (which some of these providers have previously experienced), could result in increased costs or delays in the launch of our satellites. General economic conditions may also affect the ability of launch providers to provide launch services on commercially reasonable terms or to fulfill their obligations in terms of launch dates, pricing, or both. In the event that our launch service providers are unable to fulfill their obligations, we may have difficulty procuring alternative services in a timely manner and may incur significant additional expenses as a result. Any such increased costs and delays could have a material adverse effect on our business, operating results and financial condition.

A natural disaster could diminish our ability to provide communications service.

Natural disasters could damage or destroy our ground stations, resulting in a disruption of service to our customers. We currently have the technology to safeguard our antennas and protect our ground stations during natural disasters such as a hurricane, but the collateral effects of such disasters such as flooding may impair the functioning of our ground equipment. If a future natural disaster impairs or destroys any of our ground facilities, we may be unable to provide service to our customers in the affected area for a period of time and may incur an impairment charge lowering our operating income.

Risk Factors Relating to Regulation

We are subject to orbital slot/spectrum access requirements of the International Telecommunication Union (ITU) and regulatory and licensing requirements in each of the countries in which we provide services, and our business is sensitive to regulatory changes internationally and in those countries.

The telecommunications industry is highly regulated, and we depend on access to orbital slots and spectrum resources to provide satellite services. The ITU and national regulators allocate spectrum for satellite services, and may change

these allocations, which could change or limit how Intelsat s current satellites are able to be used. In addition, in connection with providing satellite capacity, ground network uplinks, downlinks and other value-added services to our customers, we need to maintain regulatory approvals, and from time to time obtain new regulatory approvals, from various countries. Obtaining and maintaining these approvals can involve significant time and expense. If we cannot obtain or are delayed in obtaining the required regulatory approvals, we may not be able to provide these services to our customers or expand into new services. In addition, the laws and regulations to which we are subject could change at any time, thus making it more difficult for us to obtain new regulatory approvals or causing our existing approvals to be revoked or adversely modified. Because the regulatory schemes vary by country, we may also be subject to regulations of which we are not presently aware and could be subject to sanctions by a foreign government that could materially and adversely affect our operations in that country. If we cannot comply with the laws and regulations that apply to us, we could lose our revenue from services provided to the countries and territories covered by these laws and regulations and be subject to criminal or civil sanctions.

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If we do not maintain regulatory authorizations for our existing satellites and associated ground facilities or obtain authorizations for our future satellites and associated ground facilities, we may not be able to operate our existing satellites or expand our operations.

The operation of our existing satellites is authorized and regulated by the U.S. Federal Communications Commission (FCC), the U.K. Office of Communications (Ofcom) and the U.K. Space Agency (UKSA), the National Information & Communications Technology Authority of Papua New Guinea (NICTA), the Ministry of Internal Affairs and Communications of Japan, and the Bundesnetzagentur (BNetzA) in Germany.

We believe our current operations are in compliance with FCC and non-U.S. licensing jurisdiction requirements. However, if we do not maintain the authorizations necessary to operate our existing satellites, we will not be able to operate the satellites covered by those authorizations, unless we obtain authorization from another licensing jurisdiction. Some of our authorizations provide waivers of technical regulations. If we do not maintain these waivers, we will be subject to operational restrictions or interference that will affect our use of existing satellites. Loss of a satellite authorization could cause us to lose the revenue from services provided by that satellite at a particular orbital location to the extent these services cannot be provided by satellites at other orbital locations.

Our launch and operation of planned satellites requires additional regulatory authorizations from the FCC or a non-U.S. licensing jurisdiction. Likewise, if any of our current operations are deemed not in compliance with applicable regulatory requirements, we may be subject to various sanctions, including fines, loss of authorizations, or denial of applications for new authorizations or renewal of existing authorizations. It is not uncommon for licenses for new satellites to be granted just prior to launch, and we expect to receive such licenses for all planned satellites. If we do not obtain required authorizations in the future, we will not be able to operate our planned satellites. If we obtain a required authorization but we do not meet milestones regarding the construction, launch and operation of a satellite by deadlines that may be established in the authorization, we may lose our authorization to operate a satellite using certain frequencies in an orbital location. Any authorizations we obtain may also impose operational restrictions or permit interference that could affect our use of planned satellites.

If we do not occupy unused orbital locations by specified deadlines, or do not maintain satellites in orbital locations we currently use, those orbital locations may become available for other satellite operators to use.

If we are unable to place satellites into currently unused orbital locations by specified deadlines and in a manner that satisfies the ITU, or national regulatory requirements, or if we are unable to maintain satellites at the orbital locations that we currently use, we may lose our rights and/or priority to use these orbital locations, and the locations with ITU priority could become available for other satellite operators to use. The loss of one or more of our orbital locations could negatively affect our plans and our ability to implement our business strategy.

Coordination results may adversely affect our ability to use a satellite at a given orbital location for our proposed service or coverage area.

We are required to record frequencies and orbital locations used by our satellites with the ITU and to coordinate with other satellite operators and national administrations the use of these frequencies and orbital locations in order to avoid interference to or from other satellites. The results of coordination may adversely affect our use of satellites at particular orbital locations, as well as the type of applications or services that we can accommodate. If we are unable to coordinate our satellites by specified deadlines, we may not be able to use a satellite at a given orbital location for our proposed service or coverage area. The use of our satellites may also be temporarily or permanently adversely affected if the operation of adjacent satellite networks does not conform to coordination agreements resulting in the acceptable interference levels being exceeded (e.g., due to operational errors associated with the transmissions to

adjacent satellite networks).

Our failure to maintain or obtain authorizations under the U.S. export control and trade sanctions laws and regulations could have a material adverse effect on our business.

The export of satellites and technical data related to satellites, earth station equipment and provision of services are subject to U.S. State Department, U.S. Commerce Department and U.S. Treasury Department regulations. If we do not maintain our existing authorizations or obtain necessary future authorizations under the export control laws and regulations of the United States, we may be unable to export technical data or equipment to non-U.S. persons and companies, including to our own non-U.S. employees, as required to fulfill existing contracts. If we do not maintain our existing authorizations or obtain necessary future authorizations under the trade sanctions laws and regulations of the United States, we may not be able to provide satellite capacity and related administrative services to certain countries subject to U.S. sanctions. Our ability to acquire new satellites, launch new satellites or operate our satellites could also be negatively affected if our suppliers do not obtain required U.S. export authorizations.

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If we do not maintain required security clearances from, and comply with our agreements with, the U.S. Department of Defense, or if we do not comply with U.S. law, we may not be able to continue to perform our obligations under U.S. government contracts.

To participate in classified U.S. government programs, we sought and obtained security clearances for one of our subsidiaries from the U.S. Department of Defense. Given our foreign ownership, we entered into a proxy agreement with the U.S. government that limits our ability to control the operations of this subsidiary, as required under the national security laws and regulations of the United States. If we do not maintain these security clearances, we will not be able to perform our obligations under any classified U.S. government contracts to which our subsidiary is a party, the U.S. government would have the right to terminate our contracts requiring access to classified information and we will not be able to enter into new classified contracts. As a result, our business could be materially and adversely affected. Further, if we materially violate the terms of the proxy agreement or if we are found to have materially violated U.S. law, we or the subsidiary holding the security clearances may be suspended or barred from performing any government contracts, whether classified or unclassified, and we could be subject to civil or criminal penalties.

Item 4. Information on the Company

A. History and Development of the Company

The Company

Our legal and commercial name is Intelsat S.A. The Company was organized as a public limited liability company (*Société Anonyme*) under the laws of the Grand-Duchy of Luxembourg on July 8, 2011. Our principal executive office is located at 4, rue Albert Borschette, L-1246, Luxembourg, telephone number +352 27 84 1600.

Our History

Intelsat, Ltd. was the successor entity to the International Telecommunications Satellite Organization (the IGO), and a Bermuda company. The IGO was a public intergovernmental organization created on an interim basis by its initial member states in 1964 and formally established in February 1973 upon entry into force of an intergovernmental agreement. The member states that were party to the treaty governing the IGO designated certain entities to market and use the IGO s communications system within their territories and to hold investment share in the IGO.

The Privatization

In November 2000, the IGO s Assembly of Parties unanimously approved our management s specific plan for our privatization and set the date of privatization for July 18, 2001. On July 18, 2001, substantially all of the assets and liabilities of the IGO were transferred to us.

The IGO, referred to post-privatization as the International Telecommunications Satellite Organization (ITSO), was established and was to exist as an intergovernmental organization for a period of at least 12 years after July 18, 2001, and then could be terminated by a decision of a governing body of ITSO called the Assembly of Parties. The Assembly of Parties voted in 2012 to continue ITSO until at least 2021. Pursuant to a Public Services Agreement among ITSO and Intelsat, Ltd. and certain of our subsidiaries, we have an obligation to provide our services in a manner consistent with the core principles of global coverage and connectivity, lifeline connectivity and non-discriminatory access, and ITSO monitors our implementation of this obligation.

The 2005 Acquisition Transactions

On January 28, 2005, Intelsat, Ltd. was acquired by Intelsat Holdings, Ltd. (Intelsat Holdings) for total cash consideration of approximately $3.2 billion, with pre-acquisition debt of approximately $1.9 billion remaining outstanding. Intelsat Holdings was initially formed as a Bermuda company.

The PanAmSat Acquisition Transactions

In August 2005, Intelsat (Bermuda), Ltd. (Intelsat Bermuda), our indirect wholly-owned subsidiary now known as Intelsat (Luxembourg) S.A., PanAmSat and Proton Acquisition Corporation, a wholly-owned subsidiary of Intelsat Bermuda, signed a definitive merger agreement pursuant to which on July 3, 2006, Intelsat Bermuda acquired all of the outstanding equity interests in PanAmSat for $25.00 per common share in cash, or approximately $3.2 billion in the aggregate (plus approximately $0.00927 per share as the pro rata share of undeclared regular quarterly dividends).

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The Sponsors Acquisition Transactions

On February 4, 2008, Serafina Acquisition Limited completed its acquisition of 100% of the equity ownership of Intelsat Holdings for total cash consideration of approximately $5.0 billion, pursuant to a share purchase agreement among Serafina Acquisition Limited, Intelsat Holdings, certain shareholders of Intelsat Holdings and Serafina Holdings Limited (Serafina Holdings) (the Sponsors Acquisition Transactions). Serafina Holdings is an entity formed by funds controlled by BC Partners Holdings Limited (the BCEC Funds) and certain other investors. Subsequent to the execution of the share purchase agreement, two investment funds controlled by Silver Lake Partners, L.P. (Silver Lake Partners) and other equity investors joined the BCEC Funds as the equity sponsors of Serafina Holdings. We refer to the BCEC Funds, the Silver Lake Partners funds and the other equity sponsors collectively as the Sponsors. As a result of completion of the Sponsors Acquisition Transactions and related financing transactions, we and our subsidiaries assumed aggregate net incremental debt of approximately $3.7 billion.

The Luxembourg Migration

On December 15, 2009, Intelsat, Ltd. and certain of its parent holding companies and subsidiaries migrated their jurisdiction of organization from Bermuda to Luxembourg (the Migration). As a result of the Migration, our headquarters are located in Luxembourg. Each company that migrated has continued its corporate and legal personality in Luxembourg. Subsequent to the Migration, Intelsat Global, Ltd. became known as Intelsat Global S.A., Intelsat Global Subsidiary, Ltd. became known as Intelsat Global Subsidiary S.A., Intelsat Holdings, Ltd. became known as Intelsat Holdings S.A., Intelsat, Ltd. became known as Intelsat S.A., Intelsat (Bermuda), Ltd. became known as Intelsat (Luxembourg) S.A. and Intelsat Jackson Holdings, Ltd. became known as Intelsat Jackson Holdings S.A.

The Initial Public Offering

On April 23, 2013, we completed our initial public offering, in which we issued 22,222,222 common shares, and a concurrent public offering, in which we issued 3,450,000 5.75% Series A mandatory convertible junior non-voting preferred shares (the Series A Preferred Shares), at public offering prices of $18.00 and $50.00 per share, respectively (the initial public offering together with the concurrent public offering, the IPO) for total proceeds of $572.5 million (or approximately $550 million after underwriting discounts and commissions). In connection with the IPO, on April 16, 2013, the name of the Company was changed from Intelsat Global Holdings S.A. to Intelsat S.A.

B. Business Overview

Overview

We operate the world s largest satellite services business, providing a critical layer in the global communications infrastructure.

We provide diversified communications services to the world s leading media companies, fixed and wireless telecommunications operators, data networking service providers for enterprise and mobile applications in the air and on the seas, multinational corporations, and ISPs. We are also the leading provider of commercial satellite communication services to the U.S. government and other select military organizations and their contractors.

Our customers use our global network for a broad range of applications, from global distribution of content for media companies to providing the transmission layer for commercial aeronautical consumer broadband connectivity, to

enabling rural access solutions for wireless telecommunications providers in high-growth emerging regions.

Our network solutions are a critical component of our customers infrastructures and business models. Generally, our customers need the specialized connectivity that satellites provide so long as they are in business or pursuing their mission. For instance, our satellite neighborhoods provide our media customers with efficient and reliable broadcast distribution that maximizes audience reach, a benefit that is difficult for terrestrial services to match. In addition, our satellite solutions provide higher reliability than is available from local terrestrial telecommunications services in many regions and allow our customers to reach geographies that they would otherwise be unable to serve.

We hold the largest collection of rights to well-placed orbital slots in the most valuable C- and Ku-band spectrums. From these locations, our satellites are able to offer services in the established regions historically using the most satellite capacity, as well as the higher growth emerging regions, where approximately 53% of our capacity is currently focused.

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We believe our leadership position, valuable customer relationships and global network enable us to benefit from growing demand for reliable bandwidth, resulting from trends such as:

- Global distribution of television entertainment and news programming to fixed and mobile devices;
- Completion and extension of international, national and regional voice and data networks, fixed and wireless, notably in emerging regions;
- Universal access to broadband connectivity through fixed and mobile networks by consumers, corporations, government and other organizations;
- Increasing deployment of in-flight and on-board broadband access for consumer and business applications in the commercial and private flight and maritime sectors;
- Requirements for cost-efficient space-based network solutions for fixed and mobile government and military applications; and
- Global demand for services which enable connected devices, such as machine-to-machine communications and the Internet of Things (IoT), particularly with respect to connected car applications.

We believe that we have the largest, most reliable and most technologically advanced commercial communications network in the world. Our global communications system features a fleet of approximately 50 geosynchronous satellites that covers more than 99% of the world s populated regions. Our satellites primarily provide services in the C- and Ku-band frequencies, which form the largest part of the FSS sector. Our satellite capacity is complemented by our suite of IntelsatOne® managed services, including our terrestrial network comprised of leased fiber optic cable, access to Internet points of presence (PoPs), multiplexed video and data platforms and owned and operated teleports. Our satellite-based network solutions offer distinct technical and economic benefits to our target customers and provide a number of advantages over terrestrial communications systems, including the following:

- Fast, scalable, secure and high performance infrastructure deployments;
- Superior end-to-end network availability as compared to the availability of terrestrial networks, due to fewer potential points of failure;
- Highly reliable bandwidth and consistent application performance, as satellite beams effectively blanket service regions;

Ability to extend beyond terrestrial network end points or to provide an alternative path to terrestrial infrastructure;

Efficient content distribution through the ability to broadcast high quality signals from a single location to many locations simultaneously;

Video neighborhoods, or capacity at orbital locations with a large number of consumer dishes or cable headend dishes pointed to them maximizing potential distribution of television programming; and

Rapidly deployable communications infrastructure for disaster recovery.

We believe that our hybrid satellite-terrestrial network, combined with the world s largest collection of FSS spectrum rights, is a unique and valuable asset.

Our network architecture is flexible and, coupled with our global scale, provides strong capital and operating efficiency. We are able to re-deploy capacity, moving satellites or repositioning beams to capture demand. In 2016, we have begun launching satellites of our next-generation fleet design, branded as Intelsat Epic^{NG}, a high throughput platform that will further increase our flexibility while decreasing our cost of transmission. The first of these satellites is expected to enter service in the second quarter of 2016. Our technology has utility across a number of applications, with minimal customization to address diverse applications. We operate our global network from a fully-integrated, centralized satellite operations facility, with regional sales and marketing offices located close to our customers. The operational flexibility of our network is an important element of our differentiation and our ability to grow.

We have a reputation for operational and engineering excellence, built on our experience of 50 years in the communications sector. Our network delivered 99.998% network availability on station-kept satellites to our customers in 2015.

As of December 31, 2015, our contracted backlog, which is our expected future revenue under existing customer contracts, was approximately $9.4 billion, roughly four times our 2015 annual revenue. For the year ended December 31, 2015, we generated revenue of $2.35 billion and net loss attributable to Intelsat S.A. of $3.9 billion. Our Adjusted EBITDA, which consists of EBITDA as adjusted to exclude or include certain unusual items, certain other operating expense items and certain other adjustments, was $1.85 billion, or 79% of revenue, for the year ended December 31, 2015.

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In 2015, our business encountered a number of challenges that are reflected in our operating results, and we believe these trends are likely to continue for some time:

- Legacy business: the acceleration of contract expirations and terminations for point-to-point trunking services reaching the end of their product lifecycle, which are related to our heritage in providing fixed telecommunications infrastructure, in response to improved fiber availability in certain regions;

- Intense pricing pressure related to increased transponder services supply in certain regions, which initially affected our business in Africa, but which has spread to other regions experiencing new or increased supply;

- Flattening of our government business, following a significant decline related to troop withdrawals and reduced spending by the U.S. government;

- Recent actions by some of our U.S. media customers to accelerate adoption of new compression methodologies that reduced the quantum of bandwidth necessary to transmit standard and high definition programming, in advance of the expected adoption of ultra-high definition services. If ultra-high definition services are adopted on a broad scale, this trend could compensate for the negative compression trend; as well as

- Geopolitical and geo-economic conditions, disruptions or changes in Russia and Brazil, and the improving strength of the dollar, which results in our services being more expensive as compared to alternatives priced in local currencies in non-U.S. dollar denominated regions.

We believe we benefit from a number of characteristics that allow us to effectively manage our business despite these competitive and geo-economic pressures:

- Significant long-term contracted backlog, providing a foundation for predictable revenue streams;

- The entry into service of our next generation Intelsat Epic^{NG} platform. Our first Intelsat Epic^{NG} satellite, IS-29e, was successfully launched earlier this year and is expected to enter service in the second quarter of 2016. Our Intelsat Epic^{NG} platform was designed to support new services representing $3 billion of potential incremental growth by 2020 from expanded enterprise, wireless infrastructure, mobility, internet of things and government applications;

- High operating leverage, which has allowed us to generate an average Adjusted EBITDA margin of 79% in the past three years; and

- A stable, efficient and sustainable tax profile for our global business.

We believe that our leadership position in our attractive sector, global scale, efficient operating and financial profile, diversified customer sets and sizeable contracted backlog, together with the growing worldwide demand for reliable bandwidth, provide us with a platform for long-term success.

Our Sector

Satellite services are an integral and growing part of the global communications infrastructure. Through unique capabilities, such as the ability to effectively blanket service regions, to offer point-to-multipoint distribution and to provide a flexible architecture, satellite services complement, and for certain applications are preferable to, terrestrial telecommunications services, including fiber and wireless technologies. The sector is expected to generate revenues of approximately $13.0 billion in 2015, and transponder service revenue is expected to grow by a compound annual growth rate (CAGR) of 3.1% from 2015 to 2020 according to a study issued in 2015 by NSR, a leading international market research and consulting firm specializing in satellite and wireless technology and applications.

In recent years, the addressable market for FSS has expanded to include mobile applications because of satellite s ability to provide the broadband access required by high bandwidth mobile platforms, such as for commercial ships and aircraft, as well as military mobility applications, including unmanned aerial vehicles. Satellite services provide secure bandwidth capacity ideal for global in-theater communications since military operations are often in locations without reliable communications infrastructure. According to a study by NSR, global revenue from FSS services used for government and military applications is expected to grow at a CAGR of 3.5% from 2015 to 2020.

Our sector is noted for having favorable operating characteristics, including long-term contracts, high renewal rates and strong cash flows. The fundamentals of the sector are attractive, given the global need for connectivity everywhere and explosion of global content. The continuing growth in demand in our sector, combined with the high operating margins which are characteristic of the sector, provides a resilient business model.

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There is a finite number of geostationary orbital slots in which FSS satellites can be located, and many orbital locations already hold operating satellites pursuant to complex regulatory processes involving many international and national governmental bodies. These satellites typically are operated under coordination agreements designed to avoid interference with other operators satellites. See Regulation below for a more detailed discussion of regulatory processes relating to the operation of satellites.

Our sector has consolidated over the course of the last decade, as the combination of large capital commitments, operational infrastructure requirements and access to spectrum has created challenges for smaller operators. Today, there are only four FSS operators, including us, providing global services, which is important as multinationals and governments seek a one-stop solution for obtaining global connectivity. In addition, there are a number of operators with fewer satellites that provide regional and/or national services. We currently hold the largest number of rights to orbital slots in the most valuable C- and Ku-band spectrums.

We believe a number of fundamental trends in our sector are creating increasing demand for satellite services:

Globalization of economic activities is increasing the geographic expansion of corporations and the communications networks that support them while creating new audiences for content. Globalization also increases the communications requirements for governments supporting embassy and military applications;

Connectivity and broadband access are essential elements of infrastructure supporting the rapid economic growth of developing nations. Globally dispersed organizations often turn to satellite-based infrastructure to provide better access, reliability and control. The penetration of broadband connectivity for businesses is expected to grow from 22% to 36% in the Africa and Middle East region over the period 2015 to 2020 according to Pyramid Research, a research consultant. Wireless telecommunications companies often use satellite-based solutions to extend networks into areas where geographic or low population density makes it economically unfeasible to deploy other technology. Further deployments of wireless telecom infrastructure and the migration from 2G to 3G and 4G networks, which carry content and data, in addition to voice, also create demand for satellite bandwidth. In 2015, a number of large procurement requests featuring satellite technology were initiated, by global social media and Internet leaders seeking to bring broadband connectivity to emerging regions, contemplating new business models. This acknowledgement of the near-instant infrastructure provided by, and ubiquitous reach of satellite communications, represents potential future demand for satellite connectivity.

The emergence of new content consumers resulting from economic growth in developing regions results in increased demand for free-to-air and pay-TV content, including cable and DTH. Demand for capacity to support DTH applications is expected to grow at a CAGR of 4.4% for the period 2015 to 2020, according to NSR.

Proliferation of formats and new sources of entertainment content results in increased bandwidth requirements as content owners seek to maximize distribution to multiple viewing audiences across multiple technologies. HDTV, and now the introduction of Ultra HD television, Internet distribution of traditional television programming, known as Over the Top or OTT , and video to mobile devices are all examples of the expanding format and distribution requirements of media programmers, the implementation of which

varies greatly from developed to emerging regions. In its 2015 study, NSR forecasted that the number of standard and high definition television channels distributed worldwide for cable, broadcast and DTH is expected to grow at a CAGR of 5.7% from 2015 to 2020;

Mobility applications, such as wireless infrastructure, maritime communications, and aeronautical services for commercial and government applications are fueling demand for mobile bandwidth. Commercial applications, such as broadband services for consumer air flights and cruise ships, as well as broadband requirements from the maritime and oil and gas sectors, provide increased demand for satellite-based bandwidth. Rapid growth in cellular services for developing regions is expected to transition from demand for voice only services to demand for data and video services over time, with 2G, 3G and 4G network deployments, resulting in increased network bandwidth requirements. Global satellite services revenue growth related to capacity demand for broadband mobility applications from land, aeronautical and maritime is expected to grow at a CAGR of 22.9% for the period 2015 to 2020, according to NSR; and

Connected Devices, such as those contemplated by machine-to-machine communications, the IoT and other future technology trends, will require ubiquitous coverage that might be best provided by satellite technology for certain applications in certain regions, and also for applications where ubiquitous, global access is required, such as enabling software downloads for connected cars marketed by the automotive sector. This represents an important potential source of longer-term demand.

In total, transponder service revenue (excluding consumer broadband) is expected to grow at a CAGR of 3.5% from 2015 to 2020, according to NSR.

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Our Customer Sets and Growing Applications

We focus on business-to-business services, indirectly enabling enterprise, government and consumer applications through our customers. Our customer contracts offer four different service types: transponder services, managed services, channel services and mobile satellite services and other. See Item 5 Operating and Financial Review and Prospects Revenue for further discussion of our service types. Characteristics of our customer sets are summarized below:

Customer Set	Representative Customers	Year	Annual Revenue [1][2]	% of 2015 Total Revenue [2]	% of 2015 Backlog [1][2]	Backlog to 2015 Revenue Multiple
Network Services	Airbus Defence & Space, Bharti, Orange, Harris Caprock UK Limited, Verizon, Vodafone, America Movil, gogo, Panasonic Avionics	2011	$ 1,218			
		2012	$ 1,193			
		2013	$ 1,202			
		2014	$ 1,150			
		2015	$ 1,056	45%	27%	2.4x
Media	Discovery Communications, Fox Entertainment Group, MultiChoice, Home Box Office, DIRECTV, The Walt Disney Company, Turner Broadcasting Company	2011	$ 818			
		2012	$ 859			
		2013	$ 884			
		2014	$ 881			
		2015	$ 882	38%	66%	7.0x
Government	Australian Defence Force, U.S. Department of Defense, U.S. Department of State, U.S. Navy, U.S. Air Force, Finnmeccanica	2011	$ 517			
		2012	$ 524			
		2013	$ 486			
		2014	$ 410			
		2015	$ 385	16%	6%	1.4x

(1) Dollars in millions; backlog as of December 31, 2015.
(2) Does not include satellite related services and other.

We provide satellite capacity and related communications services for the transmission of video, data and voice signals. Our customer contracts cover on- and off-network capacity with four different service types:

On-Network:

Transponder services

Managed services

Channel services

Off-Network:

Transponder services

Mobile satellite services and other

We also perform satellite-related consulting services and technical services for various third parties, such as operating satellites for other satellite owners.

Network Services

We are the world s largest provider of satellite capacity for network services, according to Euroconsult, with a 29% global share. Our satellite capacity, paired with our terrestrial network comprised of leased fiber, teleports and data networking platforms, enables the transmission of video, data and voice to and from virtually any point on the surface of the earth. There is an increasing need for basic and high-speed connectivity in developed and emerging regions around the world. We provide an essential element of the infrastructure supporting the rapid expansion of wireless services in many emerging regions. Furthermore, as mobile communications becomes essential to global networking and Internet use, we are increasingly providing capacity, such as that provided by the Intelsat Epic^{NG} platform, to be used for mobility applications such as maritime enterprise and maritime and aeronautical broadband services for passenger access services.

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Network services is our largest customer set and accounted for 45% of our revenue for the year ended December 31, 2015 and $2.5 billion of our contracted backlog as of December 31, 2015. Our business generated from the network services sector is generally characterized by non-cancellable, one to five year contracts with many of the world s leading communications providers, including fixed and wireless telecommunications companies, such as global carriers and regional and national providers in emerging regions, corporate network service providers, such as VSAT services providers to vertical markets including banks, value-added services providers, such as those serving the aeronautical and maritime industries, and multinational corporations and other organizations operating globally.

Our network services offerings are an essential component of our customers services, providing backbone infrastructure, expanded service areas and connectivity where reliability or geography is a challenge. We believe that we are a preferred provider because of our global service capability and our expertise in delivering services with operator-grade network availability and efficient network control.

Our IntelsatOne network includes regional shared data networking platforms at our teleports that are connected to approximately 40 of our satellites. As a result, our customers can quickly establish highly reliable services across multiple regions, yet operate them on a centralized basis. Our satellite-based solutions allow customers to rapidly expand their service territories, increase the access speed and capabilities for their existing networks and efficiently address new customer and end-user requirements.

Highlights of our network services business include the following:

- Our largest network services customer type is enterprise networking. We are the world s largest provider of satellite capacity for satellite-based private data networks, including VSAT networks, according to Euroconsult;

- Infrastructure for wireless operators and fixed line telecommunications services represent our second and third largest network services customer type, respectively. We believe we are the leading provider of satellite capacity for cellular backhaul applications in emerging regions, connecting cellular access points to the global telecommunications network, a global segment expected to generate over $1.0 billion in revenue in 2016, according to NSR. Over 80 of our customers use our satellite-based backhaul services as a core component of their network infrastructure due to unreliable or non-existent terrestrial infrastructure. Our cellular backhaul customers include the top 10 mobile groups in Africa, which represent 70% of the region s subscribers;

- The fastest growing customer type in our network services business is mobility services for the aeronautical and maritime sectors. We believe we hold a leading share of the aeronautical broadband services powering in-flight passenger connectivity. Fixed satellite services revenue growth related to capacity demand for broadband aeronautical services is expected to grow from approximately $111 million to $1,813 million, for the period 2015 to 2024, at a CAGR of 36%; and

- Approximately 150 value-added network operators use our IntelsatOne broadband hybrid infrastructure to deliver their regional and global services. Applications for these services include corporate networks for multinationals, Internet access and broadband for maritime applications. Global satellite services revenue

from capacity demand for mobility applications is expected to grow at a CAGR of 22.9% from 2015 to 2020, according to NSR.

Our leading position in this part of our business has been under pressure as new capacity from satellite operators and improved access to fiber links has changed the competitive environment in certain regions. The increase in satellite supply has resulted in significant declines in pricing, particularly in our Africa region. The increase in the availability of fiber has resulted in the accelerated retirement of our channel business, which had reached end of lifecycle at 2015 year end, and our trunking businesses, which will be a continuing headwind for the next several years. As a result, we believe that the level of business activity in this sector in the near to mid-term will remain lower than that of past years. Our next generation Intelsat Epic^{NG} satellites will provide inventory to offset these recent trends, providing bandwidth for wireless infrastructure, mobility and enterprise applications. The first of these satellites, IS-29e, is expected to enter service in the second quarter of 2016.

Media

We are the world s second largest provider of satellite capacity for media services, according to Euroconsult, with a 20% global share. We have delivered television programming to the world since the launch of our first satellite, Early Bird, in 1965. We provide satellite capacity for the transmission of entertainment, news, sports and educational programming for approximately 400 broadcasters, content providers and DTH platform operators worldwide. We have well-established relationships with our media customers, and in some cases have distributed their content on our satellites for over 25 years.

Media customers are our second largest customer set and accounted for 38% of our revenue for the year ended December 31, 2015 and $6.2 billion of our contracted backlog as of December 31, 2015. Our business generated from the media sector is generally characterized by non-cancellable, long-term contracts with terms of up to 15 years with premier customers, including national broadcasters, content providers and distributors, television programmers and DTH platform operators.

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Broadcasters, content providers and television programmers seek efficient distribution of their content to make it easily obtainable by affiliates, cable operators and DTH platforms; satellites point-to-multipoint capability is difficult to replicate via terrestrial alternatives. Our strong cable distribution neighborhoods offer media customers high penetration of regional and national audiences.

Broadcasters, content providers and television programmers also select us because our global capabilities enable the distribution or retrieval of content to or from virtually any point on earth. For instance, we regularly provide fully integrated global distribution networks for content providers that need to distribute their products across multiple continents. DTH platform operators use our services because of our attractive orbital locations and because the scale and flexibility of our fleet can provide speed to market and lowers their operating risk, as we have multiple satellites serving every region.

We believe that we enjoy a strong reputation for delivering the high network reliability required to serve the demanding media sector.

Our fully integrated satellite, fiber and teleport facilities provide enhanced quality control for programmers. In addition to basic satellite services, we offer bundled, value-added services under our IntelsatOne brand that include managed fiber services, digital encoding of video channels and up-linking and down-linking services to and from our satellites and teleport facilities. Our IntelsatOne bundled services address programmers interests in delivering content to multiple distribution channels, such as television and Internet, and their needs for launching programs to new regions in a cost-efficient manner.

Highlights of our media business include the following:

- 28 of our satellites host premium video neighborhoods, offering programmers superior audience penetration, with nine serving the United States, five serving Europe, seven serving Latin America, four serving Asia and three serving Africa and the Middle East;

- We are a leading provider of capacity used in global content distribution to media customers, according to Euroconsult. Our top 10 video distribution customers buy service on our network, on average, across three or more geographic regions, demonstrating the value provided by the global reach of our network;

- We believe that we are the leading provider of satellite service capacity for the distribution of cable television programming in North America, with thousands of cable headends pointed to our satellites. Our Galaxy 13 satellite provided the first high definition neighborhood in North America, and today, our Galaxy fleet distributes nearly 300 high definition channels, and we distribute approximately 5,500 TV channels, including 750 high definition channels, on a global basis. In its 2015 study, NSR forecasted that the number of standard and high definition television channels distributed worldwide for cable, broadcast and DTH is expected to grow at a CAGR of 5.7% from 2015 to 2020;

- We are a leading provider of satellite services for DTH providers, according to NSR, delivering programming to over 42 million subscribers and supporting more than 30 DTH platforms around the world, including DIRECTV in Latin America, Orion Express in Russia, GVT in Brazil, MultiChoice in Africa, and

Canal+ in multiple regions.

We are a leading provider of capacity used in video contribution managed occasional use services, supporting coverage of major events for news and sports organizations, according to NSR. For instance, we have carried programming on a global basis for every Olympiad since 1968. Our services for media companies covering the 2014 winter games included the use of four Intelsat satellites and our IntelsatOne terrestrial network, offering them a robust and secure method for transporting their content. Similarly, during the 2014 World Cup, rights holders and programmers committed to approximately 500 MHz of capacity reserved on seven satellites for full-time services for the duration of the event; and

Global FSS transponder revenue from video applications is forecasted to grow at an overall CAGR of approximately 2.3% from 2015 to 2020, according to NSR.

We expect continued growth in this part of our business in 2016, supported by the expected launch of two satellites, IS-31 and IS-36. This will be offset somewhat by acceleration of compression technologies, which reduce bandwidth requirements in our North American business. In time, we expect new demand for capacity to support the new 4K format, also known as Ultra HD, which could compensate for reductions in demand related to compression.

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Government

We are the leading provider of commercial satellite services to the government sector, according to NSR, with a 33% share of the U.S. military and government use of commercial satellite capacity worldwide. With 50 years of experience serving this customer set, we have built a reputation as a trusted partner for the provision of highly customized, secure satellite-based solutions. The government sector accounted for 16% of our revenue for the year ended December 31, 2015 and $531 million of our contracted backlog as of December 31, 2015.

Our satellite communication services business generated from the government sector is generally characterized by single year contracts that are cancellable by the customer upon payment of termination for convenience charges and include annual options to renew for periods of up to four additional years. In the first half of 2015, our results reflected the annualization of prior year declines, due to a reduced level of activity in our government business, although the business was stable in the second half of 2015.

In addition to communication services, our business generated from hosted payloads is generally characterized by contracts with service periods extending up to the 15 year life of the satellite, cancellable upon payment of termination penalties defined by the respective contracts.

Our customer base includes many of the leading government communications providers, including U.S. military and allied partners, civilian agencies and commercial customers serving the defense sector. We consider each party within the Department of Defense and other U.S. governmental agencies that has the ability to initiate a purchase requisition and select a contractor to provide services to be a separate customer, although such party may not be the party that awards us the contract for the services.

We attribute our strength in serving military and government users to our global infrastructure of satellites and our IntelsatOne network of teleports and fiber that complement the government s own networks and satellites. Our fleet is flexible and provides global network capacity, resilience and critical surge capabilities. In some instances, we provide our government customers managed, end-to-end secured networks, combining our resources in space and on the ground, for fixed and mobile applications.

In responding to certain unique customer requirements, we also procure and integrate satellite services provided by other satellite operators, either to supplement our capacity or to obtain capacity in frequencies not available on our fleet, such as L-band, X-band and other spectrums not available on our network. These off-network services are primarily low risk in nature, typically with the terms and conditions of the third party capacity and services we procure matched to contractual commitments from our customer. We are an attractive supplier to the government sector because of our ability to leverage not only our assets but also other space-based solutions, providing a single contracting source for multiple, integrated technologies.

Highlights of our government business include the following:

- We are the prime contractor or a leading contractor on a number of multi-year contract vehicles under which multiple branches of the government can order our commercial satellite services, including the Commercial Broadband Satellite Program and the Future COMSATCOM Services Acquisition program;

The reliability and scale of our fleet and planned launches of new and replacement satellites allow us to address changing demand for satellite coverage and to provide mission-critical communications capabilities. For instance, our IS-22 satellite hosts a UHF payload under a 15-year agreement with the Australian Defence Force;

The U.S. government and military is one of the largest users of commercial satellites for government/military applications on a global basis. In 2015, we served approximately 100 customers that are government customers, resellers to government customers or integrators; and

According to a study by NSR, global revenue from FSS services used for government and military applications is expected to grow at a CAGR of 3.5% from 2015 to 2020.

Over the course of 2015, our government business grew more stable as compared to the prior two years, which were impacted more significantly by U.S. budget sequestration and troop withdrawals from the Middle East. We believe our reputation as a provider of secure solutions, our global fleet, our customer relationships, our ability to provide turn-key services and our demonstrated willingness to reposition or procure capacity to support specific requirements position us to successfully compete for commercial satellite solutions for bandwidth intensive military and civilian applications. We also note progress in U.S. government procurement practices, with some specific instances of contracting for services for periods in excess of the more typical 1 year term, and interest in exploring creative contracting constructs such as hosted payloads and outsourcing of certain space-based functions.

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Our Diverse Business

Our revenue and backlog diversity spans customer sets and applications, as discussed above, as well as geographic regions and satellites. We believe our diversity allows us to recognize trends to capture new growth opportunities, and gain experience that can be transferred to customers in different regions. For further details regarding geographic distribution of our revenue, see Note 17 to our consolidated financial statements included elsewhere in this Annual Report.

We believe we are the sector leader by transponder share in all but two of the geographic regions covered by our network, and our leading positions align to the regions identified by industry analysts as those that either purchase the most satellite capacity or are emerging regions that have the highest growth prospects, such as Africa and Latin America.

The scale of our fleet can also reduce the financial impact of satellite failures and protect against service interruption. No single satellite generated more than 7% of our revenue and no single customer accounted for more than 7% of our revenue for the year ended December 31, 2015.

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The following chart shows the geographic diversity of our contracted backlog as of December 31, 2015 by region and service sector, based upon the billing address of the customer.

The majority of our on-network revenue aligns to emerging regions, based upon the position of our satellites and beams. The following chart shows the breakdown of our on-network revenue by the region in which the service is delivered as of December 31, 2015:

Our Strategy

We seek revenue growth by expanding our broadband infrastructure business in high growth regions and applications while maintaining our focus on operational discipline.

We believe that building infrastructure, introducing services and investing in related technology will allow us to address sectors that are much larger, and growing much faster, than the sectors we support today. This includes:

Providing network infrastructure for 2G, 3G and 4G wireless in developing regions;

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Establishing new content distribution networks enabling OTT programming in emerging regions;

Providing flexible broadband services for aeronautical, maritime and other mobile and enterprise services; and

Providing ubiquitous broadband for global deployment of connected devices, such as the connected car, and the continuing formation of the IoT.

Our strategy positions us for long-term growth, which over time should offset our short-term challenges, including headwinds from price competition and lower revenues from trunking and other of our point-to-point services. In 2016, we have begun to launch and place into service our Intelsat Epic^{NG} satellite platform, which provides the performance, economics, and simple access that we believe are necessary to unlock the new and faster growing applications for our services.

Given our efficient operating structure, we believe our strategies will position us to continue to deliver high operating margins. As we place into service our next generation capacity starting in 2016, as described below, we will have increased opportunity to generate organic revenue growth. The key components of our business strategy include the following:

Focus our core business on attractive and growing broadband, mobility and media applications and innovative government solutions

We are a business-to-business provider of high performance, secure critical communications infrastructure. We intend to leverage our leading position, customer relationships, global network and regional strengths to capture new business opportunities as a result of the following:

Network Services:

New broadband connectivity requirements for mobility applications, including aeronautical, offshore energy and maritime applications, such as our recently announced contract with a service provider operating a network for a cruise line with over 100 ships;

Growth in multinational enterprise broadband access demand resulting from increased bandwidth requirements from data and media intensive applications, as well as the continuing need for reliable consistent enterprise networking environments in a globalized economy, such as the networks we provide for the United Nations;

The continued expansion of cellular networks, migration of these cellular networks from 2G to 3G and 4G and voice and data growth in emerging regions with inadequate infrastructure, such as our contract with Colombian networking company Axesat; and

Demand from global social media and Internet leaders seeking to provide emerging market broadband access under new business models.

Media:

Programmers and broadcasters seeking new global distribution capabilities to deliver content in new regions;

New and expanding DTH platforms in fast growing emerging regions, such as the growth satellites we are providing for DIRECTV PanAmericana in Latin America and MultiChoice in South Africa; and

Content and format proliferation, such as standard definition, high definition and ultra-high definition formats, increasing the capacity needs of our programmer customers, as well as requirements for more efficient infrastructure for distribution of OTT programming, especially in developing regions.

Government:

The need for a cost efficient complement to government-owned satellite capacity, such as innovative fixed and mobile broadband and turn-key network solutions for global communications;

Bandwidth requirements resulting from the use of manned and unmanned aerial vehicles; and

Commercialization opportunities as government customers strive for more operational efficiency. These types of opportunities include hosted payload projects, filling capacity gaps by co-locating government space assets on commercial satellites, and outsourcing of space-related activities, such as flight operations, to commercial satellite operators.

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Optimize and leverage our space-based assets, including orbital locations and spacecraft

We intend to maximize the revenues and returns generated by our assets by managing capacity in a disciplined and efficient manner. Key elements of our strategy include:

- Relocating bandwidth in order to support growth for mobile and network services customers, particularly in emerging markets;
- Joining with other satellite operators and business partners interested in combining interests at certain orbital locations to capture new opportunities, such as our recently announced strategic cooperation agreement with Azercosmos, with respect to a satellite to be known as IS-38 and our third joint venture with JSAT, known as Horizons 3e;
- Optimizing our space-based assets by creating additional marketable capacity through re-assigning traffic (grooming), repointing steerable beams and relocating satellites; and
- Allocating capital based on expected returns and market demand, and being disciplined in the selection of the number, size and characteristics of replacement and new satellites to be launched. We do not expect to replace our existing fleet of approximately 50 satellites, on a one-for-one basis.

Design and deploy our next generation satellite fleet, including Intelsat Epic^{NG}, to capture growth from new applications and evolving customer requirements

Our fleet is large and diversified by coverage, manufacturer and age. As satellites reach the end of their service lives, we have an ongoing opportunity to refresh the technology we use to serve our customers, resulting in flexibility to address new opportunities as they are identified.

Our customers require increasing amounts of bandwidth, with more efficiency, in order to expand the types of applications they can support and expand their addressable markets. Our next generation network investment strategy seeks to deploy space and terrestrial network elements that will allow us to deliver more bandwidth while improving unit costs.

Our next generation satellite technology, Intelsat Epic^{NG}, will be incorporated into our fleet as we complete the scheduled replacement of our IX-series satellites. The Intelsat Epic^{NG} platform features high throughput spot beam technology, utilizing frequency reuse in order to significantly increase the amount of throughput on the satellites. The innovative design is in contrast to other high throughput platforms. Intelsat Epic^{NG} s all-digital payload allows connectivities in any bandwidth increment from any beam to any beam. This attribute enables independent frequency selection of the uplink and downlink. Combined, these features provide unprecedented adaptability for a customer s network configuration and topology, allowing customers to leverage installed hardware and to operate mixed spectrum networks. Further, Intelsat Epic^{NG} emphasizes open architecture and backward compatibility, which provides our customer base with complete flexibility to leverage existing ground hardware capital investment, a significant element when analyzing total cost of ownership, and the ability to transition easily to the newer technology.

While these Intelsat Epic^{NG} satellites are expected to cost more per satellite, our cost per bit delivered is expected to decrease significantly. Because Intelsat Epic^{NG} satellites are significantly larger in terms of capacity and throughput than traditional satellites, we expect the number of station-kept satellites we maintain in our fleet to decline over the course of a 15 year cycle. This will enhance our capital expenditure efficiency over time. The Intelsat Epic^{NG} platform introduced in 2012 was initially anchored by three customer contracts, representing nearly $500 million in backlog. As the satellite launch nears, renewals of existing customers at that orbital location will include the transition to the Intelsat Epic^{NG} platform. Our newer assets are used to address current market requirements, allowing older assets to be redeployed to serve legacy customer applications still efficiently served by those assets.

We believe that new satellite technologies, including high throughput satellites such as our Intelsat Epic ^{NG} platform, should significantly improve the performance and efficiency of our network, improving our competitiveness with alternative solutions and increasing the value we can provide to customers. These improvements will also allow us to expand our addressable market into new fixed and mobile broadband applications. We are also investing in enhanced technology that is incorporated in our terrestrial network to deliver converging video and IP content, thus expanding the services we provide to the media and telecommunications industries. We intend to continue to implement compression technologies into our ground network to reduce the bandwidth necessary for network service applications, increasing our customers efficiency and expanding our market potential, particularly in emerging regions.

Finally, we intend to leverage our frequent satellite launches and collection of orbital rights to address opportunities to supply specialized capabilities for large media companies and government applications. This could include launching and operating satellites with specific regional footprints and capabilities, such as our agreement with DIRECTV Latin America to provide customized capacity for DTH services on two satellites, the first of which was placed into service in 2014. Another example is our agreement with MultiChoice Inc. for capacity for DTH services on a satellite scheduled to be launched in 2016, serving South Africa and the Indian Ocean Region. With respect to government applications, this could include advanced satellites and space-based services, as well as the ability to integrate hosted payloads with our spacecraft, providing fast and cost-effective capabilities in space. For instance, we integrated a specialized payload for the Australian Defence Force (ADF) into our IS-22 satellite, which we launched in 2012.

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Design and deploy global service offerings based upon our global footprint, leveraging the higher performance and better economics of our Intelsat Epic^{NG} fleet,

Among the primary benefits of the Intelsat Epic^{NG} fleet is its backwards compatibility with the existing global footprint of the Intelsat fleet, together with our ability to create virtual private networks within beams. With this environment, we can attach shared data networking platforms to our satellite infrastructure that can be operated as virtual private networks by our customers. This provides all of the benefits of global high throughput satellite networking, without each service provider investing in dedicated ground infrastructure. Because of our architecture, our service provider customers will be able to offer highly differentiated service offerings, using their own network operations standard and committed information rates.

We are implementing a global service strategy that will make it easier for our customers to incorporate high throughput technology into their respective networks. Our first Intelsat Epic^{NG}-based service offering is branded as IntelsatOne Flex, and is targeted to the mobility sector. Our global footprint will allow our mobility service provider customers to expand into new service regions and also scale their network as business dictates, effectively allowing them to move connectivity commitments between regions, which is important due to seasonality considerations. We believe this operational flexibility and capital efficiency will allow our customers to expand into new regions and applications with lower business risk, creating value for their operations.

We plan to extend our service offering concepts into other vertical applications, including the wireless sector. We also expect to introduce new service platforms for our media customers, such as our 2015 introduction of a service called IntelsatOne Prism. This service uses enhanced technology that is incorporated within our terrestrial network to deliver converging video and IP content with a simple user interface that allows customers to schedule multiple format transmissions simultaneously, increasing their operational efficiency

Drive innovation through investments in ecosystem, creative business development and new business models

Complementing our innovation on our space-based assets, we are investing in a new generation of ground hardware that is expected to simplify access to satellite communications, potentially opening much larger and faster growing sectors than those traditionally served by our industry. In the first quarter of 2015, we announced the first of a series of investments in ground antennas that use metamaterials and other innovations to simplify deployment. For instance, we have entered into a development partnership with Kymeta Inc. which we expect to result in an affordable, flat antenna that could be installed in the automotive sector, enabling connected cars on a global basis.

Going forward, we will also consider select acquisitions of complementary businesses or technologies that enhance our product and geographic portfolio and can benefit from our scale, scope and status as a global leader. For instance, in 2015 we invested in a new low earth orbit project, OneWeb, that will complement our geostationary fleet by providing fully interoperable global capacity, including over the North and South Poles, which is desirable for serving mobility applications.

Sales, Marketing and Distribution Channels

We strive to maintain a close working relationship with our customers. Our primary sales and marketing operations are located in the United Kingdom and the United States. In addition, we have established local sales and marketing support offices in the following countries around the world:

Australia	Mexico
Brazil	Senegal
China	Singapore
France	South Africa
Germany	United Arab Emirates
India	Japan

By establishing local offices closer to our customers and staffing those offices with experienced personnel, we believe that we are able to provide flexible and responsive service and technical support to our customers. Our sales and marketing organization reflects our corporate focus on our three principal customer sets of network services, media and government. Our sales team includes technical marketing and sales engineering application expertise and a sales approach focused on creating integrated solutions for our customers communications requirements.

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We use a range of direct and wholesale distribution methods to sell our services, depending upon the region, applicable regulatory requirements and customer application.

Our Network

Our global network is comprised of approximately 50 satellites and ground facilities, including teleports, access to Internet PoPs and leased fiber that support our commercial services and the operation and control of our satellites.

Our customers depend on our global communications network and our operational and engineering leadership. Highlights of our network include:

Prime orbital locations, reflecting a valuable portfolio of coordinated fixed satellite spectrum rights;

Highly reliable services, including network availability of 99.998% on station-kept satellites for the year ended December 31, 2015;

Flexibility to relocate satellites to other orbital locations as we manage fleet replacement, demand patterns change or in response to new customer requirements;

Design features and steerable beams on many of our satellites that enable us to reconfigure capacity to provide different areas of coverage; and

Resilience, with multiple satellites serving each region, allowing for improved restoration alternatives should a satellite anomaly occur.

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As we design our new satellites, we work closely with our strategic customers to incorporate technology and service coverage that provides them with a cost-effective platform for their respective requirements.

The table below provides a summary of our satellite fleet as of December 31, 2015, except where noted.

Satellite	Manufacturer	Orbital Location	Launch Date	Estimated End of Service Life [1]
Station Kept in Primary Orbital Role [2]:				
Intelsat 805	LM [3]	304.5°E	Jun-98	Q3 2018
Galaxy 11	BSS [4]	DRIFT	Dec-99	Q4 2018
Intelsat 12	SSL [5]	45°E	Oct-00	Q1 2017
Intelsat 901	SSL	342°E	Jun-01	Q2 2018
Intelsat 902	SSL	62°E	Aug-01	Q3 2019
Intelsat 904	SSL	60°E	Feb-02	Q2 2019
Intelsat 903	SSL	325.5°E	Mar-02	Q3 2018
Intelsat 905	SSL	335.5°E	Jun-02	Q2 2020
Galaxy 3C	BSS	95.05°W	Jun-02	Q1 2023
Intelsat 906	SSL	64.15°E	Sep-02	Q2 2021
Intelsat 907	SSL	332.5°E	Feb-03	Q3 2020
Galaxy 23 [6]	SSL	121°W	Aug-03	Q1 2023
Galaxy 13/Horizons 1 [7]	BSS	127°W	Oct-03	Q1 2023
Intelsat 1002 [8]	AIRBUS	359°E	Jun-04	Q2 2021
Galaxy 28	SSL	89°W	Jun-05	Q3 2022
Galaxy 14	ORB [9]	125°W	Aug-05	Q2 2021
Galaxy 15	ORB	133°W	Oct-05	Q3 2023
Galaxy 16	SSL	99°W	Jun-06	Q2 2024
Galaxy 17	Thales [10]	91°W	May-07	Q1 2024
Intelsat 11	ORB	317°E	Oct-07	Q3 2022
Horizon 2 [11]	ORB	84.85°E	Dec-07	Q3 2024
Galaxy 18	SSL	123°W	May-08	Q2 2026
Intelsat 25	SSL	328.5°E	Jul-08	Q2 2024
Galaxy 19	SSL	97°W	Sep-08	Q3 2026
Intelsat 14	SSL	315°E	Nov-09	Q3 2027
Intelsat 15	ORB	85.15°E	Nov-09	Q3 2026
Intelsat 16	ORB	76.2°W	Feb-10	Q1 2028
Intelsat 17	SSL	66°E	Nov-10	Q2 2027
Intelsat 28 [12]	ORB	32.8°E	Apr-11	Q3 2024
Intelsat 18	ORB	180°E	Oct-11	Q3 2028
Intelsat 22 [13]	BSS	72.1°E	Mar-12	Q2 2028
Intelsat 19	SSL	166°E	Jun-12	Q2 2028
Intelsat 20	SSL	68.5°E	Aug-12	Q3 2030
Intelsat 21	BSS	302°E	Aug-12	Q3 2030
Intelsat 23	ORB	307°E	Oct-12	Q3 2030
Intelsat 30	SSL	95°W	Oct-14	Q3 2030
Intelsat 34	SSL	304.5°E	Aug-15	Q3 2031

Station Kept Satellites, Redeployed [(14)]:				
Galaxy 25	SSL	93.1°W	May-97	Q2 2019
Intelsat 8	SSL	169°E	Nov-98	Q3 2016
Intelsat 1R	BSS	310°E	Nov-00	Q3 2018
Galaxy 12	ORB	129°W	Apr-03	Q2 2018
Inclined Orbit:				
Intelsat 701	SSL	330.5°E	Oct-93	Q4 2018
Intelsat 702	SSL	32.9°E	Jun-94	Q1 2018
Intelsat 26	BSS	62.2°E	Feb-97	Q1 2017
Intelsat 5	BSS	157°E	Aug-97	Q4 2020
Intelsat 7	SSL	341.8°E	Sep-98	Q4 2016
Galaxy 27	SSL	66.2°E	Sep-99	Q2 2016
Intelsat 9	BSS	316.9°E	Jul-00	Q3 2017
Intelsat 10	BSS	47.5°E	May-01	Q3 2026

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(1) Engineering estimates of the service life as of December 31, 2015 as determined by remaining fuel levels, consumption rates and other considerations (including power) and assuming no relocation of the satellite. Such estimates are subject to change based upon a number of factors, including updated operating data from manufacturers.
(2) Primary orbital roles are those that are populated with station-kept satellites, generally, but not always, in their initial service positions, and where our general expectation is to provide continuity of service over the long-term.
(3) Lockheed Martin Corporation.
(4) Boeing Satellite Systems, Inc., formerly Hughes Aircraft Company.
(5) Space Systems/Loral, LLC (SSL).
(6) EchoStar Communications Corporation owns all of this satellite s Ku-band transponders and a portion of the common elements of the satellite.
(7) Horizons Satellite Holdings, LLC (Horizons Holdings), our joint venture with JSAT International, Inc. (JSAT), owns and operates the Ku-band payload on this satellite. We are the exclusive owner of the C-band payload.
(8) Telenor owns 18 Ku-band transponders (measured in equivalent 36 MHz transponders) on this satellite. EADS Astrium was renamed AIRBUS Defence & Space.
(9) Orbital Sciences Corporation.
(10) Thales Alenia Space.
(11) Horizons Holdings owns the payload on this satellite and we operate the payload for the joint venture.
(12) IS-28 was formerly known as Intelsat New Dawn.
(13) IS-22 includes a UHF payload owned by the Australian Defence Force.
(14) Certain of our orbital roles are populated with satellites that generally, but not always, have been redeployed from their primary orbital role but still have significant remaining station-kept life.

Satellite Systems

There are three primary types of commercial communications satellite systems: low-earth orbit systems, medium-earth orbit systems and geosynchronous systems. All of our satellites are geosynchronous satellites and are located approximately 22,200 miles, or 35,800 kilometers, above the equator. These satellites can receive radio frequency communications from an origination point, relay those signals over great distances and distribute those signals to a single receiver or multiple receivers within the coverage areas of the satellites transmission beams.

Geosynchronous satellites send these signals using various parts of the radio frequency spectrum. The spectrum available for use at each orbital location includes the following frequency bands in which most commercial satellite services are offered today:

C-band low power, broad beams requiring use of relatively larger antennae, valued as spectrum least susceptible to transmission impairments such as rain;

Ku-band high power, narrow to medium size beams facilitating use of smaller antennae favored by businesses; and

Ka-band very high power, very narrow beams facilitating use of very small transmit/receive antennae, but somewhat less reliable due to high transmission weather-related impairments. The Ka-band is utilized for

various applications, including consumer broadband services.

Substantially all of the station-kept satellites in our fleet are designed to provide capacity using the C- and/or Ku-bands of this spectrum.

A geosynchronous satellite is referred to as geostationary, or station-kept, when it is operated within an assigned orbital control, or station-keeping box, which is defined by a specific range of latitudes and longitudes. Geostationary satellites revolve around the earth with a speed that corresponds to that of the earth s rotation and appear to remain above a fixed point on the earth s surface at all times. Geosynchronous satellites that are not station-kept are in inclined orbit. The daily north south motion of a satellite in inclined orbit exceeds the specified range of latitudes of its assigned station-keeping box, and the satellite appears to oscillate slowly, moving above and below the equator every day. An operator will typically operate a satellite in inclined orbit toward the end of its service life because the operator is able to save significant amounts of fuel by not controlling the north-south position of the satellite and is thereby able to substantially extend the service life of the satellite. The types of services and customers that can access an inclined orbit satellite have traditionally been limited due to the movement of the satellite relative to a fixed ground antenna. However, recent technology innovations now allow the use of inclined orbit capacity for certain applications. As a result, we anticipate demand for inclined orbit capacity may increase over the next few years if these applications are successfully introduced. As of December 31, 2015, eight of our satellites were operating in an inclined orbit, with most continuing to earn revenue beyond our original estimated life for each of these satellites.

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In-Orbit Satellites

We believe that our strong operational performance is due primarily to our satellite procurement and operations philosophy. Our operations and engineering staff is involved from the design through the decommissioning of each satellite that we procure. Our staff works at the manufacturers and launchers sites to monitor progress, allowing us to maintain close technical collaboration with our contractors during the process of designing, manufacturing and launching a satellite. We continue our engineering involvement throughout the operating lifetime of each satellite. Extensive monitoring of earth station operations and around-the-clock satellite control and network operations support ensure our consistent operational quality, as well as timely corrections when problems occur. In addition, we have in place contingency plans for technical problems that may occur during the lifetime of a satellite.

These features also contribute to the resilience of our network, which enables us to ensure the continuity of service that is important for our customers and to retain revenue in the event that we need to move customers to alternative capacity. The design flexibility of some of our satellites enables us to meet customer demand and respond to changing market conditions.

As of December 31, 2015, our in-orbit fleet of satellites had approximately 1,225 and 900 36-MHz equivalent transponders available for transmitting in the C-band and the Ku-band, respectively. These totals measure transponders on station-kept satellites. The average system fill factor for our satellites, which represents the percentage of our total available transponder capacity that is in use or that is reserved at a given time (including guaranteed reservations for service), was 75%, 75%, 75% and 76% in the quarters ended March 31, 2015; June 30, 2015; September 30, 2015 and December 31, 2015, respectively. The factors resulting in the trends in average system fill factor over this period were primarily related to a net decline of in-use transponders related to the release of restoration capacity following the resolution of an anomaly, the non-renewal and terminations of certain services and a decision to relocate a satellite, which resulted in it being temporarily out of service, partially offset by new and expanded customer services. Total available capacity decreased slightly over this period as a result of a new satellite launch offset by satellites deorbited and satellites temporarily out of service due to relocation at the end of the period.

The design life of a satellite is the length of time that the satellite s hardware is designed by the manufacturer to remain operational under normal operating conditions. In contrast, a satellite s orbital maneuver life is the length of time the satellite has enough fuel to remain operational. A satellite s service life is based upon fuel levels and other considerations, including power. Satellites launched in the recent past are generally expected to remain in service for the lesser of maneuver life and 16 years. Satellites typically have enough fuel to maintain between 16 and 18 years of station-kept operations. The average remaining service life of our satellites was approximately 7.7 years as of December 31, 2015, weighted on the basis of nominally available capacity for the station-kept satellites we own.

Satellites on Order

As of December 31, 2015, we had placed orders for the following five satellites. Generally, these satellites are being built over a period of three years.

Satellite	Manufacturer	Role	Earliest Launch Date	Expected Launch Provider
IS - 31	SSL	New satellite serving Latin America to be located at 95°W	Q2 2016	Proton

IS - 36	SSL	New satellite serving Asia, Europe and Africa at 68.5°E	Q2 2016	Arianespace
IS - 33e	Boeing	Next generation Intelsat Epic^{NG} satellite offering high-throughput, open-architecture platform to be located at 60°E	Q3 2016	Arianespace
IS - 35e	Boeing	Next generation Intelsat Epic^{NG} satellite offering high-throughput, open-architecture platform to be located at 325.5°E	2017	SpaceX Falcon 9
IS - 37e	Boeing	Next generation Intelsat Epic^{NG} satellite offering high-throughput, open-architecture platform	2017	Arianespace

In addition to these ordered satellites, we have custom payloads being built on third party-owned satellites, one of which will be known as IS-32e, a small Intelsat Epic^{NG} payload, and another is IS-38. IS-32e will be located at 43.1°W; the satellite is planned for launch in the first quarter of 2017. A launch date is not yet set for IS-38, which will be located at 45°E. Further, we have a joint venture satellite, Horizons 3e, which is in development and will be located at 169°E; the satellite is planned for launch in 2018.

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Future Satellites

We would expect to replace other existing satellites, as necessary, with satellites that meet customer needs and that have a compelling economic rationale. We periodically conduct evaluations to determine the current and projected strategic and economic value of our existing and any planned satellites and to guide us in redeploying satellite resources as appropriate.

Network Operations and Current Ground Facilities

We control and operate each of our satellites and manage the communications services for which each satellite is used from the time of its initial deployment through the end of its operational life, and we believe that our technical skill in performing these critical operations differentiates us from our competition. We provide most of these services from our satellite operations centers in McLean, Virginia and Long Beach, California, and our customer service center in Ellenwood, Georgia. In the event of a natural disaster or other situation disabling one of the facilities, each satellite operations center has the functional ability to provide instantaneous restoration of services on behalf of the other, demonstrating the efficiency and effectiveness of our network. Utilizing state of the art satellite command and control hardware and software, our satellite operations centers analyze telemetry from our satellites in order to monitor their status and track their location.

Our satellite operations centers use a network of ground facilities to perform their functions. This network includes 19 earth stations that provide tracking, telemetry and commanding (TT&C) services for our satellites and various other earth stations worldwide. Through our ground facilities, we constantly monitor signal quality, protect bandwidth from piracy or other interference and maintain customer installed equipment.

Our customer service center located in Ellenwood, Georgia includes an RF Operations Center, a Managed Services Operations Center and an Intelsat Secured Operations Center. This facility is responsible for managing the communications services that we provide to our customers and is the first point of contact for customers needing assistance in using our network. We also maintain a back-up operations facility and data center a relatively short distance from our McLean, Virginia facility in Hagerstown, Maryland. This facility provides back-up emergency operational services in the event that our Ellenwood, Georgia customer service center experiences an interruption.

We have invested heavily in our fully integrated IntelsatOne terrestrial network which complements our satellite network. Our network includes teleport, leased fiber and network performance monitoring systems and enables us to provide end-to-end managed solutions to our customers. In addition to leased fiber connecting high-density routes, our ground network also features strategically located PoPs, which are drop-off points for our customers traffic that are close to major interconnection hubs for telecommunications applications, video transmissions and trunking to the Internet backbone. Our terrestrial network is an all IP network environment that results in improved ground support of high bandwidth applications such as HD video. The network architecture allows us to converge our media and network services terrestrial network infrastructures, resulting in reduced costs, and provides opportunities for generating additional revenue from existing and new customers by bundling combinations of media and network services products that can be offered through a single access circuit into our network.

Capacity Sparing and Backup and General Satellite Risk Management

As part of our satellite risk management, we continually evaluate, and design plans to mitigate, the areas of greatest risk within our fleet, especially for those satellites with known technical risks. We believe that the availability of spare transponder services capacity, together with the overlapping coverage areas of our satellites and flexible satellite design features described in Our Network Satellite Systems above, are important aspects of our ability to provide

reliable service to our customers. In addition, these factors could help us to mitigate the financial impact to our operations attributable to the occurrence of a major satellite anomaly, including the loss of a satellite. Although we do not maintain backup for all of our transponder services operating capacity, we generally maintain some form of backup capacity for each satellite designated as being in primary operating service. Our restoration backup capacity may include any one or more of the following:

- designated reserve transponders on the satellite or other on-board backup systems or designed-in redundancies,
- an in-orbit spare satellite, or
- interim restoration capacity on other satellites.

In addition, we provide some capacity on a preemptible basis and could preempt the use of this capacity to provide backup capacity in the event of a loss of a satellite.

We typically obtain launch insurance for our satellites before launch and will decide whether or not to obtain such insurance taking into consideration launch insurance rates, terms of available coverage and alternative risk management strategies, including the

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availability of backup satellites and transponders in the event of a launch failure. Launch insurance coverage is typically in an amount equal to the fully capitalized cost of the satellite, which generally includes the construction costs, the portion of the insurance premium related to launch, the cost of the launch services and capitalized interest (but may exclude any unpaid incentive payments to the manufacturer).

As of December 31, 2015, four of the satellites in our fleet were covered by in-orbit insurance. In-orbit insurance coverage may initially be for an amount comparable to launch insurance levels, generally decreases over time and is typically based on the declining book value of the satellite. We do not currently insure against lost revenue in the event of a total or partial loss of a satellite.

Satellite Health and Technology

Our satellite fleet is diversified by manufacturer and satellite type, and is generally healthy, with 99.998% availability of station-kept satellite capacity during the year ended December 31, 2015. We have experienced some technical problems with our current fleet but have been able to minimize the impact of these problems on our customers, our operations and our business in recent years. Many of these problems have been component failures and anomalies that have had little long-term impact to date on the overall transponder availability in our satellite fleet. All of our satellites have been designed to accommodate an anticipated rate of equipment failures with adequate redundancy to meet or exceed their orbital design lives, and to date, this redundancy design scheme has proven effective. After each anomaly we have generally restored services for our customers on the affected satellite, provided alternative capacity on other satellites in our fleet, or provided capacity that we purchased from other satellite operators.

Significant Anomalies

On January 14, 2005, our IS-804 satellite experienced a sudden and unexpected electrical power system anomaly that resulted in the total loss of the satellite. IS-804 was a Lockheed Martin 7000 series (the LM 7000 series) satellite, and as of December 31, 2015 we operated one other satellite in the LM 7000 series, IS-805, which is currently being relocated to a new orbital role. Based on the report of the failure review board that we established with Lockheed Martin Corporation, we believe that the IS-804 failure was not likely to have been caused by an IS-804 specific workmanship or hardware element, but was most likely caused by a high current event in the battery circuitry triggered by an electrostatic discharge that propagated to cause the sudden failure of the high voltage power system. We therefore believe that although this risk exists for our other LM 7000 series satellite, the risk of any individual satellite having a similar anomaly is low.

On April 5, 2010, our Galaxy 15 satellite experienced an anomaly resulting in our inability to command the satellite. Galaxy 15 is a Star-2 satellite manufactured by Orbital Sciences Corporation. On December 23, 2010, we recovered command of the spacecraft and we have since uploaded flight software code to protect against future anomalies of this type. As of December 31, 2015, Galaxy 15 continues to provide normal service.

On April 22, 2011, our IS-28 satellite, formerly known as the Intelsat New Dawn satellite, was launched into orbit. Subsequent to the launch, the satellite experienced an anomaly during the deployment of its west antenna reflector, which controls communications in the C-band frequency. The anomaly had not been experienced previously on other STAR satellites manufactured by Orbital Sciences Corporation, including those in our fleet. The New Dawn joint venture filed a partial loss claim with its insurers relating to the C-band antenna reflector anomaly and all of the insurance proceeds from the partial loss claim were received in 2011. The Ku-band antenna reflector deployed and that portion of the satellite is operating as planned, entering service in June 2011. A Failure Review Board established to determine the cause of the anomaly, completed its investigation in July 2011 and concluded that the deployment anomaly of the C-band reflector was most likely due to a malfunction of the reflector sunshield. As a result, the

sunshield interfered with the ejection release mechanism, and prevented the deployment of the C-band antenna. The Failure Review Board also recommended corrective actions for Orbital Sciences Corporation satellites not yet launched to prevent reoccurrence of the anomaly. Appropriate corrective actions were implemented on IS-18, which was successfully launched on October 5, 2011, and on IS-23, which was launched in October 2012.

During launch operations of IS-19 on June 1, 2012, the satellite experienced damage to its south solar array. Although both solar arrays are deployed, the power available to the satellite is less than is required to operate 100% of the payload capacity. The Independent Oversight Board (IOB) formed by SSL and Sea Launch to investigate the solar array deployment anomaly. The IOB concluded that the anomaly occurred before the spacecraft separated from the launch vehicle, during the ascent phase of the launch, and originated in one of the satellite s two solar array wings due to a rare combination of factors in the panel fabrication and unrelated to the launch vehicle. While the satellite is operational, the anomaly resulted in structural and electrical damage to one solar array wing, which reduced the amount of power available for payload operation. Additionally, we filed a partial loss claim with our insurers relating to the solar array anomaly. We received $84.8 million of insurance proceeds related to the claim in 2013. As planned, IS-19 followed IS-8 at 166°E, in August 2012.

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On February 1, 2013, the launch vehicle for our IS-27 satellite failed shortly after liftoff and the satellite was completely destroyed. A Failure Review Board was established and subsequently concluded that the launch failed due to the mechanical failure of one of the first stage engine s thrust control components. The satellite and launch vehicle were fully insured, and we received $406.2 million of insurance proceeds in 2013.

Other Anomalies

We have also identified five other types of common anomalies among the satellite models in our fleet, which have had an operational impact in the past and could, if they materialize, have an impact in the future. These are:

- failure of the on-board SCP in Boeing 601 (BSS 601) satellites;
- failure of the on-board XIPS used to maintain the in-orbit position of Boeing 601 High Power Series (BSS 601 HP) satellites;
- accelerated solar array degradation in early Boeing 702 (BSS 702) satellites;
- electrical distribution anomalies on older SSL FS 1300 satellites; and
- failure of gyroscopes on certain SSL satellites.

SCP Failures. Many of our satellites use an on-board SCP to provide automatic on-board control of many operational functions. SCPs are a critical component in the operation of such satellites. Each such satellite has a backup SCP, which is available in the event of a failure of the primary SCP. Certain BSS 601 satellites have experienced SCP failures. The risk of SCP failure appears to decline as these satellites age.

As of December 31, 2015, we operated one BSS 601 satellite, IS-26. This satellite was identified as having heightened susceptibility to the SCP problem. IS-26 has been in continuous operation since 1997. Both primary and backup SCPs on this satellite are monitored regularly and remain fully functional. Accordingly, we believe it is unlikely that additional SCP failures will occur; however, should they occur, we do not anticipate an interruption in business or early replacement of this satellite as a result.

BSS 601 HP XIPS. The BSS 601 HP satellite uses XIPS as its primary propulsion system. There are two separate XIPS on each BSS 601 HP, each one of which is capable of maintaining the satellite in its orbital position. The satellite also has a completely independent chemical propulsion system as a backup to the XIPS. As a result, the failure of a XIPS on a BSS 601 HP typically would have no effect on the satellite s performance or its operating life. However, the failure of both XIPS would require the use of the backup chemical propulsion system, which could result in a shorter operating life for the satellite depending on the amount of chemical fuel remaining. XIPS failures do not typically result in a catastrophic failure of the satellite or affect the communications capability of the satellite.

As of December 31, 2015, we operated four BSS 601 HP satellites, IS-5, IS-9, and IS-10 are now in inclined-orbit, and Galaxy 13/Horizons-1. Galaxy 13/Horizons-1 continues to have both XIPS available as its primary propulsion system. IS-5, IS-9 and IS-10 have experienced the failure of both XIPS and are operating on their backup chemical

propulsion systems. IS-5 was redeployed in 2012 following its replacement by IS-8, which was subsequently replaced by IS-19. Also in 2012, IS-9 and IS-10 were redeployed following their replacements by IS-21 and IS-20, respectively. No assurance can be given that we will not have further XIPS failures that result in shortened satellite lives. We have decommissioned three satellites that had experienced failure of both XIPS. IS-6B was replaced by IS-11 during the first quarter of 2008, Galaxy 10R was replaced by Galaxy 18 during the second quarter of 2008, and Galaxy 4R was decommissioned in March 2009.

BSS 702 HP Solar Arrays. All of our satellites have solar arrays that power their operating systems and transponders and recharge the batteries used when solar power is not available. Solar array performance typically degrades over time in a predictable manner. Additional power margins and other operational flexibility are designed into satellites to allow for such degradation without loss of performance or operating life. Certain BSS 702 HP satellites have experienced greater than anticipated degradation of their solar arrays resulting from the design of the solar arrays. Such degradation, if continued, results in a shortened operating life of a satellite or the need to reduce the use of the communications payload.

As of December 31, 2015, we operated three BSS 702 HP satellites, two of which are affected by accelerated solar array degradation, Galaxy 11 and IS-1R. Service to customers has not been affected, and we expect that both of these satellites will continue to serve customers until we replace or supplement them with new satellites. Along with the manufacturer, we continually monitor the problem to determine its cause and its expected effect. Due to this continued degradation, Galaxy 11 s estimated end of service life is in the first quarter of 2019 and IS-1R s estimated end of service life is in the second quarter of 2017. Galaxy 11 is currently operating in a primary orbital role and was replaced by IS-34 in 2015. IS-1R was redeployed following its replacement by IS-14. The third

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BSS 702 HP satellite that we operated as of December 31, 2015, Galaxy 3C, was launched after the solar array anomaly was identified, and it has a substantially different solar array design intended to eliminate the problem. This satellite has been in service since September 2002 and has not experienced similar degradation problems.

SSL FS 1300 Electrical Anomalies. We have experienced past anomalies in the electrical distribution systems of certain SSL FS 1300 satellites. In November 2004, our Galaxy 27 satellite experienced a sudden anomaly in the north electrical distribution system resulting in loss of control and customer service interruptions. We determined that the satellite lost some degree of functionality and as of December 31, 2015, Galaxy 27 is kept in inclined orbit. In June 2008, our Galaxy 26 satellite experienced an unexpected electrical distribution anomaly which significantly reduced the power generating capability, resulting in some customer service interruptions. In June 2014, Galaxy 26 was decommissioned. With respect to both of these satellites, it was determined that the anomalies were likely due to a design flaw which is affected by a number of parameters and in some extreme cases can result in an electrical system anomaly. Along with SSL, we continue to monitor this problem. As of December 31, 2015, we operated one other SSL FS 1300 satellite, IS-8, which contains this design flaw. IS-8 has been in service since 1998 and has not experienced an electrical distribution anomaly. We believe that while the risk of an electrical distribution anomaly still exists for IS-8, this risk diminishes over time.

SSL gyroscopes. All of our satellites use gyroscopes to provide 3-axes attitude information during orbit inclination maneuvers. Certain SSL satellites use gyroscopes that have been identified as having a higher probability of failing. There are four gyroscopes on each of these SSL satellites, three of which are needed for normal operation, and the fourth is a spare. The failure of a single gyroscope on a given satellite would have no effect on the satellite s performance or its operating life. A failure of two or more gyroscopes on a given satellite would require us to use an alternative method for inclination control. This alternative method would likely result in a reduction in the remaining life of the satellite. As of December 31, 2015, we operated 16 SSL satellites that use these gyroscopes, four of which are in inclined orbit. While in inclined orbit, inclination maneuvers are no longer required. Of the 12 satellites in station-kept orbit, one satellite had two gyro failures and is being operated through an alternative method for inclination control, five satellites have experienced the failure of a single gyroscope, while the other six satellites have not experienced any gyroscope failure.

Competition

We compete in the communications market for the provision of video, data and voice connectivity worldwide. Communications services are provided using various communications technologies, including satellite networks, which provide services as a substitute for, or as a complement to, the capabilities of terrestrial networks. We also face competition from suppliers of terrestrial communications capacity.

We operate at a global scale. Our competition includes providers of fixed satellite services of varying size. We compete with other satellite operators for both point-to-multipoint and point-to-point services.

We also compete with providers of terrestrial fiber optic cable capacity on certain routes and networks, principally for point-to-point services. As a result, we have been experiencing, and expect to continue to experience, a decline in certain of our revenues due to the build-out of fiber optic cable capacity. However, we believe that satellites have advantages over fiber optic cables in certain regions and for certain applications. The primary use of fiber optic cable is carrying high-volume communications traffic from point to point, and fiber capacity is available at substantially lower prices than satellite capacity once operational. Consequently, the growth in fiber optic cable capacity has led voice, data and video contribution customers that require service between major city hubs to migrate from satellite to fiber optic cable. However, satellite capacity remains competitive for signals that need to be transmitted beyond the main termination points of fiber optic cable for point-to-multipoint transmissions, such as for video broadcast, and for

signals seeking to bypass congested terrestrial networks. Satellite capacity is also competitive in parts of the world where providing fiber optic cable capacity is not yet cost-effective, reliable or is physically not feasible. We believe that in those applications and regions where we do compete with fiber optic cable companies, the basis for competition is primarily price. See Our Sector for a description of the FSS sector generally and the advantages of satellite communications.

Recently, a number of providers of commercial satellite services, selling traditional and high throughput capacity, entered the African market, significantly increasing the amount of fixed satellite services capacity. Concurrent to this market dynamic, the region benefitted from newly established sea and land fiber connectivity. These two events have resulted in heightened competition in this region, the effect of which has been significant price reductions for both fiber and satellite connectivity used for fixed and mobile data networking applications. As a result, Intelsat s revenues have been reduced as services were terminated by customers moving to fiber alternatives, and also due to lower pricing. We continue to adjust our strategies with some of our largest network services customers to ensure that they can remain price competitive in the sectors they serve.

We also face competition from resellers of satellite and fiber capacity. Resellers purchase FSS or fiber capacity from current or future providers and then resell the capacity to their customers.

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Regulation

As an operator of a privately owned global satellite system, we are subject to U.S. government regulation, regulation by foreign national telecommunications authorities and the ITU frequency coordination process and regulations.

U.S. Government Regulation

FCC Regulation. The majority of the satellites in our current constellation are licensed and regulated by the FCC. We have final or temporary FCC authorization for all of our U.S.-licensed operating satellites. The special temporary authorizations (STAs) in effect relating to our satellites cover various time periods, and thus the number held at any given time varies. In some cases, we have sought STAs because we needed temporary operational authority while we are awaiting grant of identical permanent authority. In others, we sought STAs because the activity was temporary in nature, and thus no permanent authority was needed. Historically we have been able to obtain the STAs that we have needed on a timely basis. FCC satellite licenses have a fifteen-year term. At the end of a license term, we can request an extension to continue operating a satellite. In addition, our FCC satellite licenses that relate to use of those orbital locations and associated frequencies that were transferred to the United States at the time of our privatization in July 2001 are conditioned on our remaining a signatory to the Public Services Agreement with ITSO. Furthermore, any transfer of these licenses by us to a successor-in-interest is only permitted if such successor-in-interest has undertaken to perform our obligations under the Public Services Agreement. Some of our authorizations contain waivers of technical regulations. Many of our technical waivers were required when our satellites were initially licensed by the United States at privatization in 2001 because, as satellites previously operated by an intergovernmental entity, they had not been built in compliance with certain U.S. regulations. Since privatization, several replacement satellites for satellites licensed at privatization also have needed technical waivers as they are technically similar to the satellites they are replacing.

Changes to our satellite system generally require prior FCC approval. From time to time, we have pending applications for permanent or temporary changes in orbital locations, frequencies and technical design. From time to time, we also file applications for replacement or additional satellites. Replacement satellite applications are eligible for streamlined processing if they seek authority for the same orbital location, frequency bands and coverage area as an existing satellite and will be brought into use at approximately the same time, but no later than, the existing satellite is retired. The FCC processes satellite applications for new orbital locations or frequencies on a first come, first served basis. Under recently revised rules that are expected to become effective in 2016, the FCC will require licensees of new, non-replacement, geostationary satellites to post a bond and to comply with a milestone to launch and operate the satellite within five years of the license grant. The bond will start at $1 million and will increase, pro rata, in proportion to the time that has elapsed since the license was granted to the time of the launch and operate milestone. At the end of the five-year period, the bond amount will be $3 million. A satellite licensee that does not satisfy the launch and operate milestone will lose its license and must forfeit the bond absent circumstances warranting a milestone extension under the FCC s rules and policies. An operator that elects to relinquish its license prior to the five-year launch and operate milestone will forfeit the amount of accrued bond as of the date the license is relinquished. We hold other FCC licenses, including earth station licenses associated with technical facilities located in several states. We must pay FCC filing fees in connection with our space station and earth station applications, and we must also pay annual regulatory fees to the FCC. Violations of the FCC s rules can result in various sanctions including fines, loss of authorizations or the denial of applications for new authorizations or the renewal of existing authorizations.

We are not regulated as a common carrier for most of our activities. Therefore, we are not subject to rate regulation or the obligation not to discriminate among customers, and we operate most of our activities with minimal governmental scrutiny of our business decisions. One of our subsidiaries is regulated as a common carrier. Common carriers are

subject to FCC requirements, which include: traffic and revenue reports, international circuit status reports, international interconnected private line reports, notification and approval for foreign carrier affiliations, filing of contracts with international carriers, annual financial reports, equal employment opportunity reports, assistance for law enforcement and maintenance of customer billing records for 18 months. We currently qualify for exemptions from several of these reporting requirements. In addition, other common carrier requirements (e.g. certain foreign ownership restrictions) do not apply to us because our common carrier affiliate does not hold any FCC spectrum licenses.

U.S. Export Control Requirements and Sanctions Regulation. Intelsat must comply with U.S. export control laws and regulations as follows:

Under the ongoing Export Control Reform (ECR) effort, authorized by Congress and the President, the control of commercial communications satellites along with their associated ground control equipment, related software, and technology was moved, effective November 10, 2014, from the International Traffic in Arms Regulations (ITAR) to the Export Administration Regulations (EAR). Intelsat continues with the transition of regulatory licensing requirements created by this move. Originally there was a two year timeframe allowed for companies to make this change; this has since been extended to allow an additional year for the transition. Intelsat has moved all programs to EAR authorizations, as needed, except those that include Airbus because of issues internal to Airbus. Intelsat continues to work with Airbus to resolve this issue.

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The Arms Export Control Act, implemented by ITAR and administered by the U.S. Department of State s Directorate of Defense Trade Controls (DDTC), regulates the export of certain satellites with defined military and government end use capabilities and characteristics, certain associated hardware, defense services, and technical information relating to satellites to non-U.S. persons (including satellite manufacturers, component suppliers, launch services providers, insurers, customers, Intelsat employees, and other non-U.S. persons). Intelsat has begun the regulatory transition from the ITAR to the EAR, and little of our controlled exports currently remain under our obtained ITAR licenses. Standard satellite operations were de-controlled as part of the regulatory update, and that technology is now being transferred without license use. Certain of Intelsat s contracts for consulting, manufacture, launch, and insurance of Intelsat s and third party satellites involve the export to non-U.S. persons of technical data and/or hardware; these exports are those that were regulated by the ITAR, are now controlled under the EAR, and other than the Airbus TAAs noted above have been transitioned to EAR authorizations. We believe that we have obtained all of the ITAR authorizations currently needed in order to fulfill our obligations under contracts with non-U.S. entities, and we believe that the terms of these licenses are sufficient given the scope and duration of the contracts to which they pertain.

The Export Administration Act/International Emergency Economic Powers Act, implemented by the EAR and administered by the U.S. Department of Commerce s Bureau of Industry and Security (BIS), regulates exports of non-ITAR, dual-use, controlled equipment, which now includes commercial communications satellites, associated ground equipment, related software, and technology. As a result of the ECR regulatory update, Intelsat now uses EAR allowed licensing exceptions for many of our export controlled programs and EAR licenses when required. The EAR also control non-ITAR equipment exported to earth stations in our ground network located outside of the United States and to customers as needed. It is our practice to obtain all licenses necessary, or correctly document the license exception authorized, for the furnishing of original or spare equipment for the operation of our TT&C ground stations, other network stations, and customer locations in a timely manner in order to facilitate the shipment of this equipment when needed.

Trade sanctions laws and regulations administered by the U.S. Department of Treasury s Office of Foreign Assets Control (OFAC) regulate the provision of services to certain countries subject to U.S. trade sanctions. As required, Intelsat holds the authorizations needed to provide satellite capacity and related administrative services to U.S.-sanctioned countries.

U.S. Department of Defense Security Clearances. To participate in classified U.S. government programs, we entered into a proxy agreement with the U.S. government that allows one of our subsidiaries to obtain security clearance from the U.S. Department of Defense as required under the national security laws and regulations of the United States. Such a proxy agreement is required to insulate the subsidiary performing this work from inappropriate foreign influence and control by Intelsat S.A., a Luxembourg company with significant non-U.S. investment and employees. Security clearances are subject to ongoing scrutiny by the issuing agency, as well as renewal every five years. Intelsat must maintain the security clearances obtained from the U.S. Department of Defense, or else lose the ability to perform our obligations under any classified U.S. government contracts to which our subsidiary is a party. Under those circumstances, the U.S. government would have the right to terminate our contracts requiring access to classified information and we would not be able to enter into new classified contracts. Compliance with the proxy agreement is regularly monitored by the U.S. Department of Defense and reviewed at least annually, and if we materially violate the terms of the proxy agreement, the subsidiary holding the security clearances may be suspended or debarred from performing any government contracts, whether classified or unclassified. Our current proxy agreement is subject to extension every five years with the agreement of the U.S. Department of Defense.

Regulation by Non-U.S. National Telecommunications Authorities

U.K. Regulation. The United Kingdom is the licensing jurisdiction for the IS-12, IS-26 and Galaxy 27 satellites, as well as the BSS portion of the Ku-band on the Intelsat 805 satellite. Satellite operators in the United Kingdom are regulated by the U.K. s Office of Communications (Ofcom) and by the U.K. Space Agency (UKSA).

Papua New Guinea Regulation. The National Information & Communications Technology Authority of Papua New Guinea (NICTA) regulates the use of certain spectrum and orbital resources associated with the operation of the IS-26 and Galaxy 23 satellites and with future satellites. We are required to pay annual fees to NICTA in connection with our use of the orbital locations at which these satellites operate. In 2003, the FCC added the C-band payload of the Galaxy 23 satellite to its Permitted Space Station List, enabling use of the payload to provide non-DTH services in the United States.

German Regulation. We hold licenses from the BNetzA for several earth stations in Germany, as well as authorizations to use spectrum and orbital resources associated with the operation of the IS-10 and IS-12 satellites and with future satellites.

Australian Regulation. We hold licenses from the Australian Communications and Media Authority (ACMA) for several earth stations in Australia, as well as a Carrier License.

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South African Regulation. We hold a license from the Independent Communications Authority of South Africa (ICASA) for an earth station in South Africa.

Japan Regulation. We hold licenses from the Ministry of Internal Affairs and Communications for several earth stations in Japan, as well as a Carrier registration. We and JSAT are the sole members of Horizons, and in 2002 the Japanese telecommunications ministry authorized Horizons to operate the Ku-band payload on the Galaxy 13/Horizons-1 satellite. In 2003, the FCC added this Ku-band payload to its Permitted Space Station List, enabling Horizons to use the payload to provide non-DTH services in the United States. In May 2004, the FCC expanded this authority to include one-way DTH services. We are the exclusive owner of the C-band payload on Galaxy 13/Horizons-1, which the FCC has licensed us to operate.

Other National Telecommunications Authorities. As a provider of satellite capacity, we are also subject to the national communications and broadcasting laws and regulations of many other countries in which we operate. In addition, in some cases our ability to operate a satellite in a non-U.S. jurisdiction also arises from a contractual arrangement with a third party. Some countries require us to obtain a license or other form of written authorization from the regulator prior to offering satellite capacity services. We have obtained these licenses or written authorizations in all countries that have required us to obtain them. As satellites are launched or relocated, we determine whether such licenses or written authorizations are required and, if so, we obtain them. Most countries allow authorized telecommunications providers to own their own transmission facilities and to purchase satellite capacity without restriction, facilitating customer access to our services. Other countries maintain strict monopoly regimes or otherwise regulate the provision of our services. In order to provide services in these countries, we may need to negotiate an operating agreement with a monopoly entity that covers the types of services to be offered by each party, the contractual terms for service and each party s rates. As we have developed our ground network and expanded our service offerings, we have been required to obtain additional licenses and authorizations. To date, we believe that we have identified and complied with all of the regulatory requirements applicable to us in connection with our ground network and expanded services.

The International Telecommunication Union Frequency Coordination Process and Associated Regulations

Our use of orbital locations is subject to the frequency coordination and recording process of the International Telecommunication Union (ITU). In order to protect satellite networks from harmful radio frequency interference from other satellite networks, the ITU maintains a Master International Frequency Register (MIFR) of radio frequency assignments and their associated orbital locations. Each ITU notifying administration is required by treaty to give notice of, coordinate and record its proposed use of radio frequency assignments and associated orbital locations with the ITU s Radiocommunication Bureau.

When a frequency assignment is recorded in the MIFR, the ITU publishes this information so that all potential users of frequencies and orbital locations are aware of the need to protect the recorded assignments associated with a given orbital location from subsequent or nonconforming interfering uses by Member States of the ITU. The ITU s Radio Regulations do not contain mandatory dispute resolution or enforcement mechanisms. The Radio Regulations arbitration procedure is voluntary and neither the ITU specifically, nor international law generally, provides clear remedies if this voluntary process fails. Only nations have full standing as ITU members. Therefore, we must rely on governments to represent our interests before the ITU, including obtaining new rights to use orbital locations and resolving disputes relating to the ITU s regulations.

Once the FCC s new rules become effective, an operator may submit an ITU satellite network filing to the FCC for forwarding to the ITU prior to the operator filing a complete FCC license application. Submission of such an ITU filing will reserve for the operator a place in the FCC s first come, first served licensing queue provided the operator posts a $500,000 bond. If the operator fails within two years to file a complete FCC license application for the orbital

location, frequencies and polarization proposed in the ITU satellite network filing, the bond will be forfeited.

Environmental Matters

Our operations are subject to various laws and regulations relating to the protection of the environment, including those governing the management, storage and disposal of hazardous materials and the cleanup of contamination. As an owner or operator of property and in connection with current and historical operations at some of our sites, we could incur significant costs, including cleanup costs, fines, sanctions and third-party claims, as a result of violations of or liabilities under environmental laws and regulations. For instance, some of our operations require continuous power supply, and, as a result, current and past operations at our teleport and other technical facilities include fuel storage and batteries for back-up power generators. We believe, however, that our operations are in substantial compliance with environmental laws and regulations.

C. Organizational Structure

Intelsat S.A. is a holding company with 56 subsidiaries incorporated in the U.S., Luxembourg, Bermuda, Australia, Brazil, China, Hong Kong, Cayman Islands, France, Germany, Gibraltar, India, Ireland, Mexico, Singapore, South Africa, and the United Kingdom. All of the aforementioned subsidiaries are wholly-owned by us. A list of our subsidiaries as of December 31, 2015 is set forth in Exhibit 8.1 to this Annual Report.

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D. Property, Plants and Equipment

We lease approximately 212,572 square feet of office space in McLean, Virginia for our permanent U.S. administrative headquarters and primary satellite operations center in a new building that was completed in June 2014. The building also houses the majority of our sales and marketing support staff and other administrative personnel. The lease for the building expires on July 31, 2029.

We own a facility in Ellenwood, Georgia in which our primary customer service center is located, together with our Atlanta Teleport. The facility has approximately 129,000 square feet of office space and operations facilities, which are based in two buildings and multiple antenna shelters and 65 antennas on the property. See Item 4B Business Overview Our Network Network Operations and Current Ground Facilities for a description of this facility.

We also lease approximately 33,000 square feet in Bethesda, Maryland where the employees of our Intelsat General subsidiary were located. The lease expires on January 31, 2017. We have subleased 14,068 square of the space and continue to market for sublease the balance.

Our backup satellite operations center is located at a facility that we own in Long Beach, California, which includes approximately 68,875 square feet for administrative and operational facilities. We have entered into two lease agreements for 21,549 square feet with two third party tenants.

We use a worldwide ground network to operate our satellite fleet and to manage the communications services that we provide to our customers. This network is comprised of 54 owned and leased earth station and teleport facilities around the world, including 19 teleports that allows us to perform TT&C services.

The eight teleports in our ground network that we own are located in Hagerstown, Maryland, Ellenwood, Georgia, Castle Rock, Colorado, Fillmore, Napa and Riverside, California, Paumalu, Hawaii and Fuchsstadt, Germany. We lease facilities at 46 other locations for satellite and commercial operations worldwide. We also contract with the owners of some of these facilities for the provision of additional services. The locations of other earth stations in our ground network include Argentina, Australia, Bahrain, Canada, Chile, Colombia, Hong Kong, India, Israel, Italy, Kazakhstan, Kenya, Mongolia, the Netherlands, New Zealand, Nigeria, Peru, South Korea, South Africa, French Polynesia, Taiwan, Uruguay and the United Arab Emirates. Our network also consists of the leased communications links that connect the earth stations to our satellite operations center located at our McLean, Virginia location and to our back-up operations facility.

We have established PoPs connected by leased fiber at key traffic exchange points around the world, including Atlanta, Los Angeles, New York, McLean, Hong Kong, and London. We lease our facilities at these traffic exchange points. We have also established video PoPs connected by leased fiber at key video exchange points around the world, including Los Angeles, Denver, New York, Washington, D.C., Miami, Palo Alto, and London. We lease our facilities at these video exchange points. We use our teleports and PoPs in combination with our satellite network to provide our customers with managed data and video services.

We lease office space in Luxembourg and London, England. Our Luxembourg office serves as the global headquarters for us and our Luxembourg parents and subsidiaries. Our London office houses the employees of Intelsat Global Sales and Marketing Ltd., our sales and marketing subsidiary, and administrative support, and functions as our global sales headquarters.

We also lease office space in Florida, Australia, Brazil, China, France, Germany, India, Japan, Mexico, Singapore, South Africa, Senegal and the United Arab Emirates for our local sales and marketing and administrative support offices.

The leases relating to our TT&C earth stations, teleports, PoPs and office space expire at various times. We do not believe that any such properties are individually material to our business or operations, and we expect that we could find suitable properties to replace such locations if the leases were not renewed at the end of their respective terms.

Item4A. Unresolved Staff Comments

Not applicable.

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Item 5. Operating and Financial Review and Prospects

This discussion should be read together with Item 3A Selected Financial Data and our consolidated financial statements and their notes included elsewhere in this Annual Report. Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, and, unless otherwise indicated, the other financial information contained in this Annual Report has also been prepared in accordance with U.S. GAAP. See Forward-Looking Statements and Item 3D Risk Factors, for a discussion of factors that could cause our future financial condition and results of operations to be different from those discussed below. Certain monetary amounts, percentages and other figures included in this Annual Report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them. Unless otherwise indicated, all references to dollars and $ in this Annual Report are to, and all monetary amounts in this Annual Report are presented in, U.S. dollars.

Overview

We operate the world s largest satellite services business, providing a critical layer in the global communications infrastructure.

We provide diversified communications services to the world s leading media companies, fixed and wireless telecommunications operators, data networking service providers for enterprise and mobile applications in the air and on the seas, multinational corporations, and ISPs. We are also the leading provider of commercial satellite capacity to the U.S. government and other select military organizations and their contractors.

Our customers use our global network for a broad range of applications, from global distribution of content for media companies to providing the transmission layer for commercial aeronautical consumer broadband connectivity, to enabling essential network backbones for telecommunications providers in high-growth emerging regions.

Our network solutions are a critical component of our customers infrastructures and business models. Generally, our customers need the specialized connectivity that satellites provide so long as they are in business or pursuing their mission. For instance, our satellite neighborhoods provide our media customers with efficient and reliable broadcast distribution that maximizes audience reach, a benefit that is difficult for terrestrial services to match. In addition, our satellite solutions provide higher reliability than is available from local terrestrial telecommunications services in many regions and allow our customers to reach geographies that they would otherwise be unable to serve.

Initial Public Offering and Related Transactions

On April 23, 2013, we completed our IPO, receiving total proceeds of $572.5 million (or approximately $550 million after underwriting discounts and commissions). The net proceeds from the IPO were primarily used to redeem all of the outstanding $353.6 million aggregate principal amount of Intelsat Investments 6 $\frac{1}{2}$% Senior Notes due 2013 (the Intelsat Investments Notes) and to prepay $138.2 million of indebtedness outstanding under the Intelsat Jackson Senior Unsecured Credit Agreement, dated July 1, 2008, consisting of a senior unsecured term loan facility due February 2014 (the New Senior Unsecured Credit Facility).

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In connection with the IPO, certain repurchase rights upon employee separation that were included in various share-based compensation agreements of management contractually expired. Upon consummation of the IPO, options were also granted to certain executives in accordance with the existing terms of their side letters to a management shareholders agreement, and cash payments were made to certain members of management. The items described above resulted in a pre-tax charge of approximately $21.3 million, which was recorded in the second quarter of 2013 (the IPO-Related Compensation Charges).

Also in connection with the IPO, the monitoring fee agreement dated February 4, 2008 (the 2008 MFA) with BC Partners Limited and Silver Lake Management Company III, L.L.C. (together, the 2008 MFA Parties) was terminated. We paid a fee of $39.1 million to the 2008 MFA Parties in connection with the termination. During the first quarter of 2013, the 2008 MFA Parties had previously received approximately $25.1 million for services that were performed, or expected to be performed, under the 2008 MFA in 2013. The $39.1 million payment made to terminate the 2008 MFA, together with a write-off of $17.2 million of prepaid fees relating to the balance of 2013, were expensed upon the consummation of the IPO.

Critical Accounting Policies

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. We consider an accounting estimate to be critical if: (1) it requires assumptions to be made that were uncertain at the time the estimate was made; and (2) changes in the estimate, or selection of different estimates, could have a material effect on our consolidated results of operations or financial condition.

We believe that some of the more important estimates and related assumptions that affect our financial condition and results of operations are in the areas of revenue recognition, the allowance for doubtful accounts, satellites and other property and equipment, business combinations, asset impairments, share-based compensation, income taxes and fair value measurements. There were no accounting policies adopted during 2014 or 2015 that had a material effect on our financial condition or results of operations.

While we believe that our estimates, assumptions, and judgments are reasonable, they are based on information presently available. Actual results may differ significantly. Additionally, changes in our assumptions, estimates or assessments as a result of unforeseen events or otherwise could have a material impact on our financial position or results of operations.

Revenue Recognition, Accounts Receivable and Allowance for Doubtful Accounts

Revenue Recognition. We earn revenue primarily from satellite utilization services and, to a lesser extent, from providing managed services to our customers. In general, we recognize revenue in the period during which the services are provided. While the majority of our revenue transactions contain standard business terms and conditions, there are certain transactions that contain non-standard business terms and conditions. Additionally, we may enter into certain sales transactions that involve multiple element arrangements (arrangements with more than one deliverable). As a result, significant contract interpretation is sometimes required to determine the appropriate accounting for these transactions, including:

- whether an arrangement contains a service contract or a lease;

whether an arrangement should be reported gross as a principal versus net as an agent;

whether we can develop reasonably dependable estimates about the extent of progress towards contract completion, contract revenues and costs;

how the arrangement consideration should be allocated among potential multiple elements, and when to recognize revenue related to those elements.

In addition, our revenue recognition policy requires an assessment as to whether collection is reasonably assured, which requires us to evaluate the creditworthiness of our customers. Changes in judgments in making these assumptions and estimates could materially impact the timing and/or amount of revenue recognition.

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Allowance for Doubtful Accounts. Our allowance for doubtful accounts is determined through a subjective evaluation of the aging of our accounts receivable, and considers such factors as the likelihood of collection based upon an evaluation of the customer s creditworthiness, the customer s payment history and other conditions or circumstances that may affect the likelihood of payment, such as political and economic conditions in the country in which the customer is located. If our estimate of the likelihood of collection is not accurate, we may experience lower revenue or a change in our provision for doubtful accounts. When we determine that the collection of payments is not reasonably assured at the time the service is provided, we defer recognition of the revenue until such time as collection is believed to be reasonably assured or the payment is received.

Satellites and Other Property and Equipment

Satellites and other property and equipment are depreciated and amortized on a straight-line basis over their estimated useful lives. The remaining depreciable lives of our satellites range from less than one year to 17 years as of December 31, 2015. We make estimates of the useful lives of our satellites for depreciation purposes based upon an analysis of each satellite s performance, including its orbital design life and its estimated service life. The orbital design life of a satellite is the length of time that the manufacturer has contractually committed that the satellite s hardware will remain operational under normal operating conditions. In contrast, a satellite s service life is the length of time the satellite is expected to remain operational as determined by remaining fuel levels and consumption rates. Our in-orbit satellites generally have orbital design lives ranging from ten to 15 years and service lives as high as 20 years. The useful depreciable lives of our satellites generally exceed the orbital design lives and are less than the service lives. Although the service lives of our satellites have historically extended beyond their depreciable lives, this trend may not continue. We periodically review the remaining estimated useful lives of our satellites to determine if any revisions to our estimates are necessary based on the health of the individual satellites. Changes in our estimate of the useful lives of our satellites could have a material effect on our financial position or results of operations.

We charge to operations the carrying value of any satellite lost as a result of a launch or in-orbit failure upon the occurrence of the loss. In the event of a partial failure, we record an impairment charge to operations upon the occurrence of the loss if the undiscounted future cash flows are less than the carrying value of the satellite. We measure the impairment charge as the excess of the carrying value of the satellite over its estimated fair value as determined by the present value of estimated expected future cash flows using a discount rate commensurate with the risks involved. We reduce the charge to operations resulting from either a complete or a partial failure by the amount of any insurance proceeds received or expected to be received by us, and by the amount of any deferred satellite performance incentives that are no longer applicable following the failure. See Asset Impairment Assessments below for further discussion.

Asset Impairment Assessments

Goodwill. We account for goodwill and other intangible assets in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC or the Codification) Topic 350 *Intangibles Goodwill and Other*. Under this topic, goodwill acquired in a business combination and determined to have an indefinite useful life is not amortized but is tested for impairment annually or more often if an event or circumstances indicate that an impairment loss has been incurred. We are required to identify reporting units at a level below the company s identified operating segments for impairment analysis. We have identified only one reporting unit for the goodwill impairment test. Additionally, our identifiable intangible assets with estimable useful lives are amortized based on the expected pattern of consumption for each respective asset.

Assumptions and Approach Used. We make our qualitative evaluation considering, among other things, general macroeconomic conditions, industry and market considerations, cost factors, overall financial performance and other

relevant entity-specific events.

During the fourth quarter of 2015, our share price experienced a sustained reduction in trading values. Secondly, the trading values of our debt securities also showed sustained deterioration. This was also reflective of broader difficulties in the credit markets for high yield issuers. Finally, our annual business planning process which we undertook in the fourth quarter showed a decline in our forecasted results as compared to previous levels. Based on our examination of these and other qualitative factors, we concluded that further testing of goodwill was required.

Determining the fair value of individual assets and liabilities of a reporting unit (including unrecognized intangible assets) is judgmental in nature and often involves the use of significant estimates and assumptions. Similarly, estimates and assumptions are used in determining the fair value of other intangible assets. These estimates and assumptions require significant judgment and could have a significant impact on whether or not an impairment charge is recognized and the magnitude of any such charge. Estimates of fair value are primarily determined using discounted cash flows, market comparisons, and recent transactions. These approaches use significant estimates and assumptions, including projected future cash flows (including timing), discount rates reflecting the risks inherent in future cash flows, perpetual growth rates, and determination of appropriate market comparables.

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The second step of the process requires us to calculate a hypothetical purchase allocation to compare the current implied value of the goodwill to the current carrying value of the goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination, which is the excess of the fair value of the reporting unit over the aggregate fair values of the individual assets, liabilities and identifiable intangibles. If the implied fair value of goodwill as described above exceeds recorded goodwill, there is no impairment. If the recorded goodwill exceeds the implied fair value, an impairment charge would be recorded for the excess. Furthermore, an impairment loss cannot exceed the amount of goodwill assigned to a reporting unit. After recognizing the impairment loss, the corresponding loss establishes a new basis in the goodwill. Subsequent reversals of goodwill impairment losses are not permitted under applicable accounting standards.

We determined the estimated fair value of our reporting unit using a discounted cash flow analysis, along with independent source data related to the comparative market multiples and, when available, recent transactions, each of which is considered a Level 3 input within the fair value hierarchy under FASB ASC Topic 820, *Fair Value Measurements and Disclosures* (FASB ASC 820). The discounted cash flows were derived from a five-year projection of cash flows plus a residual value, with the resulting projected cash flows discounted at an appropriate weighted average cost of capital.

In estimating the undiscounted cash flows, we primarily used our internally prepared budgets and forecast information. The key assumptions included in our model were projected growth rates, cost of capital, effective tax rates, and industry and economic trends. A change in the estimated future cash flows or other assumptions could change our estimated fair values and result in future impairments. The result of our analysis resulted in a non-cash impairment charge of $4.2 billion, which is included within impairment of goodwill and other intangibles in the consolidated statement of operations.

The analysis was performed using information available at that time and was based on estimates of fair values of the assets and liabilities. We believe that the estimates and assumptions underlying the valuation methodologies are reasonable.

Orbital Locations. Intelsat is authorized by governments to operate satellites at certain orbital locations i.e., longitudinal coordinates along the Clarke Belt. The Clarke Belt is the part of space approximately 35,800 kilometers above the plane of the equator where geostationary orbit may be achieved. Various governments acquire rights to these orbital locations through filings made with the ITU, a sub-organization of the United Nations. We will continue to have rights to operate at our orbital locations so long as we maintain our authorizations to do so. See Item 3D Risk Factors Risk Factors Relating to Regulation.

Our rights to operate at orbital locations can be used and sold individually; however, since satellites and customers can be and are moved from one orbital location to another, our rights are used in conjunction with each other as a network that can change to meet the changing needs of our customers and market demands. Due to the interchangeable nature of orbital locations, the aggregate value of all of the orbital locations is used to measure the extent of impairment, if any.

Assumptions and Approach Used. We determined the estimated fair value of our rights to operate at orbital locations by using the build-up method to determine cash flows for the income approach, with the resulting projected cash flows discounted at an appropriate weighted average cost of capital. Under the build-up approach, the amount an investor would be willing to pay for the right to operate a satellite business at an orbital location is calculated by first estimating the cash flows that typical market participants would assume could be available from the right to operate satellites using the subject location in a similar market. It is assumed that rather than acquiring such a business as a going concern, the buyer would hypothetically start with the right to operate at an orbital location and build a new

operation with similar attributes from the beginning. Thus the buyer/builder is considered to incur the start-up costs and losses typically associated with the going concern value and pay for all other tangible and intangible assets.

The key assumptions used in estimating the fair values of our rights to operate at our orbital locations included: (i) market penetration leading to revenue growth, (ii) profit margin, (iii) duration and profile of the build-up period, (iv) estimated start-up costs and losses incurred during the build-up period and (v) weighted average cost of capital.

In instances where the build-up method did not generate positive value for the rights to operate at an orbital location, but the rights were expected to generate revenue, we assigned a value based upon independent source data for recent transactions relating to similar orbital locations, each of which is considered a Level 3 input within the fair value hierarchy under FASB ASC 820. We completed our analysis of our orbital locations in connection with the analysis of goodwill described above, and concluded that there was no impairment.

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Trade Name. We have implemented the relief from royalty method to determine the estimated fair value of the Intelsat trade name. The relief from royalty analysis is comprised of two major steps: i) a determination of the hypothetical royalty rate, and ii) the subsequent application of the royalty rate to projected revenue. In determining the hypothetical royalty rate utilized in the relief from royalty approach, we considered comparable license agreements, operating earnings benchmark rule of thumb, an excess earnings analysis to determine aggregate intangible asset earnings, and other qualitative factors, each of which is considered a Level 3 input within the fair value hierarchy under FASB ASC 820.

The key assumptions used in our model to estimate the fair value of the Intelsat trade name included forecasted revenues, the tax rate and discount rate. A change in the estimated tax rates or discount rate could result in future impairments. We completed our analysis of the Intelsat trade name in connection with the analysis of goodwill described above and it resulted in an impairment of our trade name intangible of $5.2 million, which is included within impairment of goodwill and other intangibles in the consolidated statement of operations.

Long-Lived and Amortizable Intangible Assets. We review our long-lived and amortizable intangible assets to assess whether an impairment has occurred in accordance with the guidance provided under FASB ASC Topic 360 *Property, Plant and Equipment*, whenever events or changes in circumstances indicate, in our judgment, that the carrying amount of an asset may not be recoverable. These indicators of impairment can include, but are not limited to, the following:

satellite anomalies, such as a partial or full loss of power;

under-performance of an asset as compared to expectations; and

shortened useful lives due to changes in the way an asset is used or expected to be used.

The recoverability of an asset to be held and used is measured by a comparison of the carrying amount of the asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds its fair value, determined by either a quoted market price, if any, or a value determined by utilizing discounted cash flow techniques. Additionally, when assets are expected to be used in future periods, a shortened depreciable life may be utilized if appropriate, resulting in accelerated depreciation.

Assumptions and Approach Used. We employ a discounted future cash flow approach to estimate the fair value of our long lived intangible assets when an impairment assessment is required.

Share-Based Compensation

Awards are measured at the grant date based on the fair value as calculated using the Black-Scholes option pricing model for share options, a Monte Carlo simulation model for awards with market conditions, or the closing market price at the grant date for awards of shares or restricted shares units. The expense is recognized over the requisite service period, based on attainment of certain vesting requirements.

Prior to the IPO, we estimated the fair market value of our equity at each reporting period in order to properly record stock compensation expense. We estimated the fair market value using a combination of the income and market

approaches, and allocated a 50% weighting to each approach. The income approach quantifies the future cash flows that we expect to achieve consistent with our annual business plan and forecasting processes. These future cash flows are discounted to their net present values using an estimated rate corresponding to a weighted average cost of capital. Our forecasted cash flows are subject to uncontrollable and unforeseen events that could positively or negatively impact economic and business conditions. The estimated weighted average cost of capital includes assumptions and estimates based upon interest rates, expected rates of return, and other risk factors that consider both historic data and expected future returns for comparable investments.

The market approach estimates fair value by applying trading multiples of enterprise value to EBITDA based on observed publicly traded comparable companies.

Income Taxes

We account for income taxes in accordance with the guidance provided under the Income Taxes topic of the Codification (FASB ASC 740). We are subject to income taxes in the United States as well as a number of foreign jurisdictions. Significant judgment is required in the calculation of our tax provision and the resultant tax liabilities and in the recoverability of our deferred tax assets that arise from temporary differences between the tax and financial statement recognition of revenue and expense and net operating loss and credit carryforwards.

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We regularly assess the likelihood that our deferred tax assets can be recovered. Under FASB ASC 740, a valuation allowance is required when it is more likely than not that all or a portion of the deferred tax asset will not be realized. We evaluate the recoverability of our deferred tax assets based in part on the existence of deferred tax liabilities that can be used to realize the deferred tax assets.

During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. We evaluate our tax positions to determine if it is more likely than not that a tax position is sustainable, based solely on its technical merits and presuming the taxing authorities have full knowledge of the position, and access to all relevant facts and information. When a tax position does not meet the more likely than not standard, we record a liability for the entire amount of the unrecognized tax benefit. Additionally, for those tax positions that are determined more likely than not to be sustainable, we measure the tax position at the largest amount of benefit more likely than not (determined by cumulative probability) to be realized upon settlement with the taxing authority.

Fair Value Measurements

FASB ASC 820 requires disclosure of the extent to which fair value is used to measure financial assets and liabilities, the inputs utilized in calculating valuation measurements, and the effect of the measurement of significant unobservable inputs on earnings, or changes in net assets, as of the measurement date. FASB ASC 820 defines fair value as the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a three-level valuation hierarchy based upon the transparency of inputs utilized in the measurement and valuation of financial assets or liabilities as of the measurement date:

Level 1 unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted market prices that are observable or that can be corroborated by observable market data by correlation; and

Level 3 unobservable inputs based upon the reporting entity s internally developed assumptions which market participants would use in pricing the asset or liability.

We performed an evaluation of our financial assets and liabilities under the fair value framework of FASB ASC 820. As a result of that evaluation, we concluded that investments in marketable securities and interest rate financial derivative instruments were items as to which disclosures were required under FASB ASC 820.

We determined that the valuation measurement inputs of marketable securities represent unadjusted quoted prices in active markets and, accordingly, have classified such investments within Level 1 of the FASB ASC 820 hierarchy framework.

The fair value of our interest rate financial derivative instruments reflects the estimated amounts that we would pay or receive to terminate the agreement at the reporting date, taking into account current interest rates, the market expectation for future interest rates and current creditworthiness of both our counterparties and ourselves. Observable inputs utilized in the income approach valuation technique incorporate identical contractual notional amounts, fixed

coupon rates, periodic terms for interest payments and contract maturity. Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments, if any, associated with our derivatives utilize Level 3 inputs, such as the estimates of current credit spread, to evaluate the likelihood of default by us or our counterparties. We also considered the existence of offset provisions and other credit enhancements that serve to reduce the credit exposure associated with the asset or liability being fair valued. We have assessed the significance of the inputs of the credit valuation adjustments to the overall valuation of our derivative positions and have determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative instrument valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Pension and Other Postretirement Benefits

We maintain a noncontributory defined benefit retirement plan covering substantially all of our employees hired prior to July 19, 2001. The cost of providing benefits to eligible participants under the defined benefit retirement plan is calculated using the plan s benefit formulas, which take into account the participants remuneration, dates of hire, years of eligible service, and certain actuarial assumptions. In addition, we provide postretirement medical benefits to certain current retirees who meet the criteria under our medical plan for postretirement benefit eligibility.

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Expenses for our defined benefit retirement plan and for postretirement medical benefits that are provided under our medical plan are developed from actuarial valuations. Any significant decline in the fair value of our defined benefit retirement plan assets or other adverse changes to the significant assumptions used to determine the plan s funded status would negatively impact its funded status and could result in increased funding in future periods.

Key assumptions, including discount rates used in determining the present value of future benefit payments and expected return on plan assets, are reviewed and updated on an annual basis. The discount rates reflect market rates for high-quality corporate bonds. We consider current market conditions, including changes in interest rates, in making assumptions. The Society of Actuaries (SOA) issued new mortality and mortality improvement tables in 2014, and modified those tables in 2015. The new tables indicate raised life expectancies compared to previous mortality tables. Our December 31, 2015 valuation used mortality and improvement tables based on the SOA tables, adjusted to reflect (1) an ultimate rate of mortality improvement consistent with Social Security intermediate assumptions, and (2) a shorter transition period to reach the ultimate rate, which is consistent with historical patterns. In establishing the expected return on assets assumption, we review the asset allocations considering plan maturity and develop return assumptions based on different asset classes. The return assumptions are established after reviewing historical returns of broader market indexes, as well as historical performance of the investments in the plan.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the revenue recognition requirements in FASB ASC Topic 605 *Revenue Recognition*. The guidance in ASU 2014-09 clarifies the principles for recognizing revenue and improves financial reporting by creating a common revenue standard for U.S. GAAP and International Financial Reporting Standards. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, to defer the effective date of ASU 2014-09 by one year. Public entities can now elect to defer implementation of ASU 2014-09 to interim and annual periods beginning after December 15, 2017. Additionally, ASU 2015-14 permits early adoption of the standard but not before the original effective date, i.e. annual periods beginning after December 15, 2016. The standard permits the use of either the retrospective or cumulative effect transition method. We are in the process of evaluating the impact that ASU 2014-09 will have on our consolidated financial statements and associated disclosures, and have not yet selected a transition method.

In April 2015, the FASB issued Accounting Standard Update (ASU) 2015-03, *Interest Imputation of Interest (Subtopic 835-30)* to simplify the presentation of debt issuance costs. The amendments in this update require that debt issuance costs related to a recognized debt liability are presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. ASU 2015-03 is effective for interim and annual periods beginning after December 15, 2015, on a retrospective basis with early adoption allowed. Additionally, in August 2015, the FASB issued an amendment to this update to simplify the presentation of debt issuance costs to include line-of-credit arrangements. We elected to early adopt the amendments in the fourth quarter of 2015 and the adoption of ASU 2015-03 had an effect of a reduction in each other assets and long-term debt, net of current portion of $142.9 million and $121.7 million as of December 31, 2014 and 2015, respectively.

In November 2015, the FASB issued Accounting Standard Update (ASU) 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes* to simplify the presentation of deferred income taxes. The amendments in this update require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. ASU 2015-17 is effective for interim and annual periods beginning after December 15, 2016, on a prospective or retrospective basis with early adoption allowed. We elected to early adopt ASU 2015-17 on a prospective basis in the fourth quarter of 2015 and prior periods were not retrospectively adjusted.

In February 2016, the FASB issued Accounting Standard Update (ASU) 2016-02, Leases to increase transparency and comparability by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018, on a modified retrospective basis with early adoption allowed. We are in the process of evaluating the impact that ASU 2016-02 will have on our consolidated financial statements and associated disclosures.

Revenue

Revenue Overview

We earn revenue primarily by providing services over satellite transponder capacity to our customers. Our customers generally obtain satellite capacity from us by placing an order pursuant to one of several master customer service agreements. The master customer agreements and related service orders under which we sell services specify, among other things, the amount of satellite capacity to be provided, whether service will be non-preemptible or preemptible and the service term. Most services are full time in nature, with service terms ranging from one year to as long as 16 years. Occasional use services used for video applications can be for much shorter periods, including increments of one hour. Our master customer service agreements offer different service types, including transponder services, managed services, and channel, which are all services that are provided on, or used to provide access

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to, our global network. We refer to these services as on-network services. Our customer agreements also cover services that we procure from third parties and resell, which we refer to as off-network services. These services can include transponder services and other satellite-based transmission services sourced from other operators, often in frequencies not available on our network. The following table describes our primary service types:

Service Type	Description
On-Network Revenues:	
Transponder Services	Commitments by customers to receive service via, or to utilize capacity on, particular designated transponders according to specified technical and commercial terms. Transponder services also include revenues from hosted payload capacity. Transponder services are marketed to each of our primary customer sets, as follows:
	Network Services: fixed and wireless telecom operators, data network operators, enterprise operators of private data networks, and value-added network operators for fixed and mobile broadband network infrastructure.
	Media: broadcasters (for distribution of programming and full time contribution, or gathering, of content), programmers and DTH operators.
	Government: civilian and defense organizations, for use in implementing private fixed and mobile networks, or for the provision of capacity or capabilities through hosted payloads.
Managed Services	Hybrid services based upon IntelsatOne, which combine satellite capacity, teleport facilities, satellite communications hardware such as broadband hubs or video multiplexers and fiber optic cable and other ground facilities to provide managed and monitored broadband, trunking, video and private network services to customers. Managed services are marketed to each of our customer sets as follows:

	Network Services: cellular operators and fixed and mobile value-added service providers, providing applications such as maritime and aeronautical broadband, which develop service offerings based upon our integrated broadband platforms.
	Media: programmers outsourcing elements of their transmission infrastructure and part time occasional use services used primarily by news and sports organizations to gather content from remote locations.
	Government: users seeking secured, integrated, end-to-end solutions.
Channel	Standardized services of predetermined bandwidth and technical characteristics, primarily used for point-to-point bilateral services for telecommunications providers. Channel is not considered a core service offering due to changing market requirements and the proliferation of fiber alternatives for point-to-point customer applications. Channel services are exclusively marketed to traditional telecommunications providers in our network service customer set.

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Service Type	Description
Off-Network and Other Revenues:	
Transponder, Mobile Satellite Services and Other	Capacity for voice, data and video services provided by third-party commercial satellite operators for which the desired frequency type or geographic coverage is not available on our network. These services include L-band MSS, for which Intelsat General is a reseller. In addition, this revenue category includes the sale of customer premises equipment and other hardware. These products are primarily marketed to: Government: direct government users, government contractors working on programs where aggregation of capacity is required.
Satellite-related Services	Services include a number of satellite-related consulting and technical services that involve the lifecycle of satellite operations and related infrastructure, from satellite and launch vehicle procurement through TT&C services and related equipment sales. These services are typically marketed to other satellite operators.

We market our services on a global basis, with almost every populated region of the world contributing to our revenue. The diversity of our revenue allows us to benefit from changing market conditions and lowers our risk from revenue fluctuations in our service applications and geographic regions.

Trends Impacting Our Revenue

Our revenue at any given time is dependent upon a number of factors, including but not limited to the supply of capacity available on our fleet in a given region, which is determined in part by our launch programs, our relocations of capacity, competition from supply provided by other satellite operators and by competing technologies such as fiber optic cable networks, as well as the level of demand for that capacity. See Item 4B Business Overview Our Sector for a discussion of the global trends creating demand for our services. Trends in revenue can be impacted by:

- Growth in demand for broadband infrastructure from wireless telecommunications companies operating in developing regions or regions with geographic challenges;
- Growth in demand for broadband connectivity for enterprises and government organizations providing fixed and mobile services and value-added applications on a global basis;
- Satellite capacity needed to provide broadband connectivity for mobile networks on ships, planes and oil and gas platforms;

Increasing popularity of DTH television services which use our capacity for program distribution;

Increased popularity of OTT content distribution, which will increase the demand for broadband infrastructure in the developing world, but could decrease demand in developed markets as niche and ethnic programming transitions from satellite to Internet distribution;

The global demand for television content in standard, HDTV and ultra-high definition television formats, which uses our satellite network and IntelsatOne terrestrial services for distribution;

The use of commercial satellite services by governments for military and other operations, but which has slowed with the tightening U.S. budget;

Our use of third party or off-network services to satisfy government demand for capacity not available on our network. These services are low risk in nature, with no required up-front investment and terms and conditions of the procured capacity which typically match the contractual commitments from our customers. Demand for certain of these off-network services has declined with reductions in troop deployment in regions of conflict; and

The competitive environment in Africa.

See Item 4B Business Overview Our Customer Sets and Growing Applications for a discussion of our customers uses of our services and see Item 4B Business Overview Our Strategy for a discussion of our strategies with respect to marketing to our various customer sets.

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Customer Applications

Our transponder services, managed services, MSS and channel are used by our customers for three primary customer applications: network service applications, media applications and government applications.

Pricing

Pricing of our services is based upon a number of factors, including, but not limited to, the region served by the capacity, the power and other characteristics of the satellite beam, the amount of demand for the capacity available on a particular satellite and the total supply of capacity serving any particular region. In 2013 and 2014, we experienced relatively stable global pricing trends, with unfavorable price trends in Africa and the Middle East. In 2015, pricing trends were stable to lower, especially in the second half of the year with respect to capacity used for network services applications, and to a lesser degree with respect to government applications. The most significant price reductions in 2015 were accompanied by high volume commitments. Increased supply is currently coming to regions beyond Africa and the Middle East, resulting in pricing pressure being experienced in many of our other regions. According to Euroconsult, the annual average price per transponder for C- and Ku- band capacity is forecasted to be on a slight downward trend globally from $1.56 million to $1.50 million per 36 MHz transponder over the period 2015 to 2020, reflecting increasing supply from new satellite entrants, among other factors.

The pricing of our services is generally fixed for the duration of the service commitment. New and renewing service commitments are priced to reflect regional demand and other factors as discussed above.

Operating Expenses

Direct Costs of Revenue (Excluding Depreciation and Amortization)

Direct costs of revenue relate to costs associated with the operation and control of our satellites, our communications network and engineering support, and the purchase of off-network capacity. Direct costs of revenue consist principally of salaries and related employment costs, in-orbit insurance, earth station operating costs and facilities costs. Our direct costs of revenue fluctuate based on the number and type of services offered and under development, particularly as sales of off-network transponder services and sales of customer premises equipment fluctuate. We expect our direct costs of revenue to increase as we add customers and expand our managed services and use of off-network capacity.

Selling, General and Administrative Expenses

Selling, general and administrative expenses relate to costs associated with our sales and marketing staff and our administrative staff, which includes legal, finance, corporate information technology and human resources. Staff expenses consist primarily of salaries and related employment costs, including stock compensation, travel costs and office occupancy costs. Selling, general and administrative expenses also include building maintenance and rent expenses and the provision for uncollectible accounts. Selling, general and administrative expenses generally fluctuate with the number of customers served and the number and types of services offered. These expenses also include research and development expenses, fees for professional services and monitoring fees payable to the Sponsors in support of strategic activities pursuant to the 2008 MFA, which was terminated in April 2013 in connection with the IPO.

Depreciation and Amortization

Our capital assets consist primarily of our satellites and associated ground network infrastructure. Included in capitalized satellite costs are the costs for satellite construction, satellite launch services, insurance premiums for satellite launch and the in-orbit testing period, the net present value of deferred satellite performance incentives payable to satellite manufacturers, and capitalized interest incurred during the satellite construction period.

Capital assets are depreciated or amortized on a straight-line basis over their estimated useful lives. The remaining depreciable lives of our satellites range from one year to 17 years as of December 31, 2014.

Contracted Backlog

We benefit from strong visibility of our future revenues. Our contracted backlog is our expected future revenue under existing customer contracts, and includes both cancellable and non-cancellable contracts. Our contracted backlog was approximately $9.4 billion as of December 31, 2015, approximately 88% of which related to contracts that were non-cancellable and approximately 10% related to contracts that were cancellable subject to substantial termination fees. As of December 31, 2015, the weighted average remaining customer contract life was approximately 5 years. We currently expect to deliver services associated with approximately $1.8 billion, or approximately 20%, of our December 31, 2015 contracted backlog during the year ending December 31, 2016, of

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which $5.7 million is from our channel services, a product near the end of its lifecycle. The amount included in backlog represents the full service charge for the duration of the contract and does not include termination fees. The amount of the termination fees, which is not included in the backlog amount, is generally calculated as a percentage of the remaining backlog associated with the contract. In certain cases of breach for non-payment or customer financial distress or bankruptcy, we may not be able to recover the full value of certain contracts or termination fees. Our contracted backlog includes 100% of the backlog of our consolidated ownership interests, which is consistent with the accounting for our ownership interest in these entities.

Our contracted backlog as of December 31, 2015 was as follows (in millions):

Period	
2016	1,837.4
2017	1,396.3
2018	1,153.6
2019	940.8
2020	803.4
2021 and thereafter	3,243.6
Total	$ 9,375.1

Our contracted backlog by service type as of December 31, 2015 was as follows (in millions, except percentages):

Service Type	Amount	Percent
Transponder services	$ 7,729.0	82%
Managed services	1,418.5	15%
Off-network and other	214.4	2%
Channel	13.2	0%
Total	$ 9,375.1	100%

We believe this backlog and the resulting predictable cash flows in the FSS sector make our net cash provided by operating activities less volatile than that of typical companies outside our industry.

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A. Operating Results ***Years Ended December 31, 2014 and 2015***

The following table sets forth our comparative statements of operations for the periods shown with the increase (decrease) and percentage changes, except those deemed not meaningful (NM), between the periods presented (in thousands, except percentages):

	Year Ended December 31, 2014	Year Ended December 31, 2015	Year Ended December 31, 2014 Compared to Year Ended December 31, 2015 Increase (Decrease)	Year Ended December 31, 2014 Compared to Year Ended December 31, 2015 Percentage Change
Revenue	$ 2,472,386	$ 2,352,521	$ (119,865)	(5)%
Operating expenses:				
Direct costs of revenue (excluding depreciation and amortization)	348,348	328,501	(19,847)	(6)
Selling, general and administrative	197,407	199,412	2,005	1
Impairment of goodwill and other intangibles		4,165,400	4,165,400	NM
Depreciation and amortization	679,351	687,729	8,378	1
Total operating expenses	1,225,106	5,381,042	4,155,936	NM
Income (loss) from operations	1,247,280	(3,028,521)	(4,275,801)	NM
Interest expense, net	944,787	890,279	(54,508)	(6)
Gain (loss) on early extinguishment of debt	(40,423)	7,061	47,484	NM
Other expense, net	(2,593)	(6,201)	3,608	NM
Income (loss) before income taxes	259,477	(3,917,940)	(4,177,417)	NM
Provision for income taxes	22,971	1,513	(21,458)	(93)
Net income (loss)	236,506	(3,919,453)	(4,155,959)	NM
Net income attributable to noncontrolling interest	(3,974)	(3,934)	(40)	(1)
Net income (loss) attributable to Intelsat	$ 232,532	$ (3,923,387)	$ (4,155,919)	NM
Cumulative preferred dividends	(9,917)	(9,919)	2	NM
Net income (loss) attributable to common shareholders	$ 222,615	$ (3,933,306)	$ (4,155,921)	NM

Revenue

The following table sets forth our comparative revenue by service type, with Off-Network and Other Revenues shown separately from On-Network Revenues, for the periods shown (in thousands, except percentages):

	Year Ended December 31, 2014	Year Ended December 31, 2015	Increase (Decrease)	Percentage Change
On-Network Revenues				
Transponder services	$ 1,779,458	$ 1,705,568	$ (73,890)	(4)%
Managed services	415,269	405,330	(9,939)	(2)
Channel	58,669	38,872	(19,797)	(34)
Total on-network revenues	2,253,396	2,149,770	(103,626)	(5)
Off-Network and Other Revenues				
Transponder, MSS and other off-network services	171,637	160,063	(11,574)	(7)
Satellite-related services	47,353	42,688	(4,665)	(10)
Total off-network and other revenues	218,990	202,751	(16,239)	(7)
Total	$ 2,472,386	$ 2,352,521	$ (119,865)	(5)%

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Total revenue for the year ended December 31, 2015 decreased by $119.9 million as compared to the year ended December 31, 2014. By service type, our revenues decreased due to the following:

On-Network Revenues:

Transponder services an aggregate decrease of $73.9 million, primarily due to a $76.3 million decline from network services customers, partially offset by a $10.5 million increase from media customers. The network services decline was mainly due to reduced volumes resulting from non-renewals of point-to-point connectivity and certain cellular backhaul services which are shifting to fiber alternatives, together with non-renewals and renewal pricing at lower rates for enterprise network services, and non-renewals of certain consumer broadband services which are migrating to the customer s own satellite. The media increase resulted primarily from higher volumes of Direct-to-Home (DTH) services delivered in Latin America, offset in part by lower volumes due to certain North American customers migrating to new compression standards and single format distribution. The aggregate decrease also reflects $22.6 million in currency-related reductions of our contracts in Brazil and Russia, across our network services and media businesses. Our sector is undergoing a period of increased supply across all regions; the resulting competitive environment is causing pricing pressure in certain regions and applications, primarily with respect to our network services business, and we expect this to continue to impact our business negatively in the near to mid-term.

Managed services an aggregate decrease of $9.9 million, largely due to an $8.2 million decrease in revenue from media customers for occasional use services and video solutions and a $3.3 million decrease in managed network services for our government applications. These decreases were partially offset by an increase of $2.5 million from network services customers.

Channel an aggregate decrease of $19.8 million related to a continued decline due to the migration of international point-to-point satellite traffic to fiber optic cable, a trend which we expect will continue.

Off-Network and Other Revenues:

Transponder, MSS and other off-network services an aggregate decrease of $11.6 million, primarily due to declines in the sales of off-network transponder services, largely related to government applications.

Satellite-related services an aggregate decrease of $4.7 million, due in part to decreased revenue from government professional services.

Operating Expenses

Direct Costs of Revenue (Excluding Depreciation and Amortization)

Direct costs of revenue decreased by $19.8 million, or 6%, to $328.5 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. The decrease was primarily due to the following:

a decrease of $11.8 million in staff-related expenses; and

a net decrease of $8.4 million reflecting declines in cost of off-network FSS capacity purchased, direct costs related to a joint venture and the cost of MSS capacity purchased.

Selling, General and Administrative

Selling, general and administrative expenses increased by $2.0 million, or 1%, to $199.4 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. The increase was primarily due to the following:

an increase of $5.1 million in bad debt expense due to an expense of $2.2 million related to the Africa and Middle East regions as compared to a $3.5 million reduction in the prior year due to improved collections for that same region;

an increase of $3.6 million in professional fees; and

an increase of $3.6 million in development expense related to our antenna innovation initiatives; partially offset by

a decrease of $7.7 million in staff-related expenses; and

a $3.5 million decrease in litigation-related expenses due to expenses incurred in 2014 with no comparable amounts in 2015.

Impairment of Goodwill and Other Intangibles

Impairment of goodwill and other intangibles was $4.2 billion for the year ended December 31, 2015, with no comparable amounts in the year ended December 31, 2014. We recorded a non-cash impairment charge of $4.2 billion for goodwill and other

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intangibles during the year ended December 31, 2015, reducing goodwill from $6.8 billion to $2.6 billion, and reducing non-amortizable intangible assets from $2.46 billion to $2.45 billion as a result of our annual goodwill and trade name impairment analysis.

Depreciation and Amortization

Depreciation and amortization expense increased by $8.4 million, or 1%, to $687.7 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This decrease was primarily due to the following:

- an increase of $23.6 million in depreciation expense resulting from the impact of satellites placed into service in late 2014 and 2015; partially offset by
- a decrease of $8.0 million in amortization expense, largely due to changes in the expected pattern of consumption of amortizable intangible assets, as these assets primarily include acquired backlog, which relates to contracts covering periods that expire over time, and acquired customer relationships, for which the value diminishes over time; and
- a net decrease of $7.9 million in depreciation expense primarily due to ground assets that became fully depreciated in 2015.

Interest Expense, Net

Interest expense, net consists of the interest expense we incur together with gains and losses on interest rate swaps (which reflect net interest accrued on the interest rate swaps as well as the change in their fair value), offset by interest income earned and the amount of interest we capitalize related to assets under construction. As of December 31, 2015, we held interest rate swaps with an aggregate notional amount of $1.6 billion to economically hedge the variability in cash flow on a portion of the floating-rate term loans under our senior secured credit facilities. The swaps were not designated as hedges for accounting purposes, and are no longer outstanding. Interest expense, net decreased by $54.5 million, or 6%, to $890.3 million for the year ended December 31, 2015, as compared to $944.8 million for the year ended December 31, 2014. The decrease in interest expense, net was principally due to the following:

- a decrease of $37.8 million in interest expense primarily as a result of our debt redemption in 2014 (see Liquidity and Capital Resources Long-Term Debt); and
- a decrease of $15.4 million resulting from higher capitalized interest of $86.3 million for the year ended December 31, 2015 as compared to $70.9 million for the year ended December 31, 2014, resulting from increased levels of satellites and related assets under construction.

The non-cash portion of total interest expense, net was $20.1 million for the year ended December 31, 2015. The non-cash interest expense was due to the amortization of deferred financing fees incurred as a result of new or refinanced debt and the amortization and accretion of discounts and premiums.

Gain (Loss) on Early Extinguishment of Debt

Gain on early extinguishment of debt was $7.1 million for the year ended December 31, 2015 as compared to a loss of $40.4 million for the year ended December 31, 2014. The 2015 gain related to certain debt repurchases during the year (see Liquidity and Capital Resources Long-Term Debt 2015 Debt Transactions). In connection with the repurchases, we recognized a gain on early extinguishment of debt of $7.1 million, consisting of the difference between the carrying value of the debt repurchased and the total cash amount paid, together with a write-off of unamortized debt issuance costs.

The 2014 loss related to the redemption of the 2019 Senior Notes (see Liquidity and Capital Resources Long-Term Debt 2014 Debt Transactions). In connection with the redemption, we recognized a loss on early extinguishment of debt of $40.4 million, consisting of the difference between the carrying value of the debt redeemed and the total cash amount paid (including related fees), and a write-off of unamortized debt discount and debt issuance costs.

Other Expense, Net

Other expense, net was $6.2 million for the year ended December 31, 2015 as compared to $2.6 million for the year ended December 31, 2014. The increase of $3.6 million was primarily due to a $4.8 million increase in exchange rate losses, mainly related to our business conducted in Brazilian *reais*.

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Provision for Income Taxes

Our income tax expense decreased by $21.5 million to $1.5 million for the year ended December 31, 2015 as compared to $23.0 million for the year ended December 31, 2014. The decrease in expense over the prior year was principally due to the recognition of previously unrecognized tax benefits related to our U.S. subsidiaries for the year ended December 31, 2015 compared to December 31, 2014.

Cash paid for income taxes, net of refunds, totaled $37.8 million and $26.3 million for the years ended December 31, 2014 and 2015, respectively.

Net Income (loss) Attributable to Intelsat S.A.

Net loss attributable to Intelsat S.A. for the year ended December 31, 2015 totaled $3.9 billion. Net loss increased from a comparable period of income in 2014 by $4.2 billion, reflecting the various items discussed above.

Cumulative Preferred Dividends

Cumulative preferred dividends declared during the years ended December 31, 2015 and December 31, 2014 were $9.9 million.

Net Income (loss) Attributable to Common Shareholders

Net loss attributable to common shareholders for the year ended December 31, 2015 totaled $3.9 billion. Net loss increased from a comparable period of income in 2014 by $4.2 billion, reflecting the various items discussed above.

Years Ended December 31, 2013 and 2014

The following table sets forth our comparative statements of operations for the periods shown with the increase (decrease) and percentage changes, except those deemed not meaningful (NM), between the periods presented (in thousands, except percentages):

	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2013 Compared to Year Ended December 31, 2014	
			Increase (Decrease)	Percentage Change
Revenue	$ 2,603,623	$ 2,472,386	$ (131,237)	(5)%
Operating expenses:				
Direct costs of revenue (excluding depreciation and amortization)	375,769	348,348	(27,421)	(7)
Selling, general and administrative	288,467	197,407	(91,060)	(32)
Depreciation and amortization	736,567	679,351	(57,216)	(8)
Gain on satellite insurance recoveries	(9,618)		(9,618)	NM

Total operating expenses	1,391,185	1,225,106	(166,079)	(12)
Income from operations	1,212,438	1,247,280	34,842	3
Interest expense, net	1,122,261	944,787	(177,474)	(16)
Loss on early extinguishment of debt	(368,089)	(40,423)	(327,666)	(89)
Other expense, net	(4,918)	(2,593)	(2,325)	(47)
Income (loss) before income taxes	(282,830)	259,477	542,307	NM
Provision for (benefit from) income taxes	(30,837)	22,971	53,808	NM
Net income (loss)	(251,993)	236,506	488,499	NM
Net income attributable to noncontrolling interest	(3,687)	(3,974)	287	8
Net income (loss) attributable to Intelsat	$ (255,680)	$ 232,532	$ 488,212	NM
Cumulative preferred dividends	(10,196)	(9,917)	(279)	(3)
Net income (loss) attributable to common shareholders	$ (265,876)	$ 222,615	$ 488,491	NM

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Revenue

The following table sets forth our comparative revenue by service type, with Off-Network and Other Revenues shown separately from On-Network Revenues, for the periods shown (in thousands, except percentages):

	Year Ended December 31, 2013	Year Ended December 31, 2014	Increase (Decrease)	Percentage Change
On-Network Revenues				
Transponder services	$ 1,988,771	$ 1,895,194	$ (93,577)	(5)%
Managed services	298,623	297,296	(1,327)	(0)
Channel	72,123	58,669	(13,454)	(19)
Total on-network revenues	2,359,517	2,251,159	(108,358)	(5)
Off-Network and Other Revenues				
Transponder, MSS and other off-network services	194,601	172,624	(21,977)	(11)
Satellite-related services	49,505	48,603	(902)	(2)
Total off-network and other revenues	244,106	221,227	(22,879)	(9)
Total	$ 2,603,623	$ 2,472,386	$ (131,237)	(5)%

Total revenue for the year ended December 31, 2014 decreased by $131.2 million as compared to the year ended December 31, 2013. By service type, our revenues decreased due to the following:

On-Network Revenues:

Transponder services an aggregate decrease of $93.6 million, primarily due to a $45.7 million decrease in revenue from capacity services sold for government applications for customers in the North America region and a $45.6 million decrease in revenue from network services customers largely in the Africa and Middle East and the North America regions largely due to pricing reductions and reduced volume from certain point-to-point services. Additional decreases in revenue were primarily from media customer non-renewals in the North America region, partially offset by an increase in revenue for DTH services sold to media customers largely in the Latin America and Caribbean and the Europe regions.

Managed services an aggregate decrease of $1.3 million, largely due to a $4.8 million decrease in revenue from media customers for occasional use services and a decrease in revenue related to declines in international trunking primarily in the Africa and Middle East and the Europe region. These decreases were partially offset by growth in revenue for mobility applications primarily from customers in the North America region.

Channel an aggregate decrease of $13.5 million related to a continued decline due to the migration of international point-to-point satellite traffic to fiber optic cable, a trend which we expect will continue.

Off-Network and Other Revenues:

Transponder, MSS and other off-network services an aggregate decrease of $22.0 million, primarily due to declines in the sales of off-network transponder services, largely related to government applications.

Satellite-related services an aggregate decrease of $0.9 million, primarily due to decreased revenue from government professional services.

Operating Expenses

Direct Costs of Revenue (Excluding Depreciation and Amortization)

Direct costs of revenue decreased by $27.4 million, or 7%, to $348.3 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. Excluding $2.4 million of IPO-Related Compensation Charges in 2013, direct costs of revenue decreased by $25.0 million principally due to the following:

a decrease of $15.7 million in the cost of off-network FSS capacity purchased, primarily related to solutions sold to our government customer set; and

a decrease of $10.6 million in direct costs related to a joint venture.

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Selling, General and Administrative

Selling, general and administrative expenses decreased by $91.1 million, or 32%, to $197.4 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. Excluding $56.3 million associated with the termination of the 2008 MFA in connection with the IPO and $18.9 million of IPO-Related Compensation Charges in 2013, selling, general and administrative expenses decreased by $15.9 million, principally due to the following:

- a decrease of $27.3 million in bad debt expenses due to collection challenges with a limited number of customers, primarily within the Africa and Middle East region in 2013; and
- a decrease of $10.9 million in professional fees largely due to the expenses related to the 2008 MFA prior to its termination in 2013; partially offset by
- an increase of $12.4 million in non-cash stock compensation costs associated with our Intelsat S.A. 2013 Equity Incentive Plan (the 2013 Equity Plan);
- an increase of $5.0 million in development expenses; and
- an increase of $3.5 million in litigation related expenses.

Depreciation and Amortization

Depreciation and amortization expense decreased by $57.2 million, or 8%, to $679.4 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. Significant items impacting depreciation and amortization included:

- a net decrease of $43.1 million in depreciation expense due to the timing of certain satellites becoming fully depreciated and changes in estimated remaining useful lives of certain satellites; and
- a decrease of $14.1 million in amortization expense largely due to changes in the expected pattern of consumption of amortizable intangible assets, as these assets primarily include acquired backlog, which relates to contracts covering periods that expire over time, and acquired customer relationships, for which the value diminishes over time; partially offset by
- an increase of $1.9 million in depreciation expense resulting from the impact of satellites placed into service during 2014.

Gain on Satellite Insurance Recoveries

Gain on satellite insurance recoveries was $9.6 million for the year ended December 31, 2013 with no comparable amount for the year ended December 31, 2014. In February 2013, the launch vehicle for our IS-27 satellite failed shortly after liftoff and the satellite was completely destroyed. The satellite and its related assets, which had a book value of $396.6 million, were fully insured. We received $406.2 million of insurance proceeds and recognized the surplus of insurance proceeds over the book value of the satellite and its related assets as a gain.

Interest Expense, Net

Interest expense, net decreased by $177.5 million, or 16%, to $944.8 million for the year ended December 31, 2014, as compared to $1.12 billion for the year ended December 31, 2013. The decrease in interest expense, net was principally due to the following:

- a net decrease of $126.1 million as a result of our debt offerings, prepayments, redemptions and amendments of our unsecured debt in 2013 and 2014 (see Liquidity and Capital Resources Long-Term Debt);
- a decrease of $26.1 million resulting from higher capitalized interest of $70.9 million for the year ended December 31, 2014 as compared to $44.8 million for the year ended December 31, 2013, resulting from increased levels of satellites and related assets under construction; and
- a net decrease of $21.1 million in interest expense as a result of the decrease in the interest rate for borrowing under the Intelsat Jackson Secured Credit Agreement (see Liquidity and Capital Resources Long-Term Debt Senior Secured Credit Facilities).

The non-cash portion of total interest expense, net was $22.3 million for the year ended December 31, 2014. The non-cash interest expense was due to the amortization of deferred financing fees incurred as a result of new or refinanced debt and the amortization and accretion of discounts and premiums.

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Loss on Early Extinguishment of Debt

Loss on early extinguishment of debt was $40.4 million for the year ended December 31, 2014 as compared to $368.1 million for the year ended December 31, 2013. The 2014 loss related to the redemption of the 2019 Senior Notes (see Liquidity and Capital Resources Long-Term Debt 2014 Debt Transactions). In connection to the redemption, we recognized a loss on early extinguishment of debt of $40.4 million, consisting of the difference between the carrying value of the debt redeemed and the total cash amount paid (including related fees), and a write-off of unamortized debt discount and debt issuance costs.

The 2013 loss related to the repayment of debt in connection with various 2013 refinancings, redemptions, prepayments and offerings (see Liquidity and Capital Resources Long-Term Debt 2013 Debt Transactions). In the year ended December 31, 2013, Intelsat Luxembourg repurchased or redeemed $5.3 billion of its debt for $5.6 billion, excluding accrued and unpaid interest and related fees of $135.8 million. In May 2013, Intelsat Investments repurchased or redeemed $353.6 million of its debt for $362.9 million, excluding accrued and unpaid interest. In April and June 2013, Intelsat Jackson prepaid $1.0 billion of its debt at par value, excluding accrued and unpaid interest and related fees. In October 2013, Intelsat Jackson prepaid $100.0 million of indebtedness outstanding under its secured term loan facility. The loss of $368.1 million was primarily driven by a $311.2 million difference between the carrying value of the debt repurchased, redeemed or prepaid and the total cash amount paid (including related fees), together with a write-off of $56.9 million of unamortized debt discounts and debt issuance costs.

Other Expense, Net

Other expense, net was $2.6 million for the year ended December 31, 2014 as compared to $4.9 million for the year ended December 31, 2013. The difference of $2.3 million was primarily due to a total impairment of an immaterial investment in 2013 and a $0.8 million increase in realized gain on marketable securities.

Provision for Income Taxes

Our income tax expense increased by $53.8 million to $23.0 million for the year ended December 31, 2014 as compared to a benefit from income taxes of $30.8 million for the year ended December 31, 2013. The increase in expense over the prior year was principally due to an internal subsidiary reorganization in 2013 as a result of which we recognized a significant tax benefit related to foreign tax credits. We intend to claim these foreign tax credits on our U.S. subsidiaries tax returns. The credits primarily relate to taxes paid in prior years and are expected to reduce our future tax obligations.

Cash paid for income taxes, net of refunds, totaled $38.8 million and $37.8 million for the years ended December 31, 2013 and 2014, respectively.

Net Income (Loss) Attributable to Intelsat S.A.

Net income attributable to Intelsat S.A. for the year ended December 31, 2014 totaled $232.5 million. Net income increased from a comparable period loss in 2013 by $488.2 million, reflecting the various items discussed above. Results for the year ended December 31, 2013 were significantly impacted by costs and expenses related to the IPO and losses on early extinguishment of debt.

Cumulative Preferred Dividends

Cumulative preferred dividends declared during the year ended December 31, 2014 were $9.9 million as compared with $10.2 million in the comparable period of 2013. Preferred dividends in 2013 reflected dividends declared during the period commencing with our initial public offering.

Net Income (Loss) Attributable to Common Shareholders

Net income attributable to Intelsat S.A. for the year ended December 31, 2014 totaled $222.6 million. Net income increased from a comparable period loss in 2013 by $488.5 million, reflecting the various items discussed above, including cumulative preferred dividends.

EBITDA

EBITDA consists of earnings before net interest, (gain) loss on early extinguishment of debt, taxes and depreciation and amortization. Given our high level of leverage, refinancing activities are a frequent part of our efforts to manage our costs of borrowing. Accordingly, we consider loss on early extinguishment of debt an element of interest expense. EBITDA is a measure commonly used in the FSS sector, and we present EBITDA to enhance the understanding of our operating performance. We use EBITDA as one criterion for evaluating our performance relative to that of our peers. We believe that EBITDA is an operating

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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, EBITDA is not a measure of financial performance under U.S. GAAP, and our EBITDA may not be comparable to similarly titled measures of other companies. EBITDA should not be considered as an alternative to operating income (loss) or net income (loss) determined in accordance with U.S. GAAP, as an indicator of our operating performance, or as an alternative to cash flows from operating activities determined in accordance with U.S. GAAP, as an indicator of cash flows, or as a measure of liquidity.

A reconciliation of net income (loss) to EBITDA for the periods shown is as follows (in thousands):

	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
Net income (loss)	$ (251,993)	$ 236,506	$ (3,919,453)
Add (Subtract):			
Interest expense, net	1,122,261	944,787	890,279
Loss (gain) on early extinguishment of debt	368,089	40,423	(7,061)
Provision for (benefit from) income taxes	(30,837)	22,971	1,513
Depreciation and amortization	736,567	679,351	687,729
EBITDA	$ 1,944,087	$ 1,924,038	$ (2,346,993)

Adjusted EBITDA

In addition to EBITDA, we calculate a measure called Adjusted EBITDA to assess the operating performance of Intelsat S.A. Adjusted EBITDA consists of EBITDA of Intelsat S.A. as adjusted to exclude or include certain unusual items, certain other operating expense items and certain other adjustments as described in the table and related footnotes below. Our management believes that the presentation of Adjusted EBITDA provides useful information to investors, lenders and financial analysts regarding our financial condition and results of operations because it permits clearer comparability of our operating performance between periods. By excluding the potential volatility related to the timing and extent of non-operating activities, such as impairments of asset value and other non-recurring items, our management believes that Adjusted EBITDA provides a useful means of evaluating the success of our operating activities. We also use Adjusted EBITDA, together with other appropriate metrics, to set goals for and measure the operating performance of our business, and it is one of the principal measures we use to evaluate our management s performance in determining compensation under our incentive compensation plans. Adjusted EBITDA measures have been used historically by investors, lenders and financial analysts to estimate the value of a company, to make informed investment decisions and to evaluate performance. Our management believes that the inclusion of Adjusted EBITDA facilitates comparison of our results with those of companies having different capital structures.

Adjusted EBITDA is not a measure of financial performance under U.S. GAAP and may not be comparable to similarly titled measures of other companies. Adjusted EBITDA should not be considered as an alternative to operating income (loss) or net income (loss) determined in accordance with U.S. GAAP, as an indicator of our operating performance, as an alternative to cash flows from operating activities determined in accordance with U.S. GAAP, as an indicator of cash flows, or as a measure of liquidity.

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A reconciliation of net income (loss) to EBITDA and EBITDA to Adjusted EBITDA is as follows (in thousands):

	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
Net income (loss)	$ (251,993)	$ 236,506	$ (3,919,453)
Add (Subtract):			
Interest expense, net	1,122,261	944,787	890,279
Loss (gain) on early extinguishment of debt	368,089	40,423	(7,061)
Provision for (benefit from) income taxes	(30,837)	22,971	1,513
Depreciation and amortization	736,567	679,351	687,729
EBITDA	1,944,087	1,924,038	(2,346,993)
Add (Subtract):			
Compensation and benefits [1]	25,711	22,921	26,235
Management fees [2]	64,239		
Non-recurring and other non-cash items [3]	(606)	11,723	9,877
Impairment of goodwill and other intangibles [4]			4,165,400
Adjusted EBITDA	$ 2,033,431	$ 1,958,682	$ 1,854,519

(1) Reflects non-cash expenses incurred relating to our equity compensation plans and a portion of the expenses related to our defined benefit retirement plan and other postretirement benefits.

(2) Reflects expenses incurred in connection with the 2008 MFA. In connection with the IPO in April 2013, the 2008 MFA was terminated.

(3) Reflects certain non-recurring gains and losses and non-cash items, including the following: costs associated with development activities in 2014 and 2015; expenses related to the IPO in 2013; non-cash expense related to the recognition of expense on a straight-line basis for certain office space leases; non-recurring litigation expenses in 2014; severance and retention payments; expenses associated with the relocation of our U.S. administrative headquarters and primary satellite operations center in 2014; expenses associated with the relocation of our government business subsidiary to our U.S. administrative headquarters facility in 2015; the total impairment of an immaterial investment in 2013; and other various non-recurring expenses. These costs were partially offset by a gain on satellite insurance recoveries in 2013; non-cash income related to the recognition of deferred revenue on a straight-line basis for certain prepaid capacity service contracts for 2013 to 2015; and adjustments to certain vendor payments in 2013.

(4) Reflects a non-cash goodwill and other intangibles impairment charge due to our annual impairment test which indicated that both our goodwill and our non-amortizable intangible trade name asset exceeded their estimated fair value.

B. Liquidity and Capital Resources

Overview

We are a highly leveraged company and our contractual obligations, commitments and debt service requirements over the next several years are significant. At December 31, 2015, our total indebtedness was $14.6 billion. Our interest expense for the year ended December 31, 2015 was $890.3 million, which included $20.1 million of non-cash interest expense. We also expect to make significant capital expenditures in 2016 and future years, as set forth below in Capital Expenditures.

Our primary source of liquidity is and will continue to be cash generated from operations as well as existing cash. At December 31, 2015, cash and cash equivalents were approximately $171.5 million and Intelsat Jackson had $488.7 million of available borrowing capacity (net of standby letters of credit outstanding) under its revolving credit facility.

We currently expect to use cash on hand, cash flows from operations, borrowings under our senior secured revolving credit facility and refinancing of our third party debt to fund our most significant cash outlays, including debt service requirements and capital expenditures, in the next twelve months and beyond, and expect such sources to be sufficient to fund our requirements over that time and beyond. In past years, our cash flows from operations and cash on hand have been sufficient to fund interest obligations ($970.3 million and $894.5 million in 2014 and 2015, respectively) and significant capital expenditures ($645.4 million and $724.4 million in 2014 and 2015, respectively).

Our total capital expenditures are expected to range from $725 million to $800 million in 2016, $625 million to $700 million in 2017 and $425 million to $525 million in 2018. We received $130.7 million of significant customer prepayments under our customer service contracts in 2015.

However, an inability to generate sufficient cash flow to satisfy our debt service obligations or to refinance our obligations on commercially reasonable terms would have an adverse effect on our business, financial position, results of operations and cash flows, as well as on our and our subsidiaries ability to satisfy their obligations in respect of their respective debt. See Item 3D Risk Factors Risk Factors Relating to Our Business We have a substantial amount of indebtedness, which may adversely affect our cash flow and our ability to operate our business, remain in compliance with debt covenants, and make payments on our indebtedness. We also continually evaluate ways to simplify our capital structure and opportunistically extend our maturities and reduce our costs of debt. In addition, we may from time to time retain any future earnings to purchase, repay, redeem or retire any of our outstanding debt securities in privately negotiated or open market transactions, by tender offer or otherwise.

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In June 2014, the shareholders of Intelsat S.A. declared a $9.9 million dividend that was paid to holders of our Series A Preferred Shares in four installments through May 2015, in accordance with the terms of the Series A Preferred Shares. In June 2015, the shareholders of Intelsat S.A. declared a $9.9 million dividend to be paid to holders of our Series A Preferred Shares in four installments through May 2016, again in accordance with the terms of the Series A Preferred Shares.

Cash Flow Items

Our cash flows consisted of the following for the periods shown (in thousands):

	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
Net cash provided by operating activities	$ 716,892	$ 1,046,170	$ 910,031
Net cash used in investing activities	(134,061)	(645,250)	(749,354)
Net cash used in financing activities	(516,523)	(519,003)	(102,986)
Net change in cash and cash equivalents	60,305	(124,643)	48,394

Net Cash Provided by Operating Activities

Net cash provided by operating activities decreased by $136.1 million to $910.0 million for the year ended December 31, 2015, as compared to the year ended December 31, 2014. The primary drivers of the year-over-year decrease in net cash provided by operating activities were lower cash inflows related to lower customer prepayments received under our long-term service contracts, higher cash outflow from other long-term liabilities and lower cash inflow related to receivables. During the year ended December 31, 2015, cash flows from operating activities reflected a $51.8 million cash inflow related to deferred revenue for customer prepayments received under our long-term service contracts, partially offset by a $34.6 million outflow due to the timing of cash collections on receivables, a $28.1 million outflow in other long-term liabilities related to the release of an income tax reserve, a $25.8 million outflow primarily due to timing of payments for third party capacity, and a $20.7 million outflow related to accrued retirement benefits, primarily due to of employer contributions to our defined benefit retirement plan in 2015.

Net Cash Used in Investing Activities

Net cash used in investing activities increased by $104.1 million to $749.4 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This increase was primarily due to $78.9 million higher capital expenditures in 2015 as compared to 2014, and a $25.0 million purchase of a cost method investment also in 2015.

Net Cash Used in Financing Activities

Net cash used in financing activities decreased by $416.0 million to $103.0 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. The year ended December 31, 2015 included $496.8 million in repayments of long-term debt, which primarily included a $479.0 million repayment of the Intelsat Jackson Secured Credit Facilities and the repurchase of 2018 Luxembourg Notes as discussed in Long-Term Debt 2015 Debt Transactions, partially offset by $430.0 million in proceeds from our Intelsat Jackson Secured Credit Facilities. During the year ended December 31, 2014, cash flows from financing activities primarily reflected $610.4 million in repayments of long-term debt, which primarily included a $500.0 million repayment of the Intelsat Jackson 8 ½%

Senior Notes due 2019 as discussed in Long-Term Debt 2014 Debt Transactions, as well as $135.0 million in proceeds from our Intelsat Jackson Secured Credit Facilities.

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Long-Term Debt

This section describes the changes to our long-term debt during the years ended December 31, 2013, 2014 and 2015. For detail regarding our outstanding long-term indebtedness as of December 31, 2015, see Note 12 to our consolidated financial statements included elsewhere in this Annual Report.

Senior Secured Credit Facilities

Intelsat Jackson Senior Secured Credit Facilities

On January 12, 2011, Intelsat Jackson entered into a secured credit agreement (the Intelsat Jackson Secured Credit Agreement), which provided for a $3.25 billion term loan facility and a $500.0 million revolving credit facility, and borrowed the full $3.25 billion under the term loan facility. The term loan facility required regularly scheduled quarterly payments of principal equal to 0.25% of the original principal amount of the term loan beginning six months after January 12, 2011, with the remaining unpaid amount due and payable at maturity.

Up to $350.0 million of the revolving credit facility is available for issuance of letters of credit. Additionally, up to $70.0 million of the revolving credit facility was available for swingline loans. Both the face amount of any outstanding letters of credit and any swingline loans reduce availability under the revolving credit facility on a dollar for dollar basis. Intelsat Jackson is required to pay a commitment fee for the unused commitments under the revolving credit facility, if any, at a rate per annum of 0.375%. As of December 31, 2015, Intelsat Jackson had $488.7 million (net of standby letters of credit) of availability remaining thereunder.

On October 3, 2012, Intelsat Jackson entered into an Amendment and Joinder Agreement (the Jackson Credit Agreement Amendment), which amended the Intelsat Jackson Secured Credit Agreement. As a result of the Jackson Credit Agreement Amendment, interest rates for borrowings under the term loan facility and the revolving credit facility were reduced. In April 2013, our corporate family rating was upgraded by Moody s, and as a result, the interest rate for the borrowing under the term loan facility and revolving credit facility were further reduced to LIBOR plus 3.00% or the Above Bank Rate (ABR) plus 2.00%.

On November 27, 2013, Intelsat Jackson entered into a Second Amendment and Joinder Agreement (the Second Jackson Credit Agreement Amendment), which further amended the Intelsat Jackson Secured Credit Agreement. The Second Jackson Credit Agreement Amendment reduced interest rates for borrowings under the term loan facility and extended the maturity of the term loan facility. In addition, it reduced the interest rates applicable to $450 million of the $500 million total revolving credit facility and extended the maturity of such portion. As a result of the Second Jackson Credit Agreement Amendment, interest rates for borrowings under the term loan facility and the new tranche of the revolving credit facility are (i) LIBOR plus 2.75%, or (ii) the ABR plus 1.75%. The LIBOR and the ABR, plus applicable margins, related to the term loan facility and the new tranche of the revolving credit facility are determined as specified in the Intelsat Jackson Secured Credit Agreement, as amended by the Second Jackson Credit Agreement Amendment, and the LIBOR will not be less than 1.00% per annum. The maturity date of the term loan facility was extended from April 2, 2018 to June 30, 2019 and the maturity of the new $450 million tranche of the revolving credit facility was extended from January 12, 2016 to July 12, 2017. The interest rates and maturity date applicable to the $50 million tranche of the revolving credit facility that was not amended did not change. The Second Jackson Credit Agreement Amendment further removed the requirement for regularly scheduled quarterly principal payments under the term loan facility.

Intelsat Jackson s obligations under the Intelsat Jackson Secured Credit Agreement are guaranteed by Intelsat Luxembourg, and certain of Intelsat Jackson s subsidiaries. Intelsat Jackson s obligations under the Intelsat Jackson

Secured Credit Agreement are secured by a first priority security interest in substantially all of the assets of Intelsat Jackson and the guarantors, to the extent legally permissible and subject to certain agreed exceptions, and by a pledge of the equity interests of the subsidiary guarantors and the direct subsidiaries of each guarantor, subject to certain exceptions, including exceptions for equity interests in certain non-U.S. subsidiaries, existing contractual prohibitions and prohibitions under other legal requirements.

The Intelsat Jackson Secured Credit Agreement includes two financial covenants. Intelsat Jackson must maintain a consolidated secured debt to consolidated EBITDA ratio equal to or less than 3.50 to 1.00 at the end of each fiscal quarter as well as a consolidated EBITDA to consolidated interest expense ratio equal to or greater than 1.75 to 1.00 at the end of each fiscal quarter, in each case as such financial measures are defined in the Intelsat Jackson Secured Credit Agreement. Intelsat Jackson was in compliance with these financial maintenance covenant ratios with a consolidated secured debt to consolidated EBITDA ratio of 1.58 to 1.00 and a consolidated EBITDA to consolidated interest expense ratio of 2.59 to 1.00 as of December 31, 2015. In the event we were to fail to comply with these financial maintenance covenant ratios and were unable to obtain waivers, we would default under the Intelsat Jackson Secured Credit Agreement, and the lenders under the Intelsat Jackson Secured Credit Agreement could accelerate our obligations thereunder, which would result in an event of default under our existing notes.

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2015 Debt Transactions

2015 Intelsat Luxembourg Notes Repurchases

During the fourth quarter of 2015, we repurchased $25.0 million aggregate principal amount of the 2018 Luxembourg Notes. In connection with these repurchases, we recognized a gain on early extinguishment of debt of $7.1 million in the fourth quarter of 2015, consisting of the difference between the carrying value of the debt purchased and the total cash amount paid, and a write-off of unamortized debt issuance costs.

2014 Debt Transactions

2014 Intelsat Jackson Notes Redemption

On November 1, 2014, Intelsat Jackson redeemed all of the outstanding $500.0 million aggregate principal amount of its 8 ½% Senior Notes due 2019. In connection with the redemption of these notes, we recognized a loss on early extinguishment of debt of $40.4 million in the fourth quarter of 2014, consisting of the difference between the carrying value of the debt redeemed and the total cash amount paid (including related fees), and a write-off of unamortized debt discount and debt issuance costs.

2013 Debt Transactions

2013 Intelsat Jackson Senior Secured Credit Facilities Prepayment

In October 2013, Intelsat Jackson prepaid $100.0 million of indebtedness outstanding under the term loan facility. In connection with this prepayment, we recognized a loss on early extinguishment of debt of $1.3 million, consisting of a write-off of unamortized debt issuance cost in the fourth quarter of 2013.

2013 Intelsat Luxembourg Notes Offerings and Redemptions

On April 5, 2013, Intelsat Luxembourg completed an offering of $3.5 billion aggregate principal amount of Senior Notes, consisting of $500.0 million aggregate principal amount of the 2018 Luxembourg Notes, $2.0 billion aggregate principal amount of 7 ¾% Senior Notes due 2021 and $1.0 billion aggregate principal amount of 8 ⅛% Senior Notes due 2023. The net proceeds from this offering were used by Intelsat Luxembourg in April 2013 to redeem all $2.5 billion aggregate principal amount of Intelsat Luxembourg s outstanding 11½ / 12 ½ % Senior PIK Election Notes and $754.8 million aggregate principal amount of its outstanding 11 ¼% Senior Notes due 2017 (the 2017 Senior Notes).

On May 23, 2013, Intelsat Luxembourg redeemed a further $366.4 million aggregate principal amount of the 2017 Senior Notes. This redemption of the 2017 Senior Notes was funded by insurance proceeds received from our total loss claim for the IS-27 satellite launch failure.

In connection with these redemptions of the Intelsat Luxembourg notes, we recognized a loss on early extinguishment of debt of $232.1 million in the second quarter of 2013, consisting of the difference between the carrying value of the aggregate debt redeemed and the total cash amount paid (including related fees), and a write-off of unamortized debt issuance costs.

2013 Intelsat Investments Notes Redemption

On April 12, 2012, we obtained agreements from affiliates of Goldman, Sachs & Co. and Morgan Stanley to provide unsecured term loan commitments sufficient to refinance in full the Intelsat Investments Notes on or immediately prior to their maturity date, in the event that Intelsat Investments did not otherwise refinance or retire the Intelsat Investments Notes. These term loans would have had a maturity of two years from funding, and the funding thereof was subject to various terms and conditions. On May 23, 2013, Intelsat Investments redeemed all of the outstanding $353.6 million aggregate principal amount of the Intelsat Investments Notes using proceeds of the IPO. In connection with the redemption of the Intelsat Investments Notes, we recognized a loss on early extinguishment of debt of $24.2 million in the second quarter of 2013, consisting of the difference between the carrying value of the debt redeemed and the total cash paid (including related fees), and a write-off of unamortized debt discount and debt issuance costs. Additionally, in conjunction with the redemption of the Intelsat Investments Notes, the agreements to provide unsecured term loan commitments were terminated. We recorded a charge of $7.6 million related to this termination in the second quarter of 2013.

2013 Intelsat Jackson New Senior Unsecured Credit Facility Prepayment

On April 23, 2013, upon completion of the IPO, Intelsat Jackson prepaid $138.2 million of indebtedness outstanding under the New Senior Unsecured Credit Facility. The partial prepayment of the New Senior Unsecured Credit Facility was funded by the proceeds of the IPO. In connection with the partial prepayment, we recognized a loss on early extinguishment of debt of $0.2 million in the second quarter of 2013, consisting of a write-off of unamortized debt issuance costs.

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2013 Intelsat Jackson Notes Offerings, Credit Facility Prepayments and Redemptions

On June 5, 2013 Intelsat Jackson completed an offering of $2.6 billion aggregate principal amount of Senior Notes, consisting of $2.0 billion aggregate principal amount of 5 ½% Senior Notes due 2023 and $635.0 million aggregate principal amount of 6 ⅝ % Senior Notes due 2022. The net proceeds from this offering were used by Intelsat Jackson in June 2013 to prepay all $672.7 million of indebtedness outstanding under its New Senior Unsecured Credit Facility, and all $195.2 million of indebtedness outstanding under its Senior Unsecured Credit Agreement, consisting of a senior unsecured term loan facility due February 2014. The remaining net proceeds were used to redeem all of the remaining $1.7 billion aggregate principal amount outstanding of the 2017 Senior Notes.

In connection with these prepayments and redemptions, we recognized a loss on early extinguishment of debt of $110.3 million in the second quarter of 2013, consisting of the difference between the carrying value of the aggregate debt redeemed and the total cash amount paid (including related fees), and a write-off of unamortized debt issuance costs.

Significant Intercompany Transaction

During the third quarter of 2015, our subsidiary, Intelsat Jackson, declared and paid a dividend of $360 million in cash to its parent, Intelsat Luxembourg, also one of our subsidiaries. Subsequent to the payment of the dividend, a subsidiary of Intelsat Luxembourg loaned an aggregate principal amount of $360 million to Intelsat Jackson (the Intercompany Loan) pursuant to a promissory note. Interest on the Intercompany Loan is payable on April 1 of each calendar year, commencing with the calendar year 2016. The Intercompany Loan is prepayable by Intelsat Jackson in whole or in part at any time.

Satellite Performance Incentives

Our cost of satellite construction includes an element of deferred consideration to satellite manufacturers referred to as satellite performance incentives. We are contractually obligated to make these payments over the lives of the satellites, provided the satellites continue to operate in accordance with contractual specifications. We capitalize the present value of these payments as part of the cost of the satellites and record a corresponding liability to the satellite manufacturers. This asset is amortized over the useful lives of the satellites and the liability is accreted as interest expense is recorded based on the passage of time and the liability is reduced as the payments are made. Our total satellite performance incentive payment liability as of December 31, 2014 and 2015 was $184.3 million and $181.6 million, respectively.

Capital Expenditures

Our capital expenditures depend on our business strategies and reflect our commercial responses to opportunities and trends in our industry. Our actual capital expenditures may differ from our expected capital expenditures if, among other things, we enter into any currently unplanned strategic transactions. Levels of capital spending from one year to the next are also influenced by the nature of the satellite life cycle and by the capital-intensive nature of the satellite industry. For example, we incur significant capital expenditures during the years in which satellites are under construction. We typically procure a new satellite within a timeframe that would allow the satellite to be deployed at least one year prior to the end of the service life of the satellite to be replaced. As a result, we frequently experience significant variances in our capital expenditures from year to year. The following table compares our satellite-related capital expenditures to total capital expenditures from 2011 through 2015 (in thousands).

Year	Satellite-Related Capital Expenditures	Total Capital Expenditures
2011	$ 792,760	$ 844,688
2012	793,451	866,016
2013	542,942	600,792
2014	566,716	645,424
2015	657,656	724,362
Total	$ 3,353,525	$ 3,681,282

Our capital expenditure guidance for the periods 2016 through 2018 (the Guidance Period) forecasts capital expenditures for ten satellites which are in the manufacturing and design phase, or recently launched, during the Guidance Period. On January 27, 2016, we successfully launched IS-29e, the first of the Intelsat Epic^{NG} high throughput satellites. IS-29e is expected to provide our customers with higher performance, better economics and easier accessibility, allowing our customers to use satellite solutions in larger and faster growing applications, such as wireless infrastructure and mobility applications. IS-29e is expected to be put in service by the second quarter of 2016. IS-29e, a replacement satellite, will enable our customers to extend the reach of their networks and provide high quality, fast, reliable connectivity. We expect to launch six additional satellites during the Guidance period, three of which are expected to be launched in the 2016. By the conclusion of the Guidance Period, our total transmission capacity is expected to increase significantly from levels at 2016 year end. We expect our capital expenditures to range from $725 million to $800 million in 2016. For 2017, we anticipate capital expenditures to range from $625 million to $700 million. For 2018, we anticipate capital expenditures to range from $425 million to $525 million as we begin investing in replacement satellites that will be launched beyond the Guidance Period. Our capital expenditures guidance includes capitalized interest. The annual classification of capital expenditure payments could be impacted by the timing of achievement of satellite manufacturing and launch contract milestones.

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In the past, we received significant customer prepayments under our existing customer service contracts. We contracted for these prepayments in an effort to balance our growth and delevering objectives. Significant prepayments received in 2015 totaled $130.7 million. The annual classification of capital expenditures and prepayments could be impacted by the timing of achievement of contract, satellite manufacturing, launch and other milestones. We intend to fund our capital expenditure requirements through cash on hand, cash provided from operating activities and, if necessary, borrowings under our senior secured revolving credit facility.

Currency and Exchange Rates

Substantially all of our customer contracts, capital expenditure contracts and operating expense obligations are denominated in U.S. dollars. Consequently, we are not exposed to material foreign currency exchange risk. However, the service contracts with our Brazilian customers provide for payment in Brazilian *reais*. Accordingly, we are subject to the risk of a reduction in the value of the Brazilian *real* as compared to the U.S. dollar in connection with payments made by Brazilian customers, and our exposure to fluctuations in the exchange rate for Brazilian *reais* is ongoing. However, the rates payable under our service contracts with Brazilian customers are adjusted annually to account for inflation in Brazil, thereby mitigating the risk. For the years ended December 31, 2013, 2014 and 2015, our Brazilian customers represented approximately 4.6%, 4.9% and 4.2% of our revenue, respectively. Transactions in other currencies are converted into U.S. dollars using exchange rates in effect on the dates of the transactions.

We recorded foreign currency exchange losses of $6.0 million, $6.6 million and $11.4 million for the years ended December 31, 2013, 2014 and 2015, respectively. The loss in each year was primarily attributable to the conversion of our Brazilian *reais* receivables and cash balances held in Brazil, and was net of other working capital account balances translated into U.S. dollars at the exchange rates in effect on the last day of the applicable year or, with respect to exchange transactions effected during the year, at the time the exchange transactions occurred.

C. Research and Development, Patents and Licenses

During the year ended December 31, 2015, we incurred $8.6 million for development activities. In addition, a few isolated patent initiatives have been conducted for the innovation efforts of the Company, resulting in $0.2 million of expenses for the year ended December 31, 2015. Further, Intelsat personnel regularly engage in activities that are intended to result in new or improved functions, performance, or quality related to our network, teleports and satellites.

D. Trend Information

Other than as disclosed elsewhere in this Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions. See Item 5 Operating and Financial Review and Prospects for further discussion.

E. Off-Balance Sheet Arrangements

We have a revenue sharing agreement with JSAT International, Inc. (JSAT) related to services sold on the Horizons Holdings satellites. We are responsible for billing and collection for such services and we remit 50% of the revenue,

less applicable fees and commissions, to JSAT. Under an amended joint venture agreement between us and JSAT, we agreed to guarantee to JSAT certain minimum levels of annual gross revenues for a three-year period beginning in the first quarter of 2012 (the date that the Horizons-2 satellite was relocated to 85° E). (See Note 8(a) Investments Horizons Holdings). As of the first quarter of 2015, all amounts due under the guarantee had been paid, and no remaining exposure exists.

At December 31, 2015, we also had an off-balance sheet commitment of $14.5 million, which we expect to pay through 2017 for development activities.

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F. Tabular Disclosure of Contractual Obligations

The following table sets forth our contractual obligations and capital and certain other commitments as of December 31, 2015, and the expected year of payment (in thousands):

	Payments due by year							
ntractual Obligations (1)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021 and thereafter**	**Other**	**Total**
ng-Term debt obligations								
elsat S.A. and subsidiary es and credit ilities principal payment	$	$	$ 475,000	$ 4,595,000	$ 2,200,000	$ 7,425,000	$	$ 14,695,00
elsat S.A. and subsidiary es and credit ilities interest payment (2)	937,206	935,849	918,924	789,197	676,469	822,688		5,080,33
erating lease obligations	15,057	13,868	13,451	13,370	12,825	119,183		187,75
blease rental income	(580)	(62)	(46)	(48)	(37)	(181)		(95
rizons-3 Satellite LLC pital Contributions (3)	14,000	21,700	36,400					72,10
rchase obligations (4)	557,173	401,017	200,443	116,054	45,255	136,754		1,456,69
her long-term liabilities cluding interest) (5)	35,321	30,170	25,899	24,020	23,947	133,091		272,44
ome tax contingencies (6)							40,248	40,24
al contractual obligations	$ 1,558,177	$ 1,402,542	$ 1,670,071	$ 5,537,593	$ 2,958,459	$ 8,636,535	$ 40,248	$ 21,803,62

(1) Obligations related to our pension and postretirement medical benefit obligations are excluded from the table. We maintain a noncontributory defined benefit retirement plan covering substantially all of our employees hired prior to July 19, 2001. We expect that our future contributions to the defined benefit retirement plan will be based on the minimum funding requirements of the Internal Revenue Code and on the plan s funded status. The impact on the funded status is determined based upon market conditions in effect when we completed our annual valuation. In the first quarter of 2015, we amended the defined benefit retirement plan to cease the accrual of additional benefits for the remaining active participants effective March 31, 2015. During the year ended December 31, 2015, we made cash contributions to the defined benefit retirement plan of $16.4 million. We do not anticipate additional contributions to the defined benefit retirement plan in 2016. We fund the postretirement medical benefits throughout the year based on benefits paid. We anticipate that our contributions to fund postretirement medical benefits in 2016 will be approximately $4.3 million. See Note 7 Retirement Plans and Other Retiree Benefits to our consolidated financial statements included elsewhere in this Annual Report.

(2) Represents estimated interest payments to be made on our fixed and variable rate debt and fees owed in connection with our senior secured credit facilities and letters of credit. Interest payments for variable rate debt and incentive obligations have been estimated based on the current interest rates.

(3) See Note 10(b) Investments Horizons-3 Satellite LLC.

(4) Includes satellite construction and launch contracts, estimated payments to be made on performance incentive obligations related to certain satellites that are currently under construction, vendor contracts and customer commitments.

(5) Represents satellite performance incentive obligations related to satellites that are in service (and interest thereon). Also, excludes future commitments related to our interest rate swaps.

(6) The timing of future cash flows from income tax contingencies cannot be reasonably estimated and therefore are reflected in the other column. See Note 14 Income Taxes to our consolidated financial statements included elsewhere in this Annual Report for further discussion of income tax contingencies.

Satellite Construction and Launch Obligations

As of December 31, 2015, we had approximately $1.2 billion of expenditures remaining under our existing satellite construction contracts and satellite launch contracts. Satellite launch and in-orbit insurance contracts related to future satellites to be launched are cancelable up to thirty days prior to the satellite s launch. As of December 31, 2015, we did not have any non-cancelable commitments related to existing launch insurance or in-orbit insurance contracts for satellites to be launched.

See Item 4B Business Overview Our Network Satellite Systems Satellites on Order for details relating to certain of our satellite construction and launch contracts.

Operating Leases

We have commitments for operating leases primarily relating to equipment and office facilities. These leases contain escalation provisions for increases. As of December 31, 2015, minimum annual rentals of all leases (net of sublease income on leased facilities), totaled approximately $186.8 million, exclusive of potential increases in real estate taxes, operating assessments and future sublease income.

Customer and Vendor Contracts

We have contracts with certain of our customers which require us to provide equipment, services and other support during the term of the related contracts. We also have long-term contractual obligations with service providers primarily related to the operation of certain of our satellites. As of December 31, 2015, we had commitments under these customer and vendor contracts which totaled approximately $215.3 million related to the provision of equipment, services and other support.

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G. Safe Harbor

See the section entitled Forward-looking Statements at the beginning of this Annual Report.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Our current executive officers and directors are as follows:

Name	Age	Position
David McGlade	55	Executive Chairman, Intelsat S.A.
Stephen Spengler	56	Director and Chief Executive Officer, Intelsat S.A.
Jacques Kerrest	69	Executive Vice President & Chief Financial Officer, Intelsat S.A.
Michelle Bryan	59	Executive Vice President, General Counsel, Chief Administrative Officer and Secretary, Intelsat S.A.
Thierry Guillemin	56	Executive Vice President and Chief Technical Officer, Intelsat Corporation
Kurt Riegelman	52	Senior Vice President, Sales and Marketing, Intelsat Corporation
Michael J. DeMarco	45	Senior Vice President, Operations, Intelsat Corporation
Justin Bateman	42	Director, Intelsat S.A.
Robert Callahan	64	Director, Intelsat S.A.
John Diercksen	66	Director, Intelsat S.A.
Egon Durban	42	Director, Intelsat S.A.
Edward A. Kangas	71	Director, Intelsat S.A.
Simon Patterson	42	Director, Intelsat S.A.
Raymond Svider	53	Director, Intelsat S.A.

The following is a brief biography of each of our executive officers and directors:

Mr. McGlade became the Chief Executive Officer and Chairman of the board of directors of Intelsat S.A. in April 2013 and served as Chief Executive Officer and Deputy Chairman of the board of directors of Intelsat S.A. from July 2011 to April 2013. On April 1, 2015, Mr. McGlade transitioned to the role of Executive Chairman of Intelsat S.A. and resigned as Chief Executive Officer. Mr. McGlade had been the Chief Executive Officer of Intelsat Investments S.A. from April 2005 and was Deputy Chairman of the board of directors of Intelsat Investments S.A. from August 2008 until May 2013. Prior to that, Mr. McGlade was the Chief Executive Officer of O2 UK, the largest subsidiary of O2 plc and a leading U.K. cellular telephone company, a position he took in October 2000. He was also an Executive Director of O2 plc. During his tenure at O2 UK and O2, Mr. McGlade was a director of the GSM Association, a trade association for GSM mobile operators, and served as Chairman of its Finance Committee from February 2004 to February 2005. He was also a director of Tesco Mobile from September 2003 to March 2005 and a director of The Link, a distributor of mobile phones and other high technology consumer merchandise, from December 2000 to May 2004. Mr. McGlade is currently a director of Skyworks Solutions, Inc. Mr. McGlade holds a Bachelor of Arts degree from Rutgers University. Mr. McGlade s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Spengler became the Chief Executive Officer of Intelsat S.A. on April 1, 2015, and became a director of Intelsat S.A. in October, 2015, and from December 16, 2015 to January 31, 2016, he has also served as Acting Chief Financial Officer. Prior to April 2015, Mr. Spengler served as Deputy Chief Executive Officer of Intelsat S.A. from December

2014, and prior to that he served as President and Chief Commercial Officer of Intelsat Corporation from March 2013. Mr. Spengler also served as Executive Vice President Sales, Marketing and Strategy of Intelsat Corporation from February 2008 to March 2013. From July 2006 to February 2008, he served as Intelsat Corporation s Senior Vice President, Europe, Middle East, Africa and Asia Pacific Sales. From February 2006 to July 2006, Mr. Spengler served as Acting Senior Vice President Sales & Marketing of Intelsat Global Service Corporation, leading Intelsat S.A. s global marketing and sales organizations immediately prior to the acquisition of PanAmSat Corporation. From July 2003 to February 2006, he served as Vice President, Sales, Network Services & Telecom of Intelsat Global Service Corporation. Before joining Intelsat, Mr. Spengler held various positions in the telecommunications industry, including Senior Vice President of Global Sales, Broadband Access Networks, at Cirronet, Inc., Vice President for Sales and Marketing at ViaSat Satellite Networks, Regional Sales Director for Satellite Networks in Europe, Middle East and Africa for Scientific-Atlanta Europe based in London, and sales and marketing positions at GTE Spacenet and GTE Corporation. Mr. Spengler received his Bachelor of Arts degree from Dickinson College in Carlisle, Pennsylvania, and his Master s in Business Administration from Boston University in Massachusetts. Mr. Spengler s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Kerrest became the Executive Vice President and Chief Financial Officer of Intelsat S.A. on February 1, 2016. Prior to this, Mr. Kerrest served as President of DPC Data Inc., a data products and specialized data services company, from July 2014 to February 2016, and has been serving as a director of the company since 2011. From 2008 to 2011, Mr. Kerrest served as Chief

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Financial Officer and Chief Operating Officer of ActivIdentity Corporation, an identity assurance provider. He also served as the Chief Financial Officer of Virgin Media plc, the second largest communications company in the United Kingdom, from 2004 to 2008. Prior to 2004, Mr. Kerrest held the role of Chief Financial Officer at companies including Equant Inc., Harte-Hanks, Inc., Chancellor Broadcasting Company and Positive Communications. Mr. Kerrest received his Masters of Science Degree from Faculte Des Sciences Economiques in Paris, France, and a Masters of Business Administration from Institut D Etudes Politiques De Paris in Paris, France as well as the Thunderbird School of Global Management in Glendale, Arizona. Mr. Kerrest s business address is 4, rue albert Borschette, L-1246 Luxembourg.

Ms. Bryan became the Executive Vice President, General Counsel and Chief Administrative Officer and Secretary of Intelsat S.A. in March 2013. Prior to that Ms. Bryan served as Senior Vice President, Human Resources and Corporate Services of Intelsat Corporation since January of 2007. Prior to joining Intelsat, Ms. Bryan served as interim General Counsel and Corporate Secretary for Laidlaw International, and prior to that held a number of executive positions with US Airways Group, Inc. including Executive Vice President, Corporate Affairs and General Counsel and Corporate Secretary as well as Senior Vice President Human Resources. Ms. Bryan earned a Bachelor of Arts degree from the University of Rochester and a Juris Doctor from Georgetown University. Ms. Bryan s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Guillemin became the Executive Vice President and Chief Technical Officer of Intelsat Corporation in March 2013. Prior to that, Mr. Guillemin served as Senior Vice President and Chief Technical Officer of Intelsat Corporation since February 2008, with responsibility for customer operations, space systems management and planning, and satellite operations. From July 2006 to February 2008, he served as Intelsat Corporation s Vice President of Satellite Operations & Engineering, in which role he was responsible for the service availability of Intelsat s entire in-orbit fleet of satellites (combined with PanAmSat s). From July 2005 to July 2006, Mr. Guillemin served as Vice President of Satellite Engineering & Program Management of Intelsat Global Service Corporation, and from January 2003 to July 2005, he served as Senior Director of Satellite Operations. He has over 30 years experience in the satellite industry, in disciplines including spacecraft development, launch and operations. Mr. Guillemin earned a Master s Degree in Space Engineering from the École Nationale Superieure de l Aeronautique et de l Espace in Toulouse, France. Mr. Guillemin s business address is 7900 Tysons One Place, McLean, VA 22102, United States.

Mr. Riegelman became the Senior Vice President, Sales and Marketing of Intelsat Corporation in April 2015. Prior to that, Mr. Riegelman served as Senior Vice President, Global Sales, with responsibility over Intelsat s global sales team and overseeing Intelsat s largest customer relationships across the media, broadband and mobility sectors. From 2006 to 2008, he served as Vice President of Americas Sales, a role for which he was responsible for the integration of the combined sales team following Intelsat s merger with PanAmSat. From 1998 to 2006, he led the Americas and North America sales team of PanAmSat. Mr. Riegelman holds a Bachelor of Science degree from California State University and a Masters in Business Administration in International Marketing from Loyola Marymount University in California. Mr. Riegelman s business address is 7900 Tysons One Place, McLean, VA 22102, United States.

Mr. DeMarco became the Senior Vice President, Operations of Intelsat Corporation in April 2015. Prior to that, Mr. DeMarco served as Senior Vice President, Marketing and Solutions Development, with responsibility for product management, marketing, customer solutions engineering and asset management functions. From 2006 to 2009, he served as Intelsat Corporation s Vice President of Media Services, a role in which he was responsible for the re-launch of Intelsat s media product portfolio. He has held roles of increasing responsibility within the company, serving as Vice President of Core Video Services, Senior Director of Business Operations, and Director of Product Finance at PanAmSat prior to its 2006 merger with Intelsat. Mr. DeMarco earned a Bachelor of Science Degree in Finance and a Masters of Business Administration from Fairfield University in Connecticut. Mr. DeMarco s business address is 7900 Tysons One Place, McLean, VA 22102, United States.

Mr. Bateman became a director of Intelsat S.A. in July 2011. Mr. Bateman was a director of Intelsat Investments S.A. from August 2008 to May 2013. Mr. Bateman is a Managing Partner of BC Partners based in its New York office, the investment arm of which he co-established in early 2008. He initially joined BC Partners London office in 2000 from PricewaterhouseCoopers, where he spent three years in Transaction Services working on due diligence projects for both financial investors and corporate clients. In 2002/2003 he left BC Partners to complete his MBA at INSEAD before rejoining its London office. Mr. Bateman serves on the board of Teneo Global LLC, and has previously served on the boards of Office Depot, Inc., MultiPlan, Inc. and Suddenlink Communications. He has a degree in economics from the University of Cambridge in the UK. Mr. Bateman s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Callahan became a director of Intelsat S.A. in April 2014. Mr. Callahan is the Chairman of Longueview Advisory, a media, internet and technology advisory firm. Prior to joining Longueview, he served as a special advisor with General Atlantic, Inc., a leading global growth equity firm, where he worked on internet, technology and resource investments, such as the Alibaba Group and Network Solutions, Inc., where he served as Chairman. He previously held the position of Chairman and Chief Executive Officer of Ziff Davis Media, Inc. Mr. Callahan also spent 20 years at the Walt Disney Company/ABC/Capital Cities, where he held numerous positions, including President of ABC Inc. Mr. Callahan holds a Bachelor of Science degree in Journalism from the University of Kansas. Mr. Callahan s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

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Mr. Diercksen became a director of Intelsat S.A. in September 2013. In December 2015, Mr. Diercksen became the Chief Executive Officer of Beachfront Wireless. Mr. Diercksen also serves as a Senior Advisor at LionTree Investment Advisors, addressing financial, operational and management services with client business development. Previously, Mr. Diercksen retired from Verizon Communications as an executive vice president in September 2013, with responsibility for key strategic initiatives related to the review and assessment of potential mergers, acquisitions and divestitures. At Verizon, he previously held the position of executive vice president, strategy, development and planning and was instrumental in forging Verizon s strategy of technology investment, including repositioning its assets through the acquisition of spectrum. Earlier in his career, Mr. Diercksen held a number of senior financial and leadership positions at Verizon, Bell Atlantic, and NYNEX, among other companies. Mr. Diercksen also serves on the boards of Harman International Industries and Popular, Inc. Mr. Diercksen holds an MBA from Pace University and a Bachelor of Business Administration in finance from Iona College. Mr. Diercksen s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Durban became a director of Intelsat S.A. in July 2011. Mr. Durban was a director of Intelsat Investments S.A. From February 2008 to May 2013, Mr. Durban is a Managing Partner and Managing Director of Silver Lake. Mr. Durban joined Silver Lake in 1999 as a founding principal, has worked in the firm s Menlo Park and New York offices and set-up and then oversaw the firm s London office from 2005 to 2010. Mr. Durban serves on the board of directors of Dell, Inc. and Motorola Solutions, Inc. and on the Executive Committee of William Morris Endeavor Entertainment, LLC. Previously, he served on the boards of NXP Semiconductors N.V., MultiPlan, Inc. and Skype Global S.à r.l., where he also served as the Chairman of its Operating Committee. Earlier, Mr. Durban worked in Morgan Stanley s Corporate Finance, Technology and Equity Capital Markets Group. Mr. Durban graduated from Georgetown University with a B.S. in Finance. Mr. Durban s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Kangas became a director of Intelsat S.A. in July 2012. Mr. Kangas serves as Lead Director of Tenet Healthcare Corporation. He also served as Non-Executive Chairman of Tenet Healthcare Corporation (and member of the Compensation Committee) from 2003 to 2015. Mr. Kangas also serves as the Non-Executive Chairman of United Technologies Corporation (and member of the Compensation and Audit Committees), and serves as a member of the board of directors of Hovnanian Enterprises, Inc. (and member of the Compensation, Audit and Governance and Nominating Committees) and EGS Global Systems. Mr. Kangas formerly served as Chairman of the board of directors of Oncology Therapeutics Network, and as a director of Intuit, Inc., Allscripts Healthcare Solutions, Inc., Eclipsys Corp. and Electronic Data Systems Corp. Mr. Kangas previously served as Global Chairman and Chief Executive Officer of Deloitte, Touche, Tohmatsu from 1989 to 2000. He also served as the managing partner of Deloitte & Touche (USA) from 1989 to 1994. Mr. Kangas holds a bachelor s degree in business and an MBA from the University of Kansas and is a Certified Public Accountant. Mr. Kangas also qualifies as an audit committee financial expert. Mr. Kangas business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Patterson became a director of Intelsat S.A. in March 2013. Mr. Patterson previously was a director of Intelsat S.A. from January 2012 to May 2012 and was a director of Intelsat Investments S.A. from January 2012 to May 2013. Mr. Patterson is a Managing Director of Silver Lake having joined in 2005. Mr. Patterson previously worked at GF-X, the Financial Times Group and McKinsey & Company. Mr. Patterson also serves on the board of directors of Dell, Inc. and N Brown Group plc and on the board of trustees of the UK Natural History Museum. Previously, he served on the board of Skype Global S.à r.l., Gerson Lehrman Group, Inc. and MultiPlan, Inc. Mr. Patterson holds an M.A. from King s College, Cambridge University and an MBA from the Stanford University Graduate School of Business. Mr. Patterson s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Svider became a director of Intelsat S.A. in July 2011. Prior to April 2013, Mr. Svider also served as Chairman of the board of directors. Mr. Svider was a director of Intelsat Investments S.A. from February 2008 to May 2013 and

became the Chairman of the board of directors of Intelsat S.A. in May 2008. Mr. Svider has been Co-Chairman of BC Partners since December 2008 and has been a Managing Partner of BC Partners since 2003. He joined BC Partners in 1992 in Paris before moving to London in 2000 to lead its investments in the technology and telecommunications industries. Over the years, Mr. Svider has participated in or led a variety of investments, including Tubesca, Nutreco, UTL, Neopost, Polyconcept, Neuf Telecom, Unity Media/Tele Columbus, Office Depot Inc., ATI Enterprises, MultiPlan, Inc., Suddenlink Communications, Accudyne Industries, Teneo Global LLC and PetSmart. He is currently on the board of Suddenlink Communications, Accudyne Industries, Teneo Global LLC and PetSmart. Prior to joining BC Partners, Mr. Svider worked in investment banking at Wasserstein Perella in New York and Paris, and at the Boston Consulting Group in Chicago. Mr. Svider holds a Master of Business Administration from the University of Chicago and a Master of Science in Engineering from both École Polytechnique and École Nationale Superieure des Telecommunications in France. Mr. Svider s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

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B. Compensation of Executive Officers and Directors

This section sets forth (i) the compensation and benefits provided to our executive officers and directors for 2015, (ii) a brief description of the bonus program in which our executive officers participated in 2015, (iii) the total amounts set aside or accrued in 2015 for pension, retirement and similar benefits for our executive officers, and (iv) the number, exercise price and expiration date of share option grants made during 2015.

2015 Compensation

For 2015, our executive officers received total compensation, including base salary, bonus, non-equity incentive compensation, contributions to the executive officer s account under our 401(k) plans and other retirement plans and certain perquisites, equal to $13.8 million in the aggregate.

Annual Cash Bonuses

In April 2013 our board of directors adopted, and our shareholders approved, a new Bonus Plan, which became effective immediately prior to the consummation of the IPO (the Bonus Plan). The Bonus Plan provides that certain of our and our subsidiaries employees, including the executive officers, may be awarded cash bonuses based on the attainment of specific performance goals and business criteria established by our board of directors for participants in the Bonus Plan. The goals and criteria for the 2015 fiscal year included certain financial metrics, including revenue and adjusted EBITDA targets, as well as certain business development metrics, all as defined by the compensation committee. The bonus target percentages for our executives are set forth in their respective employment agreements. Awards for the subject year are determined based upon completion of the audited consolidated financial statements for that year. The Bonus Plan is a discretionary plan and the compensation committee retains the right to award compensation absent the attainment of performance criteria.

The Bonus Plan enables the compensation committee to grant bonuses that are intended to qualify as performance-based compensation for purposes of Section 162(m) of the Code by conditioning the payout of the bonus on the satisfaction of certain performance goals (which are selected from the same list of performance goals applicable under our 2013 Equity Plan (see 2013 Equity Incentive Plan below)). In addition, the Bonus Plan also provides that, except to the extent otherwise provided in an award agreement, or any applicable employment, change in control, severance or other agreement between a participant and the Company, in the event of a change in control (as defined in our 2013 Equity Plan), the compensation committee may provide that all or a portion of any such bonus award will become fully vested based on (i) actual performance through the date of the change in control as determined by the compensation committee or (ii) if the compensation committee determines that measurements of actual performance cannot be reasonably assessed, the assumed achievement of target performance as determined by the compensation committee. All awards previously deferred will be settled in full on or as soon as practicable following the change in control.

Pension, Retirement and Similar Benefits

Our executive officers participate in a tax-qualified 401(k) plan on the same terms as our other employees. Our executive officers also participate in the Intelsat Excess Benefit Plan, a nonqualified retirement plan under which our executive officers and certain key employees receive additional contributions to address limitations placed on contributions under the tax-qualified 401(k) plan. Under the terms of his employment agreement, Mr. McGlade is provided with certain retiree medical benefits that are not otherwise provided to participants under the terms of our medical plan. Additionally, until April 1, 2015, for U.S.-based employees hired prior to July 19, 2001, we maintained the Intelsat Staff Retirement Plan, which is a tax-qualified defined benefit pension plan. Mr. Guillemin is the only executive officer who was eligible to participate in this plan. The benefits under the plan are calculated based upon a

set of formulae that take into account the participant s hire date, years of service and average compensation. Effective April 1, 2015, the pension plan was frozen and no additional benefits accrued to participants after March 31, 2015. The aggregate amount of the employer contributions to the 401(k) plans and the Intelsat Excess Benefit Plan for our executive officers during 2015 was $200,373. The change in the actuarial present value of accumulated benefits under the Intelsat Staff Retirement Plan for Mr. Guillemin in 2015 was $4,996 and the total present value of Mr. McGlade s post-retirement medical benefits was $256,201.

Employment Agreements and Severance Protection

We have entered into employment agreements with each of our executive officers, including Mr. Kerrest, who was appointed as our Executive Vice President and Chief Financial Officer effective February 1, 2016, following the resignation of our former Chief Financial Officer, Mr. McDonnell, effective December 16, 2015. Pursuant to these agreements and certain amendments thereto, Mr. Spengler served as Deputy Chief Executive Officer from November 2014 through March 31, 2015 and effective April 1, 2015 became Chief Executive Officer. Concurrent with the effective date of Mr. Spengler assuming the position of Chief Executive Officer, Mr. McGlade became Executive Chairman. Among other things, the employment agreements provide for minimum base salary, bonus eligibility and severance protection in the event of involuntary terminations of employment. Specifically, under the employment agreements, if the executive officer s employment is terminated by us without cause or if the officer resigns for good reason (in either case as defined in the executive officer s respective employment agreement), then, subject to the executive officer s

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execution of a release of claims and compliance with certain restrictive covenants, the executive officer will be paid a severance amount on the sixtieth day after such termination of employment equal to the product of (x) the sum of the executive officer s annual base salary and target annual bonus as in effect on the date of such termination of employment, multiplied by (y) a severance multiplier equal to 2.0 in the case of Mr. Spengler, 1.5 in the case of Messrs. Kerrest and Guillemin and Ms. Bryan, and 1.0 in the case of Messrs. Riegelman and DeMarco. In the case of Mr. McGlade, his severance amount is fixed at a severance multiplier equal to 2.0 times the sum of his annual base salary and target bonus as in effect on April 1, 2015. In addition, the executive officer will be paid a prorated target bonus for the year of the officer s termination of employment based on actual results and the portion of the fiscal year the executive officer was employed. The employment agreement for Mr. McGlade further provides that, in the event a golden parachute excise tax under Section 4999 of the Code is imposed on any compensation or benefits received in connection with a change of control, and our shares are readily tradable on an established securities market or otherwise at such time, the executive officer will be entitled to an additional payment such that he will be placed in the same after-tax position that he would have been in had no excise tax been imposed.

Director Compensation

We provide non-executive independent members of the board with compensation (including equity based compensation) for their service on the board and any committees of the board. Our board has adopted a director compensation policy applicable to each director (an outside director) who is neither our employee nor nominated by any entity that (i) receives a management or monitoring fee from the Company or any subsidiary or (ii) beneficially owns or is part of a group that beneficially owns at least fifty percent (50%) of voting shares of the Company. The director compensation policy provides that each outside director receives an annual board cash retainer of $75,000 (the basic cash retainer). The chairperson of the Audit Committee receives an annual cash retainer of $22,500 and each other member of the Audit Committee receives an annual cash retainer of $15,000. The chairperson of the Compensation Committee receives an annual cash retainer of $17,500 and each other member of the Compensation Committee receives an annual cash retainer of $10,000. At such time as our board of directors has a Nominating and Corporate Governance Committee, the chairperson of the Nominating and Corporate Governance Committee shall receive an annual cash retainer of $10,000 and each other member of the Nominating and Corporate Governance Committee shall receive an annual cash retainer of $5,000. In addition, each outside director receives an annual restricted stock unit award (pursuant to the 2013 Equity Plan) with a grant date value of approximately $125,000 that vests on the first anniversary of the date of grant, subject to continued service on the board of directors on such vesting date, and subject to such other terms and conditions as established by the board of directors from time to time.

Each outside director may elect to receive any of the foregoing cash retainers in the form of fully vested restricted share unit awards with a grant date value equal to the amount of such cash retainer, subject to such terms and conditions as established by the board of directors from time to time. An outside director may elect to assign his or her interest in (or enter into a mutually acceptable arrangement with the Company with respect to the delivery of) the foregoing items to any entity shareholder that nominates such outside director for election to the board of directors and, in such case, the Company shall pay cash in lieu of equity awards in an amount equal to the grant date value of such awards.

Other than the severance protection provided under the employment agreements of Messrs. McGlade and Spengler described above, no directors are party to service contracts with the Company providing for benefits upon termination of employment or service.

Non-executive members of the board are entitled to reimbursements for travel and other out-of-pocket expenses related to their board service.

In connection with our IPO, we entered into a governance agreement (the Governance Agreement) with the shareholder affiliated with BC Partners (the BC Shareholder), the shareholder affiliated with Silver Lake (the Silver Lake Shareholder) and David McGlade (collectively with the BC Shareholder and the Silver Lake Shareholder, the Governance Shareholders), under the terms of which we have also agreed to reimburse directors nominated by the Governance Shareholders for travel and other expenses related to their board service.

Equity Grants issued during 2015

In 2015, we granted a total of 529,200 restricted stock units to our executive officers as a group and 36,945 restricted stock units to our independent directors pursuant to the 2013 Equity Plan (see Equity Compensation Plans below). These units included both time-vesting restricted stock units as well as performance-based restricted stock units which vest on the basis of achievement of certain financial metrics.

Also granted in 2015 were options to purchase a total of 310,000 common shares to our executive officers as a group. These options had an exercise price of $3.77 per share, vest with the passage of time over two years, and expire in December 2025. Additionally, the Company approved the repricing of certain outstanding options grants of executive officers. Specifically, the following option repricing was approved: (a) the awards of options to purchase Company shares with respect to 336,815 shares held

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by the executive officers as a group, were amended to change the previous exercise price of $18.00 to $3.77 per share; (b) the awards of options to purchase Company shares with respect to 278,615 shares held by the executive officers as a group, were amended to change the previous exercise price of $27.00 to $3.77 per share, subject to approval by the shareholders of the Company at the annual general meeting of shareholders to be held in June 2016; and (c) in January 2016, the award of options to purchase Company shares with respect to 700,000 shares held by Mr. McGlade was amended to change the exercise price of $18.00 to $4.16 per share. In each case, these options were already vested and there were no changes to the vesting, expiration or any other terms of the outstanding awards.

In addition, in connection with his hiring in February 2016, Mr. Kerrest was awarded a grant of options to purchase 200,000 common shares, at an exercise price of $3.29 per share, that vest with the passage of time in equal installments over three years and expire in February 2026.

Equity Compensation Plans

2008 Share Incentive Plan

On May 6, 2009, the board of directors of Intelsat Global S.A. adopted the amended and restated Intelsat Global, Ltd. 2008 Share Incentive Plan (the 2008 Equity Plan). Intelsat S.A. adopted the 2008 Equity Plan by an amendment effective as of March 30, 2012. The 2008 Equity Plan provides for a variety of equity-based awards with respect to our common shares, including non-qualified share options, incentive share options (within the meaning of Section 422 of the United States Internal Revenue Service Tax Code), restricted share awards, restricted share unit awards, share appreciation rights, phantom share awards and performance-based awards.

In addition, in connection with the IPO, each of our executive officers agreed to cancel a portion of their unvested performance options in exchange for grants of new stock options and restricted share units granted in the aggregate to our executive officers under the 2013 Equity Incentive Plan.

Except for certain grants of restricted shares and stock options made immediately following the IPO, following the consummation of the IPO no new awards may be granted under the 2008 Equity Plan.

2013 Equity Incentive Plan

In connection with the IPO, we established the Intelsat S.A. 2013 Equity Incentive Plan. Any of the employees, directors, officers, consultants or advisors (or prospective employees, directors, officers, consultants or advisors) of the Company or any of our subsidiaries or their respective affiliates, are eligible for awards under the 2013 Equity Plan. The compensation committee has the authority to determine who is granted an award under the 2013 Equity Plan, and it has delegated authority to the Chief Executive Officer of the Company to make awards to individuals below the executive officer level, subject to reporting such awards to the compensation committee at the next following committee meeting.

The 2013 Equity Plan provides for an aggregate of 10,000,000 of our common shares to be available for awards. No more than 10,000,000 of our common shares in the aggregate may be issued with respect to incentive stock options under the 2013 Equity Plan. No participant may be granted awards in any one calendar year with respect to more than 1,500,000 of our common shares in the aggregate (or the equivalent amount in cash, other securities or property).

Our common shares subject to awards are generally unavailable for future grant. In no event may we increase the number of our common shares that may be delivered pursuant to incentive stock options granted under the 2013 Equity Plan. If any shares are surrendered or tendered to pay the exercise price of an award or to satisfy withholding

taxes owed, such shares will not be available for grant under the 2013 Equity Plan. If any award granted under the 2013 Equity Plan expires, terminates, is canceled or forfeited without being settled or exercised, our common shares subject to such award will again be made available for future grant.

The compensation committee may grant awards of non-qualified stock options, incentive (qualified) stock options, stock appreciation rights, restricted stock awards, restricted stock units, other stock-based awards, performance compensation awards (including cash bonus awards), or any combination of the foregoing. Awards may be granted under the 2013 Equity Plan and in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by us or with which we combine.

C. Board Practices

Board Leadership Structure

Our board of directors consists of nine directors. Our articles of incorporation provide that our board of directors shall consist of not less than three directors and not more than 20 directors. Under Luxembourg law, directors are appointed by the general meeting of shareholders for a period not exceeding six years or until a successor has been elected. Our board is divided into three classes as

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described below. Pursuant to our articles of incorporation, our directors are appointed by the general meeting of shareholders for a period of up to three years (or, if longer, up to the annual meeting held following the third anniversary of the appointment), with each director serving until the third annual general meeting of shareholders following their election (other than with respect to the initial Class I and Class II directors, who will serve until the first annual general meeting and second annual general meeting of shareholders, respectively). Upon the expiration of the term of a class of directors, directors in that class will be elected for three-year terms at the annual general meeting of shareholders in the year in which their term expires. Messrs. Kangas, Patterson and Diercksen are serving as Class III directors for a term expiring in 2016. Messrs. Svider, Durban and Bateman are serving as Class I directors for a term expiring in 2017. Messrs. Spengler, McGlade and Callahan are serving as Class II directors for a term expiring in 2018. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of our directors. Mr. McGlade serves as the Chairman of our board of directors.

Audit Committee

Intelsat S.A. has an audit committee consisting of Messrs. Kangas, Diercksen and Callahan. All members of the audit committee are independent directors. Pursuant to its charter and the authority delegated to it by the board of directors, the audit committee has sole authority for the engagement, compensation and oversight of our independent registered public accounting firm. In addition, the audit committee reviews the results and scope of the audit and other services provided by our independent registered public accounting firm and also reviews our accounting and control procedures and policies. The audit committee meets as often as it determines necessary but not less frequently than once every fiscal quarter. Our board of directors has determined that each of Messrs. Kangas and Diercksen is an audit committee financial expert.

Compensation Committee

Intelsat S.A. has a compensation committee consisting of Messrs. Svider, Durban and Kangas. Mr. Kangas is independent, and the other members are not independent, since they are associated with the Sponsors. Pursuant to its charter and the authority delegated to it by the board of directors, the compensation committee has responsibility for the approval and evaluation of all of our compensation plans, policies and programs as they affect Intelsat S.A. s chief executive officer and other executive officers. The compensation committee meets as often as it determines necessary.

D. Employees

As of December 31, 2015, we had 1,069 full-time regular employees. These employees consisted of:

574 employees in engineering, operations and related information systems;

186 employees in finance, legal and other administrative functions;

221 employees in sales, marketing and strategy; and

88 employees in support of government sales and marketing.

We believe that our relations with our employees are good. None of our employees is represented by a union or covered by a collective bargaining agreement.

E. Share Ownership

The following table and accompanying footnotes show information regarding the beneficial ownership of our common shares by:

each person known by us to beneficially own 5% or more of our outstanding common shares;

each of our directors;

each executive officer, subject to permitted exceptions; and

all directors and executive officers as a group.

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The percentage of beneficial ownership set forth below is based on approximately 107,634,528 common shares issued and outstanding as of February 12, 2016. All common shares listed in the table below are entitled to one vote per share, unless otherwise indicated in the notes thereto. Unless otherwise indicated, the address of each person named in the table below is c/o Intelsat S.A., 4, rue Albert Borschette, L-1246 Luxembourg.

	Common Shares Beneficially Owned [1]	
Name of Beneficial Owner:	**Number**	**Percentage**
Serafina S.A.[2][14]	62,962,644	58.5%
Silver Lake Group, L.L.C. [3][4][14]	14,119,665	13.1%
SLP III Investment Holdings S.à r.l. [4][14]	13,892,905	12.9%
Entities affiliated with Fidelity [5]	9,296,200	8.6%
David McGlade [6][14]	3,938,914	3.6%
Stephen Spengler [7]	343,256	*
Jacques Kerrest [8]		*
Michelle Bryan [9]	107,849	*
Thierry Guillemin [10]	86,793	*
Kurt Riegelman [11]	35,595	*
Michael DeMarco [12]	25,876	*
Justin Bateman		*
Robert Callahan	5,191	*
John Diercksen	10,178	*
Egon Durban		*
Edward Kangas	10,186	*
Simon Patterson		*
Raymond Svider		*
Directors and executive officers as a group [13] (14 persons)	4,563,838	4.1%

* Represents beneficial ownership of less than one percent of shares outstanding.

(1) The amounts and percentages of our common shares beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of such securities as to which such person has an economic interest.

(2) The common shares beneficially owned by Serafina S.A. are also beneficially owned by the limited partnerships comprising the fund commonly known as BC European Capital VIII, BC European Capital Intelsat Co-Investment, BC European Capital Intelsat Co-Investment 1 and BC European Capital Intelsat Syndication L.P. CIE Management II Limited is the general partner of, and has investment control over the shares beneficially owned by, each of the limited partnerships comprising the BC European Capital VIII fund that are domiciled in the United Kingdom, BC European Capital Intelsat Co-Investment, BC European Capital Intelsat Co-Investment 1 and BC European Capital Intelsat Syndication L.P. (collectively, the CIE Funds). CIE Management II Limited

may, therefore, be deemed to have shared voting and investment power over the common shares beneficially owned by each of the CIE Funds. LMBO Europe SAS is the Geŕant of, and has investment control over the shares beneficially owned by, each of limited partnerships comprising the BC European Capital VIII fund that are domiciled in France (collectively, the LMBO Funds). LMBO Europe SAS may, therefore, be deemed to have shared voting and investment power over the common shares beneficially owned by each of the LMBO Funds. Because each of CIE Management II Limited and LMBO Europe SAS is managed by a board of directors, no individuals have ultimate voting or investment control (as determined by Rule 13d-3) over the shares that may be deemed beneficially owned by CIE Management II Limited or LMBO Europe SAS. The address of Serafina S.A. is 29, avenue de la Porte Neuve, L-2227 Luxembourg. The address of CIE Management II Limited and the CIE Funds is Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey, GY1 4HY, Channel Islands and the address of LMBO Europe SAS and the LMBO Funds is 58-60 Avenue Kleber, Paris, France 75116.

(3) The common shares beneficially owned include 226,760 common shares issuable upon conversion of the 100,000 Series A Preferred Shares held, assuming conversion at the minimum conversion rate of 2.2676 common shares per Series A Preferred Share.

(4) The common shares held of record by SLP III Investment Holding S.à r.l. are beneficially owned by its shareholders Silver Lake Partners III, L.P. (SLP) and Silver Lake Technology Investors III, L.P. (SLTI). Silver Lake Technology Associates III, L.P. (SLTA) serves as the general partner of each of SLP and SLTI and may be deemed to beneficially own the shares directly owned by SLP and SLTI. SLTA III (GP), L.L.C. (SLTA GP) serves as the general partner of SLTA and may be deemed to beneficially own the shares directly owned by SLP and SLTI. Silver Lake Group, L.L.C. (SLG) serves as the managing member of SLTA GP and may be deemed to beneficially own the shares directly owned by SLP and SLTI. The address for each of SLP, SLTI, SLTA, SLTA GP and SLG is 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025.

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(5) Based on the most recently available Schedule 13G filed with the SEC on February 12, 2016 by FMR LLC. Members of the family of Abigail P. Johnson, Director, Vice Chairman, Chief Executive Officer and President of FMR LLC, are the predominant owners, directly or through trusts, of 49% of the voting power of FMR LLC. FMR LLC reports that members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. FMR LLC reports that neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act (Fidelity Funds) advised by Fidelity Management & Research Company (Fidelity), a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the Fidelity Funds Boards of Trustees. FMR LLC reports that the shares it beneficially owns do not reflect securities, if any, beneficially owned by certain other companies whose beneficial ownership of securities is disaggregated from that of its subsidiaries, affiliates and other companies in accordance with Securities and Exchange Commission Release No. 34-39538 (January 12, 1998). The address of FMR LLC and Fidelity is 245 Summer Street, Boston, Massachusetts 02210.

(6) Includes common shares held by McGlade Investments II, LLC, the Article 4 Family Trust U/T David McGlade 2009 GRAT and the David P. McGlade Declaration of Trust. Mr. McGlade exercises voting power over a total of 1,798,302 common shares. Mr. McGlade also holds restricted share units and options entitling him to receive or purchase 2,140,612 common shares within sixty days of February 12, 2016. A portion of these shares, restricted share units and options is subject to vesting and other restrictions.

(7) Mr. Spengler exercises voting power over 200,706 common shares and holds restricted share units and options entitling him to receive or purchase 142,550 common shares within sixty days of February 12, 2016. A portion of these shares, restricted share units and options is subject to vesting and other restrictions.

(8) Mr. Kerrest does not hold any restricted share units or options entitling him to receive or purchase common shares within sixty days of February 12, 2016.

(9) Ms. Bryan exercises voting power over 45,046 common shares and holds restricted share units and options entitling her to receive or purchase 62,803 common shares within sixty days of February 12, 2016. A portion of these restricted share units and options is subject to vesting and other restrictions.

(10) Mr. Guillemin exercises voting power over 19,967 common shares and holds restricted share units and options entitling him to receive or purchase 66,826 common shares within sixty days of February 12, 2016.

(11) Mr. Riegelman exercises voting power over 5,279 shares and holds restricted share units and options entitles him to purchase 30,316 common shares within sixty days of February 12, 2016. A portion of these shares, restricted share units and options is subject to vesting and other restrictions.

(12) Mr. DeMarco exercises voting power over 8,388 shares and holds restricted share units and options entitles him to purchase 17,488 common shares within sixty days of February 12, 2016. A portion of these shares, restricted share units and options is subject to vesting and other restrictions.

(13) Directors and executive officers as a group exercise voting power over 2,103,243 common shares and hold restricted share units and options entitling them to receive or purchase 2,460,595 common shares within sixty days of February 12, 2016 under applicable vesting schedules.

(14) Under the Governance Agreement, Serafina S.A. currently has the right to nominate four directors for election to our board of directors and SLP III Investment Holdings S.à r.l. currently has the right to nominate one director for election to our board of directors. The Governance Agreement also provides that a majority of the directors then in office (or, if the board has delegated such authority, the nomination or similar committee of the board) shall nominate the remaining directors for election to the board, one of whom shall be our executive chairman, who is currently Mr. McGlade. Under the terms of the Governance Agreement, each of Serafina S.A., SLP III Investment Holdings S.à r.l. and David McGlade has agreed to vote all common shares held by such person or entity in favor of the directors nominated under the terms of the Governance Agreement and in furtherance of the removal of any directors by Serafina S.A. or SLP III Investment Holdings S.à r.l. under the terms of the Governance Agreement. As a result, Serafina S.A. and certain related parties named in footnote (2) above, SLP

III Investment Holdings S.à r.l. and certain related parties named in footnote (4) above and David McGlade may be deemed to constitute a group that beneficially owns approximately 73.7% of our common shares for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended. Each of Serafina S.A., SLP III Investment Holdings S.à r.l., their respective related parties and David McGlade disclaim beneficial ownership of any common shares held by the other parties to the Governance Agreement.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

See Item 6E Share Ownership.

B. Related Party Transactions

None.

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C. Interests of experts and counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Our consolidated financial statements are filed under this item, beginning on page F-1 of this Annual Report on Form 20-F. The financial statement schedules required under Regulation S-X are filed pursuant to Item 18 and Item 19 on Form 20-F.

Legal Proceedings

We are subject to litigation in the ordinary course of business, but management does not believe that the resolution of any pending proceedings would have a material adverse effect on our financial position or results of operations.

Dividend Policy

We do not expect to pay dividends or other distributions on our common shares in the foreseeable future. Other than the payment of dividends on our Series A Preferred Shares, which are governed by the terms of the Series A Preferred Shares themselves, as set forth in our Articles of Incorporation, we currently intend to retain any future earnings for working capital and general corporate purposes, which could include the financing of operations or the repayment, redemption, retirement or repurchase in the open market of our indebtedness. Under Luxembourg law, the amount and payment of dividends or other distributions is determined by a simple majority vote at a general shareholders meeting based on the recommendation of our board of directors, except in certain limited circumstances. Pursuant to our articles of incorporation, the board of directors has the power to pay interim dividends or make other distributions in accordance with applicable Luxembourg law. Distributions may be lawfully declared and paid if our net profits and/or distributable reserves are sufficient under Luxembourg law. All of our common shares rank *pari passu* with respect to the payment of dividends or other distributions unless the right to dividends or other distributions has been suspended in accordance with our articles of incorporation or applicable law.

So long as any Series A Preferred Shares remain outstanding, no dividend or distribution may be declared or paid on our common shares and no common shares may be purchased, redeemed or otherwise acquired for consideration by us unless all accumulated and unpaid dividends for all preceding dividend periods have been declared and paid on our Series A Preferred Shares or a sufficient sum of cash or number of common shares has been set apart for the payment of such preferred dividends, subject to exceptions, such as dividends on our common shares payable solely in common shares.

Under Luxembourg law, up to 5% of our net profits per year must be allocated to the creation of a legal reserve until such reserve has reached an amount equal to 10% of our issued share capital. The allocation to the legal reserve becomes compulsory again when the legal reserve no longer represents 10% of our issued share capital. The legal reserve is not available for distribution.

We are a holding company and have no material assets other than our indirect ownership of shares in our operating subsidiaries. If we were to pay a dividend or other distribution on our common shares at some point in the future, we would cause the operating subsidiaries to make distributions to us in an amount sufficient to cover any such dividends.

Our subsidiaries ability to make distributions to us is restricted under certain of their debt and other agreements.

B. Significant Changes

No significant change has occurred since the date of the annual financial statements included in this Annual Report on Form 20-F.

Item 9. The Offer and Listing

A. Offering and Listing Details

Since our IPO on April 23, 2013, our common shares and Series A Preferred Shares have traded on the NYSE under the symbol I and I PR A , respectively.

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The following table sets forth the high and low trading prices on the NYSE for our common shares and Series A Preferred Shares for the periods indicated.

	Trading Price (US$)			
	Price per Common Share		**Price per Series A Preferred Share**	
	High	**Low**	**High**	**Low**
Full Financial Year since listing				
Year ended December 31, 2014	22.77	15.31	59.00	42.89
Year ended December 31, 2015	18.00	3.66	47.90	11.12
Full Financial Quarters for 2014 and 2015				
First Quarter Ended March 31, 2014	22.77	17.20	59.00	50.90
Second Quarter Ended June 30, 2014	19.87	16.92	55.25	48.65
Third Quarter Ended September 30, 2014	19.78	16.35	53.24	45.58
Fourth Quarter Ended December 31, 2014	20.08	15.31	52.00	42.89
First Quarter Ended March 31, 2015	18.00	10.97	47.90	32.30
Second Quarter Ended June 30, 2015	12.93	9.87	35.83	28.39
Third Quarter Ended September 30, 2015	12.00	6.32	33.28	18.70
Fourth Quarter Ended December 31, 2015	7.64	3.66	22.41	11.12
Last six months				
September 2015	10.10	6.32	29.08	18.70
October 2015	7.64	5.81	22.41	16.65
November 2015	6.73	4.64	18.75	13.64
December 2015	4.67	3.66	13.47	11.12
January 2016	4.27	2.70	12.50	7.99
February 2016	3.89	1.66	11.05	5.02

B. Plan of Distribution

Not applicable.

C. Markets

See item 9A Offering and Listing Details.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

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B. Memorandum and Articles of Association

A copy of our amended and restated articles of incorporation is being filed as an exhibit to this Annual Report, and is incorporated herein by reference. The information called for by this Item 10B Additional Information Memorandum and Articles of Association has been reported previously in our Registration Statement on Form F-1, as amended (File No. 333- 181527), initially filed with the SEC on May 18, 2012, under the heading Description of Share Capital, and is incorporated by reference into this Annual Report. There are no limitations on the rights to own securities, including the rights of non-resident or foreign shareholders to hold or exercise voting rights on the securities imposed by the laws of Luxembourg or by our Articles of Incorporation.

C. Material Contracts

The following is a summary of each material contract, other than material contracts entered into in the ordinary course of business, to which we are a party, for the two years immediately preceding the date of this Annual Report:

Employment Agreements and Other Arrangements

See summary of Employment Agreements provided under Item 6B above. From time to time, we also enter into other retention mechanisms with our executive officers.

Equity Compensation Agreements

Equity Grant Agreements under 2008 Equity Plan

Certain of our executive officers hold restricted shares granted under the 2008 Equity Plan that are subject to transfer, vesting and other restrictions as set forth in their applicable award agreements. The award agreements provide that a portion of these restricted shares vests each month with full vesting being achieved over a period of five years, subject to the executive officer s continued employment. The vesting of certain of the shares awarded was also subject to the meeting of performance criteria based on annual performance targets and cumulative total returns earned by certain of our principal shareholders on their investment, based on revenue and adjusted EBITDA targets, which were met.

Each of our executive officers also holds options granted under the 2008 Equity Plan that are subject to forfeiture and other restrictions as set forth in the executive officers respective award agreements.

Option and Restricted Share Unit Agreements under 2013 Equity Plan

Our executive officers hold restricted share units (RSUs) and option agreements under our 2013 Equity Plan that vest as follows:

RSUs which vest based on continued service over three years;

RSUs which cliff vest after three years based on achievement of one or more long term performance and financial metrics;

options to purchase common shares at an exercise price equal to $27.00 per share, certain of which are subject to repricing, as described above in Compensation of Executive Officers and Directors Equity Grants During 2015, which vest based on continued service over two years and expire on the 10th anniversary of the date of grant;

options to purchase common shares at an exercise price equal to $3.77 or $4.16 per share, which vest based on continued service over two years and expire on the 10th anniversary of the date of grant;

RSUs which vest based on continued service over two years;

RSUs which vest based on continued service over three years at a rate of 25%, 25% and 50% each successive year; and

RSUs which vest based on continued service over three years at a rate of 10%, 25% and 65% each successive year.

Shareholders and Other Agreements Providing for Registration Rights

Intelsat is a party to three shareholders agreements: a management shareholders agreement (as amended, the Management Shareholders Agreement) with the Sponsors and certain members of management (the Management Shareholders), including Messrs. McGlade and McDonnell (our former Chief Financial Officer); a shareholders agreement (as amended, the Sponsors Shareholders Agreement) with the Sponsors; and a shareholders agreement (as amended, the Other Equity Investors Shareholders Agreement) with the Sponsors and two additional shareholders (the Other Equity Investors).

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Registration Rights

Under the Sponsors Shareholders Agreement, the Other Equity Investors Shareholders Agreement and letter agreements with Messrs. McGlade and McDonnell, we have granted the Sponsors, the Other Equity Investors and Messrs. McGlade and McDonnell certain registration rights. Subject to certain exceptions, including the Company s right to defer a demand registration under certain circumstances, the Sponsors are entitled to unlimited demand registrations. Under the respective agreement, each Sponsor, each Other Equity Investor and Messrs. McGlade and McDonnell are entitled to piggyback registration rights with respect to any registrations by the Company for its own account or for the account of other shareholders (or in the case of Messrs. McGlade and McDonnell, solely the Sponsors), subject to certain exceptions. The registration rights are subject to customary limitations and exceptions, including the Company s right to withdraw or defer the registration or a sale pursuant thereto in certain circumstances and certain cutbacks by the underwriters if marketing factors require a limitation on the number of shares to be underwritten in a proposed offering.

In connection with the registrations described above, the Company has agreed to indemnify the shareholders against certain liabilities. In addition, except for the Sponsors Shareholders Agreement, which provides that certain fees, costs and expenses will be paid *pro rata* by the Company and selling shareholders based on the number of securities to be sold in the offering, the Company will bear all fees, costs and expenses (excluding underwriting discounts and commissions and similar brokers fees, transfer taxes and certain costs of more than one counsel for the selling shareholders).

Governance Agreement

Prior to the consummation of the IPO, we entered into the Governance Agreement with the BC Shareholder, the Silver Lake Shareholder and Mr. McGlade (as amended from time to time, the Governance Agreement).

Board of Directors

The Governance Agreement provided for the composition of our board of directors at the completion of our IPO, and thereafter, including:

Our Executive Chairman and former Chief Executive Officer, Mr. McGlade;

Four directors nominated by the BC Shareholder (our current Chief Executive Officer, Mr. Spengler, is currently serving in this capacity);

One director nominated by the Silver Lake Shareholder; and

Three independent directors (Messrs. Kangas, Diercksen and Callahan are currently serving in these roles).

The Governance Agreement also provides that we will appoint additional independent directors to our board as necessary to comply with SEC rules or NYSE rules, in which case each of the BC Shareholder and the Silver Lake Shareholder will be entitled to a proportionate increase in the number of directors it is entitled to nominate.

In addition, the Governance Agreement provides that the BC Shareholder has the right to nominate four directors for election to the board as long as the BC Shareholder owns at least 35% of our outstanding common shares on a fully diluted basis, after giving effect to convertible and exchange securities held by the BC Shareholder. However, the BC Shareholder s nomination rights will decrease if the BC Shareholder s ownership is less than 35% as follows:

Percentage Ownership of BC Shareholder	Number of Directors to be Nominated by the BC Shareholder
25% or greater but less than 35%	3
15% or greater but less than 25%	2
5% or greater but less than 15%	1

The Silver Lake Shareholder has the right to nominate one director for election to the board as long as the Silver Lake Shareholder owns at least the lesser of (x) 50% of the common shares held by it on the date of the Governance Agreement, April 23, 2013, and (y) shares representing at least 5% of our outstanding common shares. If either the BC Shareholder or the Silver Lake Shareholder is not entitled to nominate a director for election to the board but remains a shareholder, it will be entitled to certain information rights.

In the event that the BC Shareholder s or Silver Lake Shareholder s nomination rights are decreased as described above, each shareholder will agree to cause their respective director or directors to resign from the board as appropriate to reflect the decrease, and, subject to the rights described above, the majority of the remaining directors on the board may fill such vacancy with any person other than a person affiliated with the BC Shareholder or the Silver Lake Shareholder.

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We have agreed to include the director nominees proposed by the BC Shareholder and Silver Lake Shareholder on each slate of nominees for election to the board, to recommend the election of those nominees to our shareholders and to use commercially reasonable efforts to have them elected to the board.

Voting Agreements

Under the Governance Agreement, each of the BC Shareholder, the Silver Lake Shareholder and Mr. McGlade has agreed to vote all shares held by it or him in favor of the directors nominated as described above and in furtherance of the removal of any directors by the BC Shareholder or the Silver Lake Shareholder under the terms of the Governance Agreement.

Other Provisions

Under the Governance Agreement, the Silver Lake Shareholder has certain tag-along rights on transfers by the BC Shareholder, and the BC Shareholder has drag-along rights with respect to the Silver Lake Shareholder under certain circumstances. The Governance Agreement also contains customary confidentiality provisions.

Termination

The Governance Agreement will terminate upon the earlier of (i) the tenth anniversary of the date of the agreement and (ii) the day on which the BC Shareholder and the Silver Lake Shareholder no longer are entitled to nominate directors under the Governance Agreement.

Indemnification Agreements

We have entered into agreements with our executive officers and directors to provide contractual indemnification in addition to the indemnification provided for in our articles of incorporation.

Debt Agreements

For a summary of the terms of our material debt agreements, see Note 12 to our consolidated financial statements included elsewhere in this Annual Report. In addition, with regard to all the notes issued by Intelsat Luxembourg and Intelsat Jackson, the following covenants and events of default apply:

Covenants that limit the issuers, and in some cases some of the issuers subsidiaries , ability to:

- incur additional debt or issue disqualified or preferred stock;
- pay dividends or repurchase shares of Intelsat Jackson or any of its parent companies;
- make certain investments;
- enter into transactions with affiliates;

merge, consolidate and sell assets; and

incur liens on any of their assets securing other indebtedness, unless the applicable notes are equally and ratably secured.

Events of Default

default in payments of interest after a 30-day grace period or a default in the payment of principal when due;

default in the performance of any covenant in the indenture that continues for more than 60 days after notice of default has been provided to the issuer;

failure to make any payment when due, including applicable grace periods, under any indebtedness for money borrowed by Intelsat Luxembourg, Intelsat Jackson or a significant subsidiary thereof having a principal amount in excess of $75 million;

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the acceleration of the maturity of any indebtedness for money borrowed by Intelsat Luxembourg, Intelsat Jackson or a significant subsidiary thereof having a principal amount in excess of $75 million;

insolvency or bankruptcy of Intelsat Luxembourg, Intelsat Jackson or a significant subsidiary thereof; and

failure by Intelsat Luxembourg, Intelsat Jackson or a significant subsidiary thereof to pay final judgments aggregating in excess of $75 million, which are not discharged, waived or stayed for 60 days after the entry thereof.

If any event of default occurs and is continuing with respect to the notes, the trustee or the holders of at least 25% in principal amount of the notes may declare the entire principal amount of the notes to be immediately due and payable. If any event of default with respect to the notes occurs because of events of bankruptcy, insolvency or reorganization, the entire principal amount of the notes will be automatically accelerated, without any action by the trustee or any holder.

D. Exchange Controls

We are not aware of any governmental laws, decrees, regulations or other legislation in Luxembourg that restrict the export or import of capital, including the availability of cash and cash equivalents for use by our affiliated companies, or that affect the remittance of dividends, interest or other payments to non-resident holders of our securities.

E. Taxation

The following sets forth material Luxembourg income tax consequences of an investment in our common shares. It is based upon laws and relevant interpretations thereof in effect as of the date of this Annual Report, all of which are subject to change. This discussion does not deal with all possible tax consequences relating to an investment in our common shares, such as the tax consequences under U.S. federal, state, local and other tax laws.

Material Luxembourg Tax Considerations for Holders of Shares

The following is a summary discussion of certain Luxembourg tax considerations of the acquisition, ownership and disposition of your common shares that may be applicable to you if you acquire our common shares. This does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any of our common shares or the Holders thereof, and does not purport to include tax considerations that arise from rules of general application or that are generally assumed to be known to Holders. This discussion is not a complete analysis or listing of all of the possible tax consequences of such transactions and does not address all tax considerations that might be relevant to particular Holders in light of their personal circumstances or to persons that are subject to special tax rules.

It is not intended to be, nor should it be construed to be, legal or tax advice. This discussion is based on Luxembourg laws and regulations as they stand on the date of this Annual Report and is subject to any change in law or regulations or changes in interpretation or application thereof (and which may possibly have a retroactive effect). Prospective investors should therefore consult their own professional advisers as to the effects of state, local or foreign laws and regulations, including Luxembourg tax law and regulations, to which they may be subject.

As used herein, a Luxembourg individual means an individual resident in Luxembourg who is subject to personal income tax (impôt sur le revenu) on his or her worldwide income from Luxembourg or foreign sources, and a Luxembourg corporate holder means a company (that is, a fully taxable entity within the meaning of Article 159 of the Luxembourg Income Tax Law) resident in Luxembourg subject to corporate income tax (*impôt sur le revenu des collectivités*) on its worldwide income from Luxembourg or foreign sources. For purposes of this summary, Luxembourg individuals and Luxembourg corporate Holders are collectively referred to as Luxembourg Holders. A non-Luxembourg Holder means any investor in our common shares other than a Luxembourg Holder.

Tax Regime Applicable to Realized Capital Gains

Luxembourg Holders

Luxembourg resident individual Holders

Capital gains realized by Luxembourg resident individuals who do not hold their shares as part of a commercial or industrial or independent business and who hold no more than 10% of the share capital of the Company will only be taxable if they are realized on a sale of common shares that takes place before their acquisition or within the first six months following their acquisition. If such is the case, capital gains will be taxed at ordinary rates according to the progressive income tax schedule plus surcharges.

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For Luxembourg resident individuals holding (together with his/her spouse or civil partner and underage children) directly or indirectly more than 10% of the capital of the Company, capital gains will be taxable, regardless of the holding period. In case of a sale after six months from acquisition, the capital gain is subject to tax as extraordinary income subject to the half-global rate method.

If such shares are held as part of a commercial or industrial business, capital gains would be taxable in the same manner as income from such business.

Luxembourg resident corporate Holders

Capital gains realized upon the disposal of common shares by a fully taxable resident corporate holder will in principle be subject to corporate income tax and municipal business tax. The combined applicable rate (including an unemployment fund contribution) is 29.22% for the fiscal year ending 2016 for a corporate holder established in Luxembourg-City. An exemption from such taxes may be available to the holder pursuant to Article 166 of the Luxembourg Income Tax law subject to the fulfillment of the conditions set forth therein. The scope of the capital gains exemption can be limited in the cases provided by the Grand Ducal Decree of December 21, 2001, as amended.

Non-Luxembourg Holders

An individual who is a non-Luxembourg Holder of shares (and who does not have a permanent establishment, a permanent representative or a fixed place of business in Luxembourg) will only be subject to Luxembourg taxation on capital gains arising upon disposal of such shares if such holder has (together with his or her spouse or civil partner and underage children) directly or indirectly held more than 10% of the capital of the Company at any time during the past five years, and either (i) such holder has been a resident of Luxembourg for tax purposes for at least 15 years and has become a non-resident within the last five years preceding the realization of the gain, subject to any applicable tax treaty, or (ii) the disposal of shares occurs within six months from their acquisition (or prior to their actual acquisition), subject to any applicable tax treaty.

A corporate non-Luxembourg Holder which has a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which shares are attributable, will bear corporate income tax and municipal business tax on a gain realized on a disposal of such shares as set forth above for a Luxembourg corporate holder. However, gains realized on the sale of the shares may benefit from the full exemption provided for by Article 166 of the Luxembourg Income Tax Law and by the Grand Ducal Decree of December 21, 2001, as amended, subject in each case to fulfillment of the conditions set out therein.

A corporate non-Luxembourg Holder, which has no permanent establishment in Luxembourg to which the shares are attributable, will bear corporate income tax on a gain realized on a disposal of such shares under the same conditions applicable to an individual non-Luxembourg Holder, as set out above under (ii).

Tax Regime Applicable to Distributions

Withholding tax

Distributions imputed for tax purposes on current or accumulated profits are subject to a withholding tax of 15%. Distributions sourced from a reduction of capital as defined in Article 97 (3) of the Luxembourg Income Tax Law, including, among others, share premium, should not be subject to withholding tax, provided no newly accumulated fiscal profits are recognized. For the foreseeable future, we do not expect to recognize newly accumulated fiscal profits in the relevant annual standalone accounts of the Company prepared under Luxembourg GAAP, and so, on that

basis, distributions should not be subject to Luxembourg withholding tax.

To the extent, however, that the Company would recognize, against our expectation, newly accumulated fiscal profits in its annual standalone accounts prepared under Luxembourg GAAP, there will be a 15% withholding tax, unless one of the below exemptions or reductions is available for the dividend recipient.

The rate of the withholding tax may be reduced pursuant to any applicable double taxation treaty existing between Luxembourg and the country of residence of the relevant holder, subject to the fulfillment of the conditions set forth therein.

No withholding tax applies if the distribution is made to (i) a Luxembourg resident corporate holder (that is, a fully taxable entity within the meaning of Article 159 of the Luxembourg Income Tax Law), (ii) an undertaking of collective character which is resident of a Member State of the European Union and is referred to by article 2 of the Council Directive 2011/96/EU of 30 November 2011, as amended, replacing the Council Directive 90/435/EEC of 23 July 1990 concerning the common fiscal regime applicable to parent and subsidiary companies of different member states (subject to the general anti-abuse rule provided for by Council Directive 2015/121/EU as implemented into Luxembourg laws), (iii) a corporation or a cooperative company resident in Norway, Iceland or Liechtenstein and subject to a tax comparable to corporate income tax as provided by the Luxembourg Income Tax Law, (iv) an

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undertaking with a collective character subject to a tax comparable to corporate income tax as provided by the Luxembourg Income Tax Law which is resident in a country that has concluded a tax treaty with Luxembourg, (v) a corporation company resident in Switzerland which is subject to corporate income tax in Switzerland without benefiting from an exemption and (vi) a Luxembourg permanent establishment of one of the aforementioned categories under (i) to (iv), provided that at the date of payment, the holder holds or commits to hold directly or through a tax transparent vehicle, during an uninterrupted period of at least twelve months, shares representing at least 10% of the share capital of the Company or acquired for an acquisition price of at least EUR 1.2 million.

Income Tax

Luxembourg individual Holders

Luxembourg individual Holders must include the distributions paid on the shares in their taxable income. However, 50% of the amount of such dividends may be exempted from tax under the Luxembourg Income Tax Law. The applicable withholding tax can, under certain conditions, entitle the relevant Luxembourg Holder to a tax credit.

Luxembourg resident corporate Holders

Luxembourg resident corporate Holders can benefit from an exemption of 100% of the amount of a dividend received provided that, at the date when the income is made available, they hold or commit to hold a participation of minimum 10% of the share capital of the Company or which has an acquisition price equivalent to minimum EUR 1.2 million for an uninterrupted period of at least 12 months.

Net Wealth Tax

Luxembourg Holders

Luxembourg net wealth tax will not be levied on a Luxembourg Holder with respect to the shares held unless (i) the Luxembourg Holder is a legal entity subject to net wealth tax in Luxembourg; or (ii) the shares are attributable to an enterprise (other than of an individual Holder) or part thereof which is carried on through a permanent establishment, a fixed place of business or a permanent representative in Luxembourg.

Net wealth tax is levied annually at a digressive rate depending on the amount of the net wealth of the above, as determined for net wealth tax purposes (i.e. 0.5% on amounts up to EUR 500 million and 0.05% on the amount of taxable net wealth exceeding EUR 500 million).

The shares of the Company may be exempt from net wealth tax subject to the conditions set forth by Paragraph 60 of the Law of October 16, 1934 on the valuation of assets (*Bewertungsgesetz*), as amended.

Non-Luxembourg Holders

Luxembourg net wealth tax will not be levied on a non-Luxembourg Holder with respect to the shares held unless the shares are attributable to an enterprise of a non-Luxembourg corporate Holder or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg.

Stamp and Registration Taxes

No registration tax or stamp duty will be payable by a Holder of shares in Luxembourg solely upon the disposal of shares by sale or exchange.

Estate and Gift Taxes

No estate or inheritance tax is levied on the transfer of shares upon the death of a Holder of shares in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes, and no gift tax is levied upon a gift of shares if the gift is not passed before a Luxembourg notary or recorded in a deed registered in Luxembourg. Where a holder of shares is a resident of Luxembourg for tax purposes at the time of his or her death, the shares are included in his or her taxable estate for inheritance tax or estate tax purposes.

F. Dividends and Paying Agents

Not applicable.

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G. Statements by Experts

Not applicable.

H. Documents on Display

Documents concerning us that are referred to herein may be inspected at our principal executive offices at 4, rue Albert Borschette, L-1246 Luxembourg. Those documents, which include our registration statements, periodic reports and other documents which were filed with the SEC, may be obtained electronically from the Investors section of our website at www.intelsat.com or from the SEC s website at www.sec.gov or from the SEC public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Further information on the operation of the public reference rooms may be obtained by calling the SEC at 1-202-551-8909. Copies of documents can also be requested from the SEC public reference rooms for a copying fee at prescribed rates.

I. Subsidiary Information

Not applicable.

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Item 11. Quantitative and Qualitative Disclosures About Market Risk

We are primarily exposed to the market risk associated with unfavorable movements in interest rates and foreign currencies. The risk inherent in our market risk sensitive instruments and positions is the potential loss arising from adverse changes in those factors.

Interest Rate Risk

The satellite communications industry is a capital intensive, technology driven business. We are subject to interest rate risk primarily associated with our borrowings. Interest rate risk is the risk that changes in interest rates could adversely affect earnings and cash flows. Specific interest rate risks include: the risk of increasing interest rates on short-term debt; the risk of increasing interest rates for planned new fixed-rate long-term financings; and the risk of increasing interest rates for planned refinancings using long-term fixed-rate debt.

Excluding the impact of our interest rate swaps outstanding at December 31, 2015, approximately 79%, or $11.6 billion, of our debt as of December 31, 2015 and December 31, 2014 was fixed-rate debt. Based on the level of fixed-rate debt outstanding at December 31, 2015, a 100 basis point decrease in market rates would have resulted in an increase in fair value of this fixed-rate debt of approximately $353 million. We no longer have any interest rate swaps outstanding.

We perform interest rate sensitivity analyses on our variable-rate debt, including interest rate swaps, and cash and cash equivalents. These analyses indicate that a one percentage point change in interest rates would have minimal impact on our consolidated statements of operations and cash flows as of December 31, 2015. While our variable-rate debt may impact earnings and cash flows as interest rates change, it is not subject to changes in fair values.

Foreign Currency Risk

We do not currently use material foreign currency derivatives to hedge our foreign currency exposures. Substantially all of our customer contracts, capital expenditure contracts and operating expense obligations are denominated in U.S. dollars. Consequently, we are not exposed to material foreign currency exchange risk. However, the service contracts with our Brazilian customers provide for payment in Brazilian *reais*. Accordingly, we are subject to the risk of a reduction in the value of Brazilian *reais* as compared to U.S. dollars in connection with payments made by Brazilian customers, and our exposure to fluctuations in the exchange rate for Brazilian *reais* is ongoing. However, the rates payable under our service contracts with Brazilian customers are adjusted annually to account for inflation in Brazil, thereby partially mitigating the risk. For the years ended December 31, 2013, 2014 and 2015, our Brazilian customers represented approximately 4.6%, 4.9% and 4.2% of our revenue, respectively. Transactions in other currencies are converted into U.S. dollars using exchange rates in effect on the dates of the transactions.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

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PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15. Controls and Procedures

(a) Disclosure Controls and Procedures

Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended (the Exchange Act) is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms. We periodically review the design and effectiveness of our disclosure controls and procedures worldwide, including compliance with various laws and regulations that apply to our operations. We make modifications to improve the design and effectiveness of our disclosure controls and procedures, and may take other corrective action, if our reviews identify a need for such modifications or actions. In designing and evaluating the disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and our principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act), as of the year ended December 31, 2015. Based upon that evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2015.

(b) Management s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework set forth in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on our evaluation, management has concluded that our internal control over financial reporting was effective as of December 31, 2015.

(c) Attestation Reports of the Registered Public Accounting Firm

See the reports of KPMG LLP, an independent registered public accounting firm, included under Item 18. Financial Statements on pages F-2 and F-3.

(d) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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Item 16. [Reserved]

Item 16A. Audit Committee Financial Expert

The board of directors has determined that each of Messrs. Kangas and Diercksen qualifies as an audit committee financial expert, as defined in Item 16A of Form 20-F, and that Messrs. Kangas and Diercksen are also independent, as defined in Rule 10A-3 under the Exchange Act and applicable NYSE standards. For more information about Messrs. Kangas and Diercksen, see Item 6A Directors, Senior Management and Employees Directors and Senior Management.

Item 16B. Code of Ethics

We have adopted a Code of Ethics for Senior Financial Officers, including our chief executive officer, chief financial officer, principal accounting officer, controller and any other person performing similar functions. The Code of Ethics is posted on our website at www.intelsat.com. We intend to disclose on our website any amendments to or waivers of this Code of Ethics.

Item 16C. Principal Accountant Fees and Services

Audit Fees

Our audit fees were $2.1 million and $2.7 million for the years ended 2014 and 2015, respectively.

Audit-Related Fees

Our audit-related fees for 2015 were $0.5 million. There were no comparable audit-related fees for 2014.

Tax Fees

Our tax fees paid to our principal accountants for 2015 were $17,000, primarily associated with U.S. state taxation. There were no comparable tax fees for 2014.

All Other Fees

All other fees paid to our principal accountants for 2014 and 2015 were $139,000 and $126,000, respectively. Our other fees for 2014 and 2015 included fees associated with attestation of IT security controls.

Audit Committee Pre-Approval Policies and Procedures

Consistent with SEC requirements regarding auditor independence, the audit committee has adopted a policy to pre-approve services to be provided by our independent registered public accounting firm prior to commencement of the specified service. The requests for pre-approval are submitted to the audit committee, or a designated member of the audit committee, by our Chief Financial Officer or Controller, and the audit committee chairman executes engagement letters with our independent registered public accounting firm following approval by audit committee members, or the designated member of the audit committee. All services performed by KPMG LLP during 2015 were pre-approved by the audit committee.

Item 16D. Exemptions from the Listing Standards for Audit Committees
Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers
Not applicable.

Item 16F. Change in Registrants Certifying Accountant
Not applicable.

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Item 16G. Corporate Governance

Our common shares are listed on the NYSE. For purposes of NYSE rules, so long as we are a foreign private issuer, we are eligible to take advantage of certain exemptions from NYSE corporate governance requirements provided in the NYSE rules. We are required to disclose the significant ways in which our corporate governance practices differ from those that apply to U.S. companies under NYSE listing standards. Set forth below is a summary of these differences:

Director Independence The NYSE rules require domestic companies to have a majority of independent directors, but as a foreign private issuer we are exempt from this requirement. Our board of directors consists of nine members and we believe that three of our board members satisfy the independence requirements of the NYSE rules.

Board Committees The NYSE rules require domestic companies to have a compensation committee and a nominating and corporate governance committee composed entirely of independent directors, but as a foreign private issuer we are exempt from these requirements. We have a compensation committee comprised of three members and we believe that one of the committee members satisfies the independence requirements of the NYSE rules. We do not have a nominating and corporate governance committee.

Item 16H. Mine Safety Disclosure

Not applicable.

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PART III

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

(a)(1) The following financial statements are included in this Annual Report on Form 20-F:

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Item 19. Exhibits

The following exhibits are filed as part of this Annual Report:

EXHIBIT INDEX

Exhibit No.	Document Description
1.1	Consolidated Articles of Incorporation of Intelsat S.A., dated June 18, 2015. *
2.1	Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2020 dated as of September 30, 2010, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat S.A. and Intelsat (Luxembourg) S.A., as Parent Guarantors, the subsidiary guarantors named therein and Wells Fargo Bank, National Association, as Trustee (including the forms of the 2020 Jackson Notes) (incorporated by reference to Exhibit 4.1 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on October 4, 2010).
2.2	First Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2020, dated as of January 12, 2011, by and among Intelsat Jackson Holdings S.A., certain subsidiaries of Intelsat Jackson Holdings S.A. named therein and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.6 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on January 19, 2011).
2.3	Second Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2020, dated as of April 12, 2011, by and among Intelsat (Poland) Sp. z o.o., Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 of Intelsat S.A. s Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, File No. 000-50262, filed on November 8, 2011).
2.4	Third Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2020, dated as of December 16, 2011, by and between Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on December 16, 2011).
2.5	Fourth Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2020, dated as of April 25, 2012, by and between Intelsat Jackson Holdings S.A., as Issuer, Intelsat Subsidiary (Gibraltar) Limited, Intelsat New Dawn (Gibraltar) Limited and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 of Intelsat S.A. s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, File No. 000-50262, filed on May 8, 2012).
2.6	Fifth Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2020, dated as of July 31, 2012, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Luxembourg Investment S.a r.l. and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.4 of Intelsat S.A. s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, File No. 000-50262, filed on August 1, 2012).
2.7	Sixth Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2020, dated as of January 31, 2013, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Align S.à r.l., Intelsat Finance Nevada LLC and Wells Fargo Bank, National Association, as Trustee (incorporated by

reference to Exhibit 4.18 of Intelsat S.A. s Annual Report on Form 10- K, File No. 000-50262, filed on February 28, 2013).

2.8 Seventh Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2020, dated as of May 20, 2013, by and among Intelsat S.A., Intelsat Investment Holdings S.à r.l., Intelsat Holdings S.A., each as a Guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 2.8 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).

2.9 Eighth Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2020, dated as of June 28, 2013, by and among Intelsat Finance Bermuda Ltd., as guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 2.19 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).

2.10 Ninth Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2020, dated as of November 25, 2015, by and among Intelsat Ireland Operations Limited, as guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee*

2.11 Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2019 and 7 ½% Senior Notes due 2021, dated as of April 5, 2011, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat S.A. and Intelsat (Luxembourg) S.A., as Parent Guarantors, the subsidiary guarantors named therein and Wells Fargo Bank, National Association, as Trustee (including the forms of the New Jackson Notes) (incorporated by reference to Exhibit 4.1 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on April 5, 2011).

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Exhibit

No.	Document Description
2.12	First Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2019 and 7 ½% Senior Notes due 2021, dated as of April 12, 2011, by and among Intelsat (Poland) Sp. z o.o., Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.4 of Intelsat S.A. s Quarterly Report on Form 10- Q for the quarter ended September 30, 2011, File No. 000-50262, filed on November 8, 2011).
2.13	Second Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2019 and 7 ½% Senior Notes due 2021, dated as of July 31, 2012, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Luxembourg Investment S.a r.l. and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 of Intelsat S.A. s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, File No. 000-50262, filed on August 1, 2012).
2.14	Third Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2019 and 7 ½% Senior Notes due 2021, dated as of January 31, 2013, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Align S.à r.l., Intelsat Finance Nevada LLC and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.22 of Intelsat S.A. s Annual Report on Form 10-K, File No. 000-50262, filed on February 28, 2013).
2.15	Fourth Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2019 and 7 ½% Senior Notes due 2021, dated as of May 20, 2013, by and among Intelsat S.A., Intelsat Investment Holdings S.à r.l., Intelsat Holdings S.A., each as a Guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 2.24 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
2.16	Fifth Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2019 and 7 ½% Senior Notes due 2021, dated as of June 28, 2013, by and among Intelsat Finance Bermuda Ltd., as guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 2.25 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
2.17	Sixth Supplemental Indenture for Intelsat Jackson Holdings S.A. s 7¼% Senior Notes due 2019 and 7 ½% Senior Notes due 2021, dated as of November 25, 2015, by and among Intelsat Ireland Operations Limited, as guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee*
2.18	Indenture for Intelsat Jackson Holdings S.A. s 6⅝% Senior Notes due 2022, dated as of October 3, 2012, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat S.A. and Intelsat (Luxembourg) S.A., as Parent Guarantors, and Wells Fargo Bank, National Association, as Trustee (including the form of the 6⅝% Notes) (incorporated by reference to Exhibit 4.1 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on October 3, 2012).
2.19	First Supplemental Indenture for Intelsat Jackson Holdings S.A. s 6⅝% Senior Notes due 2022, dated as of May 20, 2013, by and among Intelsat S.A., Intelsat Investment Holdings S.à r.l., Intelsat Holdings S.A., each as a Guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 2.27 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
2.20	

Second Supplemental Indenture for Intelsat Jackson Holdings S.A. s 6⅝% Senior Notes due 2022, dated as of June 5, 2013, by and among Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 99.2 of Intelsat S.A. s Current Report on Form 6-K, File No. 001-35878, filed on June 5, 2013).

2.21 Indenture, dated as of April 5, 2013, among Intelsat (Luxembourg) S.A., as Issuer, Intelsat S.A., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee for Intelsat (Luxembourg) S.A. s 6¾% Senior Notes due 2018, 7 ¾% Senior Notes due 2021 and 8 ⅛% Senior Notes due 2023 (incorporated by reference to Exhibit 4.1 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on April 5, 2013).

2.22 First Supplemental Indenture for Intelsat (Luxembourg) S.A. s 6¾% Senior Notes due 2018, 7 ¾% Senior Notes due 2021 and 8 ⅛% Senior Notes due 2023, dated as of May 20, 2013, by and among Intelsat S.A., Intelsat Investment Holdings S.à r.l., Intelsat Holdings S.A., each as a Guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 2.32 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).

2.23 Indenture for Intelsat Jackson Holdings S.A. s 5½% Senior Notes due 2023, dated as of June 5, 2013, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat S.A., Intelsat Investment Holdings S.à r.l., Intelsat Holdings, S.A., Intelsat Investments S.A., Intelsat (Luxembourg) S.A., each as a Parent Guarantors, the subsidiary guarantors named therein and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 99.1 of Intelsat S.A. s Current Report on Form 6-K, File No. 001-35878, filed on June 5, 2013).

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Exhibit

No.	Document Description
2.24	First Supplemental Indenture Intelsat Jackson Holdings S.A. s 5½% Senior Notes due 2023, dated as of June 28, 2013, by and among Intelsat Finance Bermuda Ltd., as guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 2.35 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
2.25	Second Supplemental Indenture Intelsat Jackson Holdings S.A. s 5½% Senior Notes due 2023, dated as of November 25, 2015, by and among Intelsat Ireland Operations Limited, as guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee.*
3.1	Governance Agreement, dated April 23, 2013, by and among Intelsat S.A. and the shareholders of Intelsat S.A. party thereto (incorporated by reference to Exhibit 3.1 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
3.2	Amendment No. 1, dated February 20, 2015, to the Governance Agreement, dated April 23, 2013, by and among Intelsat S.A. and the shareholders of Intelsat S.A. party thereto.*
4.1	Credit Agreement, dated as of January 12, 2011, by and among Intelsat Jackson, as the Borrower, Intelsat (Luxembourg) S.A., the several lenders from time to time parties thereto, Bank of America, N.A., as Administrative Agent, Credit Suisse Securities (USA) LLC (Credit Suisse) and J.P. Morgan Securities LLC (J.P. Morgan), as Co-Syndication Agents, Barclays Bank Plc and Morgan Stanley Senior Funding, Inc., as Co-Documentation Agents, Merrill Lynch, Pierce, Fenner & Smith Incorporated (Merrill Lynch), Credit Suisse and J.P. Morgan, as Joint Lead Arrangers, Merrill Lynch, Credit Suisse, J.P. Morgan, Barclays Capital, Deutsche Bank Securities Inc., Morgan Stanley & Co. Incorporated and UBS Securities LLC, as Joint Bookrunners, and HSBC Bank USA, N.A., Goldman Sachs Partners LLC and RBC Capital Markets, as Co-Managers (incorporated by reference to Exhibit 10.1 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on January 19, 2011).
4.2	Guarantee, dated as of January 12, 2011, made among each of the subsidiaries of Intelsat Jackson Holdings S.A. listed on Annex A thereto and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on January 19, 2011).
4.3	Luxembourg Shares and Beneficiary Certificates Pledge Agreement, dated as of January 12, 2011, between Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., Intelsat Intermediate Holding Company S.A., Intelsat Phoenix Holdings S.A., Intelsat Subsidiary Holding Company S.A., Intelsat (Gibraltar) Limited, as Pledgors, and Wilmington Trust FSB, as Pledgee (incorporated by reference to Exhibit 10.3 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on January 19, 2011).
4.4	Security and Pledge Agreement, dated as of January 12, 2011, among Intelsat Jackson Holdings S.A., each of the subsidiaries of Intelsat Jackson Holdings S.A. listed on Annex A thereto, Bank of America, N.A., as Administrative Agent, and Wilmington Trust FSB, as Collateral Trustee (incorporated by reference to Exhibit 10.4 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on January 19, 2011).
4.5	Collateral Agency and Intercreditor Agreement, dated as of January 12, 2011 by and among Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., the other grantors from time to time party thereto, Bank of America, N.A., as Administrative Agent under the Existing Credit Agreement, each additional First Lien Representative from time to time a party thereto, each Second Lien Representative from time to

time a party thereto and Wilmington Trust FSB, as Collateral Trustee (incorporated by reference to Exhibit 10.5 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on January 19, 2011).

4.6 Amendment and Joinder Agreement, dated as of October 3, 2012, among Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., the Subsidiary Guarantors party hereto, Bank of America, N.A., as administrative agent for the Lenders and collateral agent for the Secured Parties, the Lenders party thereto and the Tranche B-1 Term Loan Lenders party thereto, to the Credit Agreement, dated as of January 12, 2011 (incorporated by reference to Exhibit 10.1 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on October 3, 2012).

4.7 Amendment No. 2 and Joinder Agreement, dated as of November 27, 2013, among Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., the Subsidiary Guarantors party hereto, Bank of America, N.A., as administrative agent for the lenders and collateral agent for the secured parties thereto, the lenders party hereto and the Tranche B-2 Term Loan Lenders (as defined therein) party hereto, to the Credit Agreement, dated as of January 12, 2011 (as amended by the Amendment and Joinder Agreement, dated as of October 3, 2012) (incorporated by reference to Exhibit 4.7 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).

4.8 Employment Agreement, dated as of December 29, 2008 and effective as of February 4, 2008, by and among Intelsat Global, Ltd., Intelsat, Ltd. and David McGlade (incorporated by reference to Exhibit 10.1 of Intelsat, Ltd. s Current Report on Form 8-K, File No. 000-50262, filed on January 5, 2009).

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Exhibit

No.	Document Description
4.9	Amendment and Acknowledgement, dated May 6, 2009, between Intelsat, Ltd., Intelsat Global, Ltd. and David McGlade (incorporated by reference to Exhibit 10.24 of Intelsat, Ltd. s Current Report on Form 8-K, File No. 000-50262, filed on May 12, 2009).
4.10	Assignment and Modification Agreement effective December 21, 2009, to Employment Agreement dated December 29, 2008, among David McGlade, Intelsat Global, Ltd., Intelsat, Ltd. and Intelsat Management LLC (incorporated by reference to Exhibit 10.65 of Intelsat S.A. s Annual Report on Form 10-K for the year ended December 31, 2009, File No. 000-50262, filed on March 10, 2010).
4.11	Severance Agreement, dated May 8, 2009, between Intelsat Global, Ltd. and Stephen Spengler (incorporated by reference to Exhibit 10.27 of Intelsat, Ltd. s Current Report on Form 8-K, File No. 000-50262, filed on May 12, 2009).
4.12	Severance Agreement, dated May 8, 2009, between Intelsat Global, Ltd. and Thierry Guillemin (incorporated by reference to Exhibit 10.28 of Intelsat, Ltd. s Current Report on Form 8-K, File No. 000-50262, filed on May 12, 2009).
4.13	Intelsat S.A. Amended and Restated 2008 Share Incentive Plan (incorporated by reference to Exhibit 4.15 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
4.14	Management Shareholders Agreement of Intelsat Global, Ltd. (incorporated by reference to Exhibit 10.11 of Intelsat, Ltd. s Current Report on Form 8-K, File No. 000-50262, filed on May 12, 2009).
4.15	Letter Agreement, dated May 6, 2009, between Intelsat Global, Ltd. and David McGlade regarding the Management Shareholders Agreement (incorporated by reference to Exhibit 10.12 of Intelsat, Ltd. s Current Report on Form 8-K, File No. 000-50262, filed on May 12, 2009).
4.16	Amendment to Management Shareholders Agreement of Intelsat Global, Ltd., dated as of December 7, 2009 and effective as of December 15, 2009 (incorporated by reference to Exhibit 10.76 of Intelsat S.A. s Annual Report on Form 10-K for the year ended December 31, 2009, File No. 000-50262, filed on March 10, 2010).
4.17	Acknowledgment Agreement, dated December 7, 2009, among certain shareholders of Intelsat Global, Ltd., regarding the Amendment to Management Shareholders Agreement of Intelsat Global, Ltd. (incorporated by reference to Exhibit 10.77 of Intelsat S.A. s Annual Report on Form 10-K for the year ended December 31, 2009, File No. 000-50262, filed on March 10, 2010).
4.18	Letter Amendment, dated December 7, 2009, between Intelsat Global, Ltd. and David McGlade regarding the Management Shareholder s Agreement (incorporated by reference to Exhibit 10.73 of Intelsat S.A. s Annual Report on Form 10-K for the year ended December 31, 2009, File No. 000-50262, filed on March 10, 2010).
4.19	Unallocated Bonus Plan (incorporated by reference to Exhibit 10.2 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on August 26, 2010).
4.20	Form of Letter Agreement between Intelsat Global S.A. and David McGlade, Phillip Spector and Michael McDonnell regarding Unallocated Bonus Plan (incorporated by reference to Exhibit 10.3 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on August 26, 2010).

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Exhibit

No.	Document Description
4.21	Termination of the Intelsat Global Holdings S.A. Unallocated Bonus Plan (incorporated by reference to Exhibit 4.25 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
4.22	Second Amendment to Employment Agreement, dated February 28, 2012, between David McGlade and Intelsat Global S.A., Intelsat S.A. and Intelsat Management LLC (incorporated by reference to Exhibit 10.1 of Intelsat S.A. s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, File No. 000-50262, filed on May 8, 2012).
4.23	Amendment No. 2 to the Management Shareholders Agreement, dated as of March 30, 2012, by and among Intelsat Global S.A., Intelsat Global Holdings S.A. and the other parties thereto (incorporated by reference to Exhibit 10.1 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on April 5, 2012).
4.24	Letter Agreement, dated March 30, 2012, among Intelsat Global S.A., Intelsat Global Holdings S.A., David McGlade and the other parties thereto regarding the Management Shareholders Agreement (incorporated by reference to Exhibit 10.2 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on April 5, 2012).
4.25	Amendment No. 1 to the Intelsat Global, Ltd. Unallocated Bonus Plan (collectively with the individual side letters related thereto) (incorporated by reference to Exhibit 10.6 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on April 5, 2012).
4.26	Modification Agreement, dated as of March 30, 2012, to the Employment Agreement, dated as of December 29, 2008, by and among David McGlade, Intelsat Global S.A. and Intelsat S.A. (together with the Assignment and Modification Agreement, dated as of December 21, 2009, by and between Intelsat Management LLC, Intelsat Global S.A. and Intelsat S.A.) (incorporated by reference to Exhibit 10.7 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on April 5, 2012).
4.27	Amendment, dated as of March 30, 2012, to the employment letter agreement, dated as of May 8, 2009, by and between Intelsat Global and Stephen Spengler (incorporated by reference to Exhibit 10.10 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on April 5, 2012).
4.28	Amendment, dated as of March 30, 2012, to the employment letter agreement, dated as of May 8, 2009, by and between Intelsat Global S.A. and Thierry Guillemin (incorporated by reference to Exhibit 10.11 of Intelsat S.A. s Current Report on Form 8-K, File No. 000-50262, filed on April 5, 2012).
4.29	Shareholders Agreement, dated as of February 4, 2008, by and among Serafina Holdings Limited and the shareholders party thereto (incorporated by reference as Exhibit 10.78 to Amendment No. 1 to Intelsat Global Holdings S.A. s Registration Statement on Form F-1, File No. 333-181527, filed on June 26, 2012).
4.30	Amendment No. 1 to Shareholders Agreement, dated as of December 7, 2009, by and among Intelsat Global, Ltd. and the shareholders party thereto (incorporated by reference as Exhibit 10.79 to Amendment No. 1 to Intelsat Global Holdings S.A. s Registration Statement on Form F-1, File No. 333-181527, filed on June 26, 2012).
4.31	Amendment No. 2 to Shareholders Agreement, dated as of March 30, 2012, by and among Intelsat Global S.A., Intelsat Global Holdings S.A. and the shareholders party thereto (incorporated by reference as Exhibit 10.80 to Amendment No. 1 to Intelsat Global Holdings S.A. s Registration Statement on Form F-1, File No. 333-181527, filed on June 26, 2012).

4.32 Intelsat S.A. 2013 Equity Incentive Plan (incorporated by reference to Exhibit 4.39 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).

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Exhibit

No.	Document Description
4.33	Intelsat S.A. Bonus Plan (incorporated by reference to Exhibit 4.40 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
4.34	Supplement No. 2 to Guarantee, dated as of July 31, 2012, between Intelsat Luxembourg Investment S.a r.l. and Bank of America, N.A. (incorporated by reference to Exhibit 10.2 of Intelsat S.A. s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, File No. 000-50262, filed on August 1, 2012).
4.35	Agreement for the Adherence by Intelsat Luxembourg Investment S.à r.l. and Intelsat Corporation to the Luxembourg Shares and Beneficiary Certificates Pledge Agreement dated January 12, 2011 and for the Amendment of the Pledge Agreement, dated as of July 31, 2012, by and among the Pledgors listed therein and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 10.3 of Intelsat S.A. s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, File No. 000-50262, filed on August 1, 2012).
4.36	Supplement No. 2 to Security and Pledge Agreement, dated as of July 31, 2012, among Intelsat Luxembourg Investment S.a r.l., as New Guarantor, Bank of America, N.A., as Administrative Agent and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 10.4 of Intelsat S.A. s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, File No. 000-50262, filed on August 1, 2012).
4.37	Collateral Agency and Intercreditor Joinder, dated as of July 31, 2012, between Intelsat Luxembourg Investment S.a r.l. and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit10.5 of Intelsat S.A. s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, File No. 000-50262, filed on August 1, 2012).
4.38	Guarantee, dated as of July 31, 2012, made between Intelsat Luxembourg Investment S.a r.l., Intelsat Jackson Holdings S.A and Credit Suisse AG, Cayman Islands Branch (f/k/a Credit Suisse, Cayman Islands Branch), as Administrative Agent (incorporated by reference to Exhibit 10.6 of Intelsat S.A. s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, File No. 000-50262, filed on August 1, 2012).
4.39	Guarantee, dated as of July 31, 2012, made between Intelsat Luxembourg Investment S.a r.l., Intelsat Jackson Holdings S.A. and Bank of America N.A., as Administrative Agent (incorporated by reference to Exhibit 10.7 of Intelsat S.A. s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, File No. 000-50262, filed on August 1, 2012).
4.40	Form of Indemnification Agreement between Intelsat S.A. and its directors and officers (previously filed as Exhibit 10.64 to Amendment No. 2 to Intelsat Global Holdings S.A. s Registration Statement on Form F-1, File No. 333-181527, filed on August 8, 2012).
4.41	Amendment No. 3 to the Management Shareholders Agreement dated as of April 23, 2013, by and among Intelsat S.A., Serafina S.A., SLP III Investment Holding S.à r.l. and the Management Shareholders party thereto (incorporated by reference to Exhibit 4.49 of Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
4.42	Supplement No. 3 to Guarantee, dated as of January 31, 2013, to the Guarantee dated as of January 12, 2011, by and among Intelsat Align S.à r.l. and Intelsat Finance Nevada LLC, as New Guarantors, and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.84 of Intelsat S.A. s Annual Report on Form 10-K, File No. 000-50262, filed on February 28, 2013).
4.43	

Agreement for the Adherence by Intelsat Align S.à r.l. to the Luxembourg Shares and Beneficiary Certificates Pledge Agreement dated January 12, 2011 and for the Amendment of the Pledge Agreement, dated January 31, 2013, by and among the Pledgors listed therein and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 10.85 of Intelsat S.A. s Annual Report on Form 10-K, File No. 000-50262, filed on February 28, 2013).

4.44 Supplement No. 3 to Security and Pledge Agreement, dated as of January 31, 2013, to the Security and Pledge Agreement dated as of January 12, 2011, by and among Intelsat Align S.àr.l. and Intelsat Nevada LLC, as New Guarantors, Bank of America, N.A., as Administrative Agent and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 10.86 of Intelsat S.A. s Annual Report on Form 10-K, File No. 000-50262, filed on February 28, 2013).

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Exhibit

No.	Document Description
4.45	Collateral Agency and Intercreditor Joinder, dated as of January 31, 2013, by and among Intelsat Align S.à r.l. and Intelsat Nevada LLC, as new Grantors, and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 10.87 of Intelsat S.A. s Annual Report on Form 10-K, File No. 000-50262, filed on February 28, 2013).
4.46	Collateral Agency and Intercreditor Joinder, dated as of November 25, 2015, by and among Intelsat Ireland Operations Limited, as new Grantor, and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee.*
4.47	Guarantee, dated as of January 31, 2013, made among Intelsat Align S.à r.l., and Intelsat Finance Nevada LLC, as New Guarantors, and Credit Suisse AG, Cayman Islands Branch (f/k/a Credit Suisse, Cayman Island Branch), as Administrative Agent (incorporated by reference to Exhibit 10.88 of Intelsat S.A. s Annual Report on Form 10-K, File No. 000-50262, filed on February 28, 2013).
4.48	Guarantee, dated as of January 31, 2013, made among Intelsat Align S.à r.l. and Intelsat Finance Nevada LLC, as New Guarantors, and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.89 of Intelsat S.A. s Annual Report on Form 10-K, File No. 000-50262, filed on February 28, 2013).
4.49	Supplement No. 5 to Guarantee, dated as of November 25, 2015, to the Guarantee dated as of January 12, 2011, by and among Intelsat Ireland Operations Limited, as New Guarantor, and Bank of America, N.A., as administrative agent *
4.50	Third Amendment, dated March 18, 2013, to Employment Agreement, dated December 29, 2008, among David McGlade, Intelsat Global Holdings S.A., Intelsat S.A. and Intelsat Management LLC (incorporated by reference as Exhibit 10.73 to Amendment No. 7 to Intelsat Global Holdings S.A. s Registration Statement on Form F-1, File No. 333-181527, filed on March 20, 2013).
4.51	Employment Agreement, dated March 18, 2013, between Intelsat Corporation and Stephen Spengler (incorporated by reference to Exhibit 10.77 to Amendment No. 7 to Intelsat Global Holdings S.A. s Registration Statement on Form F-1, File No. 333-181527, filed on March 20, 2013).
4.52	Employment Agreement, dated March 18, 2013, between Intelsat Global Holdings S.A., Intelsat S.A. and Michelle Bryan (incorporated by reference to Exhibit 10.78 to Amendment No. 7 to Intelsat Global Holdings S.A. s Registration Statement on Form F-1, File No. 333-181527, filed on March 20, 2013).
4.53	Employment Agreement, dated March 18, 2013, between Intelsat Corporation and Thierry Guillemin (incorporated by reference to Exhibit 10.79 to Amendment No. 7 to Intelsat Global Holdings S.A. s Registration Statement on Form F-1, File No. 333-181527, filed on March 20, 2013).
4.54	Governance Agreement, dated April 23, 2013, by and among Intelsat S.A. and the shareholders of Intelsat S.A. party thereto (see Exhibit 3.1).
4.55	Fifth Amendment, dated December 11, 2014, to Employment Agreement dated December 29, 2008, among David McGlade, Intelsat S.A., Intelsat Investments S.A. and Intelsat Management LLC (incorporated by reference to Exhibit 4.62 to Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878).
4.56	Second Amendment, dated December 11, 2014, to Employment Agreement dated March 18, 2013, between Stephen Spengler and Intelsat Corporation (incorporated by reference to Exhibit 4.63 to Intelsat

S.A. s Annual Report on Form 20-F, File No. 001-35878).

4.57 Amendment to Intelsat S.A. 2013 Equity Incentive Plan, effective October 23, 2014 (incorporated by reference to Exhibit 4.64 to Intelsat S.A. s Annual Report on Form 20-F, File No. 001-35878).

8.1 List of subsidiaries of Intelsat S.A.*

12.1 Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer and Principal Financial Officer.*

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Exhibit

No.	Document Description
13.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
15.1	Consent of KPMG LLP*

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Exhibit No.	Document Description
101.	Interactive Data Files
101.INS	XBRL Instance Document. **
101.SCH	XBRL Taxonomy Extension Schema Document. **
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. **
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. **
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. **
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. **

* Filed herewith.

** Attached as Exhibit 101 to this Annual Report on Form 20-F are the following formatted in Extensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Loss, (iv) Consolidated Statements of Changes in Shareholders Deficit, (v) Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements.

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SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

INTELSAT S.A.

Date: March 7, 2016

BY /S/ STEPHEN SPENGLER
Stephen Spengler
Chief Executive Officer and Director

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Intelsat S.A.

Index to Consolidated Financial Statements

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

Intelsat S.A.:

We have audited the accompanying consolidated financial statements of Intelsat S.A. and subsidiaries as listed in the accompanying index. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule as listed in the accompanying index. These consolidated financial statements and financial statement schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Intelsat S.A. and subsidiaries as of December 31, 2014 and 2015 and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 2 to the financial statements, the Company changed its method of accounting for debt issuance costs effective January 1, 2014 due to the adoption of FASB ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. Additionally, as discussed in Note 2 to the financial statements, the Company changed its method of accounting for deferred income taxes effective January 1, 2015 due to the adoption of FASB ASU 2015-17, *Balance Sheet Classification of Deferred Taxes*.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company s internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 7, 2016 expressed an unqualified opinion on the effectiveness of the Company s internal control over financial reporting.

/s/ KPMG LLP

McLean, Virginia
March 7, 2016

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

Intelsat S.A.:

We have audited Intelsat S.A. s internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Intelsat S.A. s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Intelsat S.A. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule of Intelsat S.A. and subsidiaries, as listed in the accompanying index, and our report dated March 7, 2016 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

McLean, Virginia
March 7, 2016

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INTELSAT S.A.

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share amounts)

	As of December 31, 2014	As of December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 123,147	$ 171,541
Receivables, net of allowance of $35,174 in 2014 and $37,178 in 2015	220,458	232,775
Deferred income taxes	76,315	
Prepaid expenses and other current assets	35,945	35,784
Total current assets	455,865	440,100
Satellites and other property and equipment, net	5,880,264	5,988,317
Goodwill	6,780,827	2,620,627
Non-amortizable intangible assets	2,458,100	2,452,900
Amortizable intangible assets, net	500,545	440,330
Other assets	250,833	311,316
Total assets	$ 16,326,434	$ 12,253,590
LIABILITIES AND SHAREHOLDERS DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	$ 151,793	$ 164,381
Taxes payable	8,974	11,742
Employee related liabilities	44,815	35,361
Accrued interest payable	161,495	161,493
Current portion of long-term debt	49,000	
Deferred satellite performance incentives	20,957	19,411
Deferred revenue	117,401	108,779
Other current liabilities	72,629	63,275
Total current liabilities	627,064	564,442
Long-term debt, net of current portion	14,619,221	14,611,379
Deferred satellite performance incentives, net of current portion	163,360	162,177
Deferred revenue, net of current portion	967,318	1,010,242
Deferred income taxes	211,680	160,802
Accrued retirement benefits	262,906	195,385
Other long-term liabilities	217,452	169,516
Commitments and contingencies (Notes 15 and 16)		

Shareholders deficit:		
Common shares; nominal value $0.01 per share	1,067	1,076
5.75% Series A mandatory convertible junior non-voting preferred shares; nominal value $0.01 per share; aggregate liquidation preference of $172,500 ($50 per share)	35	35
Paid-in capital	2,117,898	2,133,891
Accumulated deficit	(2,782,741)	(6,706,128)
Accumulated other comprehensive loss	(112,527)	(78,439)
Total Intelsat S.A. shareholders deficit	(776,268)	(4,649,565)
Noncontrolling interest	33,701	29,212
Total liabilities and shareholders deficit	$ 16,326,434	$ 12,253,590

See accompanying notes to consolidated financial statements.

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INTELSAT S.A.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
Revenue	$ 2,603,623	$ 2,472,386	$ 2,352,521
Operating expenses:			
Direct costs of revenue (excluding depreciation and amortization)	375,769	348,348	328,501
Selling, general and administrative	288,467	197,407	199,412
Impairment of goodwill and other intangibles			4,165,400
Depreciation and amortization	736,567	679,351	687,729
Gain on satellite insurance recoveries	(9,618)		
Total operating expenses	1,391,185	1,225,106	5,381,042
Income (loss) from operations	1,212,438	1,247,280	(3,028,521)
Interest expense, net	1,122,261	944,787	890,279
Gain (loss) on early extinguishment of debt	(368,089)	(40,423)	7,061
Other expense, net	(4,918)	(2,593)	(6,201)
Income (loss) before income taxes	(282,830)	259,477	(3,917,940)
Provision for (benefit from) income taxes	(30,837)	22,971	1,513
Net income (loss)	(251,993)	236,506	(3,919,453)
Net income attributable to noncontrolling interest	(3,687)	(3,974)	(3,934)
Net income (loss) attributable to Intelsat	$ (255,680)	$ 232,532	$ (3,923,387)
Cumulative preferred dividends	(10,196)	(9,917)	(9,919)
Net income (loss) attributable to common shareholders	$ (265,876)	$ 222,615	$ (3,933,306)
Net income (loss) per common share attributable to Intelsat S.A.:			
Basic	$ (2.70)	$ 2.09	$ (36.68)
Diluted	$ (2.70)	$ 1.99	$ (36.68)

See accompanying notes to consolidated financial statements.

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INTELSAT S.A.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands)

	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
Net income (loss)	$ (251,993)	$ 236,506	$ (3,919,453)
Other comprehensive income (loss), net of tax:			
Defined benefit retirement plans:			
Reclassification adjustment for amortization of unrecognized prior service credits included in net periodic pension costs and other, net of tax	(107)	(109)	(248)
Reclassification adjustment for amortization of unrecognized actuarial loss included in net periodic pension costs, net of tax	12,320	6,510	5,244
Actuarial gain (loss) arising during the year, net of tax	45,070	(58,403)	22,943
Curtailment gain, net of tax of $3.8 million			6,510
Marketable securities:			
Unrealized gains (losses) on investments, net of tax	629	258	(21)
Reclassification adjustment for realized loss (gain) on investments, net of tax	123	(390)	(340)
Other comprehensive income (loss)	58,035	(52,134)	34,088
Comprehensive income (loss)	(193,958)	184,372	(3,885,365)
Comprehensive income attributable to noncontrolling interest	(3,687)	(3,974)	(3,934)
Comprehensive income (loss) attributable to Intelsat S.A.	$ (197,645)	$ 180,398	$ (3,889,299)

See accompanying notes to consolidated financial statements.

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INTELSAT S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS DEFICIT

(in thousands)

	Preferred Shares		Common Shares					Total Intelsat S.A.	
	Shares (in millions)	Amount	Shares (in millions)	Amount	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Shareholders Deficit	Noncontrolling Interest
Balance, December 31, 2012 [1]			83.2	$ 832	$ 1,519,429	$ (2,759,593)	$ (118,428)	$ (1,357,760)	$ 45,670
Net loss						(255,680)		(255,680)	3,687
Initial public offering, net of costs	3.5	35	22.2	222	542,539			542,796	
Change in classification of certain equity awards					18,899			18,899	
Share-based compensation			0.6	6	28,547			28,553	
Dividends paid to noncontrolling interests									(8,671)
Declaration of preferred stock dividend					(10,196)			(10,196)	
Postretirement/pension liability adjustment, net of tax of $34.9 million							57,283	57,283	
Other comprehensive income, net of tax of ($0.4) million							752	752	
Balance, December 31, 2013	3.5	$ 35	106.0	$ 1,060	$ 2,099,218	$ (3,015,273)	$ (60,393)	$ (975,353)	$ 40,686
Net income						232,532		232,532	3,974
Dividends paid to noncontrolling interests									(8,744)
Share-based compensation			0.7	7	26,382			26,389	
					(9,917)			(9,917)	

Declaration of preferred stock dividend									
Acquisition of non-controlling interests					2,215			2,215	(2,215)
Postretirement/pension liability adjustment, net of tax of ($30.3) million							(52,002)	(52,002)	
Other comprehensive loss, net of tax of $0.1 million							(132)	(132)	
Balance at December 31, 2014	3.5	$ 35	106.7	$ 1,067	$ 2,117,898	$ (2,782,741)	$ (112,527)	$ (776,268)	$ 33,701
Net loss						(3,923,387)		(3,923,387)	3,934
Dividends paid to noncontrolling interests									(8,423)
Share-based compensation			0.9	9	25,912			25,921	
Declaration of preferred stock dividend					(9,919)			(9,919)	
Postretirement/pension liability adjustment, net of tax of $16.5 million							27,939	27,939	
Curtailment gain, net of tax of $3.8 million							6,510	6,510	
Other comprehensive income, net of tax of ($0.2) million							(361)	(361)	
Balance at December 31, 2015	3.5	$ 35	107.6	$ 1,076	$ 2,133,891	$ (6,706,128)	$ (78,439)	$ (4,649,565)	$ 29,212

(1) Common shares and paid-in capital amounts reflect the retroactive impact of the former Class A and Class B share reclassification into common shares and the share splits related to our Initial Public Offering. See Note 4 Net Income (Loss) per Share for further discussion.

See accompanying notes to consolidated financial statements.

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INTELSAT S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
Cash flows from operating activities:			
Net income (loss)	$ (251,993)	$ 236,506	$ (3,919,453)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Impairment of goodwill and other intangibles			4,165,400
Depreciation and amortization	736,567	679,351	687,729
Provision for doubtful accounts	29,599	2,306	7,432
Foreign currency transaction loss	6,003	6,560	11,374
Loss on disposal of assets	338	927	16
Gain on satellite insurance recoveries	(9,618)		
Share-based compensation	25,289	22,494	25,768
Deferred income taxes	(65,347)	(12,646)	(9,348)
Amortization of discount, premium, issuance costs and related costs	46,026	22,256	20,119
(Gain) loss on early extinguishment of debt	368,089	40,423	(7,061)
Unrealized gains on derivative financial instruments	(19,740)	(22,790)	(24,024)
Amortization of actuarial loss and prior service credits for retirement benefits	19,613	10,147	7,899
Other non-cash items	234	166	75
Changes in operating assets and liabilities:			
Receivables	16,269	1,382	(34,642)
Prepaid expenses and other assets	(6,117)	(22,331)	(25,780)
Accounts payable and accrued liabilities	(23,730)	7,598	1,542
Accrued interest payable	(178,796)	(24,997)	(2)
Deferred revenue	49,924	108,545	51,805
Accrued retirement benefits	(29,732)	(26,019)	(20,707)
Other long-term liabilities	4,014	16,292	(28,111)
Net cash provided by operating activities	716,892	1,046,170	910,031
Cash flows from investing activities:			
Payments for satellites and other property and equipment (including capitalized interest)	(600,792)	(645,424)	(724,362)
Proceeds from insurance settlements	487,930		
Payment on satellite performance incentives from insurance proceeds	(19,199)		
Purchase of cost method investment			(25,000)

Other investing activities	(2,000)	174	8
Net cash used in investing activities	(134,061)	(645,250)	(749,354)
Cash flows from financing activities:			
Repayments of long-term debt	(6,904,162)	(610,418)	(496,829)
Repayment of notes payable to former shareholders	(868)		
Payment of premium on early extinguishment of debt	(311,224)	(21,250)	
Proceeds from issuance of long-term debt	6,254,688	135,000	430,000
Debt issuance costs	(84,845)		
Proceeds from initial public offering	572,500		
Stock issuance costs	(26,683)		
Dividends paid to preferred shareholders	(5,235)	(9,919)	(9,919)
Principal payments on deferred satellite performance incentives	(17,503)	(19,774)	(19,568)
Capital contribution from noncontrolling interest	12,209	12,209	
Dividends paid to noncontrolling interest	(8,671)	(8,744)	(8,423)
Other financing activities	3,271	3,893	1,753
Net cash used in financing activities	(516,523)	(519,003)	(102,986)
Effect of exchange rate changes on cash and cash equivalents	(6,003)	(6,560)	(9,297)
Net change in cash and cash equivalents	60,305	(124,643)	48,394
Cash and cash equivalents, beginning of period	187,485	247,790	123,147
Cash and cash equivalents, end of period	$ 247,790	$ 123,147	$ 171,541
Supplemental cash flow information:			
Interest paid, net of amounts capitalized	$ 1,283,439	$ 970,345	$ 894,465
Income taxes paid, net of refunds	38,784	37,805	26,324
Supplemental disclosure of non-cash investing activities:			
Capitalization of deferred satellite performance incentives	$	$ 27,681	$ 16,800
Accrued capital expenditures	66,578	80,621	82,208

See accompanying notes to consolidated financial statements.

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INTELSAT S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Background of Company

Intelsat S.A. (the Company , we , us or our) provides satellite communications services worldwide through a global communications network of approximately 50 satellites and ground facilities related to the satellite operations and control, and teleport services.

Initial Public Offering

On April 23, 2013, we completed our initial public offering, in which we issued 22,222,222 common shares, and a concurrent public offering, in which we issued 3,450,000 5.75% Series A mandatory convertible junior non-voting preferred shares (the Series A Preferred Shares), at public offering prices of $18.00 and $50.00 per share, respectively (the initial public offering together with the concurrent public offering, the IPO) for total proceeds of $572.5 million (or approximately $550 million after underwriting discounts and commissions).

Note 2 Significant Accounting Policies

(a) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Intelsat S.A., its wholly-owned subsidiaries, and variable interest entities (VIE) of which we are the primary beneficiary. We are the primary beneficiary of one VIE, as more fully described in Note 10 Investments, and accordingly, we include in our consolidated financial statements the assets and liabilities and results of operations of the entity, even though we may not own a majority voting interest. We use the equity method to account for our investments in entities where we exercise significant influence over operating and financial policies but do not retain control under either the voting interest model (generally 20% to 50% ownership interest) or the variable interest model. In 2015, we entered into a new joint venture agreement as further described in Note 10 Investments and the investment is accounted for using the equity method. We have eliminated all significant intercompany accounts and transactions.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenses during the reporting periods, and the disclosures of contingent liabilities. Accordingly, ultimate results could differ from those estimates.

(c) Revenue Recognition

We earn revenue from providing satellite services and managed services to customers. We enter into contracts with customers to provide satellite transponders and transponder capacity and, in certain cases, earth stations and teleport facilities, for periods typically ranging from one year to the life of the satellite. Our revenue recognition policies are as follows:

Satellite Utilization Charges. We generally recognize revenues on a straight-line basis over the term of the related customer contract unless collectability is not reasonably assured. Revenues from occasional use services are recognized as the services are performed. We have certain obligations, including providing spare or substitute capacity if available, in the event of satellite service failure under certain long-term agreements. We generally are not obligated to refund satellite utilization payments previously made.

Satellite Related Consulting and Technical Services. We recognize revenue from the provision of consulting services as those services are performed. We recognize revenue for consulting services with specific deliverables, such as Transfer Orbit Support Services or training programs, upon the completion of those services.

Tracking, Telemetry and Commanding (TT&C). We earn TT&C services revenue from providing operational services to other satellite owners and from certain customers on our satellites. TT&C agreements entered into in connection with our satellite utilization contracts are typically for the period of the related service agreement. We recognize this revenue ratably over the term of the service agreement.

In-Orbit Backup Services. We provide back-up transponder capacity that is held on reserve for certain customers on agreed-upon terms. We recognize revenues for in-orbit protection services ratably over the term of the related agreement.

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Revenue Share Arrangements. We recognize revenues under revenue share agreements for satellite-related services either on a gross or net basis in accordance with the principal versus agent considerations topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) or (the Codification) which provides guidance and specifies when an entity should report revenue gross as a principal versus net as an agent, depending on the nature of the specific contractual relationship.

We may sell these products or services individually or in some combination to our customers. When these products and services are sold together, we account for the multiple elements under FASB ASC Topic 605-25, Revenue Recognition-Multiple Element Arrangements (FASB ASC 605-25). FASB ASC 605-25 provides guidance on accounting for arrangements that involve the delivery or performance of multiple products, services and/or rights to use assets. We allocate revenue for transactions or collaborations that include multiple elements to each unit of accounting based on each element s relative selling price, and recognize revenue for each unit of accounting when the applicable revenue recognition criteria have been met.

(d) Fair Value Measurements

We estimate the fair value of our financial instruments using available market information and valuation methodologies. The carrying amounts of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate their fair values because of the short maturity of these financial instruments.

FASB ASC Topic 820, Fair Value Measurements and Disclosure (FASB ASC 820) defines fair value as the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 requires disclosure of the extent to which fair value is used to measure financial assets and liabilities, the inputs utilized in calculating valuation measurements, and the effect of the measurement of significant unobservable inputs on earnings, or changes in net assets, as of the measurement date. FASB ASC 820 establishes a three-level valuation hierarchy based upon the transparency of inputs utilized in the measurement and valuation of financial assets or liabilities as of the measurement date. We apply fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis.

The fair value hierarchy prioritizes the inputs used in valuation techniques into three levels as follows:

Level 1 unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted market prices that are observable or that can be corroborated by observable market data by correlation; and

Level 3 unobservable inputs based upon the reporting entity s internally developed assumptions which market participants would use in pricing the asset or liability.

(e) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less, which are generally time deposits with banks and money market funds. The carrying amount of these

investments approximates market value.

(f) Receivables and Allowances for Doubtful Accounts

We provide satellite services and extend credit to numerous customers in the satellite communication, telecommunications and video markets. We monitor our exposure to credit losses and maintain allowances for doubtful accounts and anticipated losses. We believe we have adequate customer collateral and reserves to cover our exposure. If we determine that the collection of payments is not reasonably assured at the time the respective service is provided, we defer recognition of the revenue until we believe collection is reasonably assured or the payment is received.

(g) Satellites and Other Property and Equipment

Satellites and other property and equipment are stated at historical cost, or in the case of certain satellites acquired, the fair value at the date of acquisition. Capitalized costs consist primarily of the costs of satellite construction and launch, including launch insurance and insurance during the period of in-orbit testing, the net present value of performance incentives expected to be payable to the satellite manufacturers (dependent on the continued satisfactory performance of the satellites), costs directly associated with the monitoring and support of satellite construction, and interest costs incurred during the period of satellite construction.

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We depreciate satellites and other property and equipment on a straight-line basis over the following estimated useful lives:

	Years
Buildings and improvements	10 - 40
Satellites and related costs	11 - 17
Ground segment equipment and software	4 - 15
Furniture and fixtures and computer hardware	4 - 12
Leasehold improvements [1]	2 - 12

(1) Leasehold improvements are depreciated over the shorter of the useful life of the improvement or the remaining lease term.

(h) Other Assets

Other assets consist of investments in certain equity securities, long-term deposits, long-term receivables and other miscellaneous deferred charges and long-term assets.

(i) Goodwill and Other Intangible Assets

We account for goodwill and other intangible assets in accordance with FASB ASC Topic 350, Intangibles Goodwill and Other (FASB ASC 350). Goodwill represents the excess of the consideration transferred plus the fair value of any noncontrolling interest in the acquiree at the acquisition date over the fair values of identifiable net assets of businesses acquired. Goodwill and certain other intangible assets deemed to have indefinite lives are not amortized but are tested on an annual basis for impairment during the fourth quarter, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. See Note 11 Goodwill and Other Intangible Assets.

Intangible assets arising from business combinations are initially recorded at fair value. We record other intangible assets at cost. We amortize intangible assets with determinable lives (consisting of backlog and customer relationships) based on the expected pattern of consumption. We review these intangible assets for impairment whenever facts and circumstances indicate that the carrying amounts may not be recoverable. See Note 11 Goodwill and Other Intangible Assets.

(j) Impairment of Long-Lived Assets

We review long-lived assets, including property and equipment and acquired intangible assets with estimable useful lives, for impairment whenever events or changes in circumstances indicate that the carrying amount of such an asset may not be recoverable. These indicators of impairment can include, but are not limited to, the following:

- satellite anomalies, such as a partial or full loss of power;
- under-performance of an asset compared to expectations; and

shortened useful lives due to changes in the way an asset is used or expected to be used.

The recoverability of an asset to be held and used is determined by comparing the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated undiscounted future cash flows, we record an impairment charge in the amount by which the carrying amount of the asset exceeds its fair value, which we determine by either a quoted market price, if any, or a value determined by utilizing discounted cash flow techniques.

(k) Income Taxes

We account for income taxes in accordance with FASB ASC Topic 740 Income Taxes. We are subject to income taxes in the United States as well as a number of other foreign jurisdictions. Significant judgment is required in the calculation of our tax provision and the resultant tax liabilities and in the recoverability of our deferred tax assets that arise from temporary differences between the tax and financial statement recognition of revenue and expense and net operating loss and credit carryforwards.

We regularly assess the likelihood that our deferred tax assets can be recovered. A valuation allowance is required when it is more likely than not that all or a portion of the deferred tax asset will not be realized. We evaluate the recoverability of our deferred tax assets based in part on the existence of deferred tax liabilities that can be used to realize the deferred tax assets.

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During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. We evaluate our tax positions to determine if it is more likely than not that a tax position is sustainable, based solely on its technical merits and presuming the taxing authorities have full knowledge of the position and access to all relevant facts and information. When a tax position does not meet the more likely than not standard, we record a liability or contra asset for the entire amount of the unrecognized tax benefit. Additionally, for those tax positions that are determined more likely than not to be sustainable, we measure the tax position at the largest amount of benefit more likely than not (determined by cumulative probability) to be realized upon settlement with the taxing authority.

(l) Foreign Currency Translation

Our functional currency is the U.S. dollar, since substantially all customer contracts, capital expenditure contracts and operating expense obligations are denominated in U.S. dollars. Transactions not denominated in U.S. dollars have been translated using the spot rates of exchange at the dates of the transactions. We recognize differences on exchange arising on the settlement of the transactions denominated in currencies other than the U.S. dollar in the consolidated statement of operations.

(m) Comprehensive Income

Comprehensive income consists of net income or loss and other gains and losses affecting shareholders equity that, under U.S. GAAP, are excluded from net income or loss. Such items consist primarily of the change in the market value of available-for-sale securities and pension liability adjustments.

(n) Share-Based Compensation

Compensation cost is recognized based on the requirements of FASB ASC Topic 718, *Compensation Stock Compensation* (FASB ASC 718), for all share-based awards granted.

Awards are measured at the grant date based on the fair value as calculated using the Black-Scholes option pricing model for share options, a Monte Carlo simulation model for awards with market conditions, or the closing market price at the grant date for awards of shares or restricted shares units. For share-based awards recognized as liability awards prior to the IPO, we recorded compensation cost based on the fair value of such awards. The expense is recognized over the requisite service period, based on attainment of certain vesting requirements.

The determination of the value of certain awards requires considerable judgment, including estimating expected volatility, expected term and risk-free rate. The Company s expected volatility is based on the average volatility rates of similar actively-traded companies over the range of each award s estimated expected term, which is based on the midpoint between the expected vesting time and the remaining contractual life. The risk-free rate is derived from the applicable Constant Maturity Treasury rate.

Prior to the IPO, we estimated the fair market value of our equity at each reporting period in order to properly record stock compensation expense. We estimated the fair market value using a combination of the income and market approaches, and allocated a 50% weighting to each approach. The income approach quantifies the future cash flows that we expect to achieve consistent with our annual business plan and forecasting processes. These future cash flows are discounted to their net present values using an estimated rate corresponding to a weighted average cost of capital. Our forecasted cash flows are subject to uncontrollable and unforeseen events that could positively or negatively impact economic and business conditions. The estimated weighted average cost of capital includes assumptions and estimates based upon interest rates, expected rates of return, and other risk factors that consider both historic data and

expected future returns for comparable investments.

The market approach estimates fair value by applying trading multiples of enterprise value to EBITDA based on observed publicly traded comparable companies.

(o) Deferred Satellite Performance Incentives

The cost of satellite construction may include an element of deferred consideration that we are obligated to pay to satellite manufacturers over the lives of the satellites, provided the satellites continue to operate in accordance with contractual specifications. Historically, the satellite manufacturers have earned substantially all of these payments. Therefore, we account for these payments as deferred financing. We capitalize the present value of these payments as part of the cost of the satellites and record a corresponding liability to the satellite manufacturers. Interest expense is recognized on the deferred financing and the liability is reduced as the payments are made.

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(p) Derivative Instruments

We hold interest rate swaps, each of which were undesignated as of December 31, 2015. The swaps are marked-to-market quarterly, with any change in fair value recorded as interest expense, net.

(q) Reclassifications

Certain reclassifications have been made to the prior years financial statements to conform to the current year presentation. The reclassifications had no effect on previously reported results of operations, cash flows or retained earnings.

(r) New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the revenue recognition requirements in FASB ASC Topic 605 *Revenue Recognition*. The guidance in ASU 2014-09 clarifies the principles for recognizing revenue and improves financial reporting by creating a common revenue standard for U.S. GAAP and International Financial Reporting Standards. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, to defer the effective date of ASU 2014-09 by one year. Public entities can now elect to defer implementation of ASU 2014-09 to interim and annual periods beginning after December 15, 2017. Additionally, ASU 2015-14 permits early adoption of the standard but not before the original effective date, i.e. annual periods beginning after December 15, 2016. The standard permits the use of either the retrospective or cumulative effect transition method. We are in the process of evaluating the impact that ASU 2014-09 will have on our consolidated financial statements and associated disclosures, and have not yet selected a transition method.

In April 2015, the FASB issued Accounting Standard Update (ASU) 2015-03, *Interest Imputation of Interest (Subtopic 835-30)* to simplify the presentation of debt issuance costs. The amendments in this update require that debt issuance costs related to a recognized debt liability are presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. ASU 2015-03 is effective for interim and annual periods beginning after December 15, 2015 on a retrospective basis with early adoption allowed. Additionally, in August 2015, the FASB issued an amendment to this update to simplify the presentation of debt issuance costs to include line-of-credit arrangements. We elected to early adopt the amendments in the fourth quarter of 2015 and the adoption of ASU 2015-03 had an effect of a reduction in each other assets and long-term debt, net of current portion of $142.9 million and $121.7 million as of December 31, 2014 and 2015, respectively.

In November 2015, the FASB issued Accounting Standard Update (ASU) 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes* to simplify the presentation of deferred income taxes. The amendments in this update require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. ASU 2015-17 is effective for interim and annual periods beginning after December 15, 2016 on a prospective or retrospective basis with early adoption allowed. We elected to early adopt ASU 2015-17 on a prospective basis in the fourth quarter of 2015 and prior periods were not retrospectively adjusted.

In February 2016, the FASB issued Accounting Standard Update (ASU) 2016-02, *Leases* to increase transparency and comparability by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018, on a modified retrospective basis with early adoption allowed. We are in the process of evaluating the impact that ASU 2016-02 will have on our consolidated financial statements and associated disclosures.

Note 3 Share Capital

Under our Articles of Incorporation, we have an authorized share capital of $10.0 million, represented by 1.0 billion shares of any class with a nominal value of $0.01 per share. At December 31, 2015, there were 107.6 million common shares issued and outstanding and 3.5 million Series A Preferred Shares issued and outstanding. Our Series A Preferred Shares have a liquidation preference of $50 per share plus any accrued and unpaid dividends.

Each Series A Preferred Share will automatically convert on May 1, 2016 into between 2.2676 and 2.7778 of our common shares, subject to anti-dilution adjustments. The number of our common shares issuable on conversion will be determined based on the average of the closing prices per common share over the 40 trading day period ending on the third trading day prior to the mandatory conversion date. At any time prior to May 1, 2016, holders may elect to convert each Series A Preferred Share into common shares at the minimum conversion rate of 2.2676 common shares per Series A Preferred Share, subject to anti-dilution adjustments.

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Note 4 Net Income (Loss) per Share

Basic EPS is computed by dividing net income (loss) attributable to Intelsat S.A. s common shareholders by the weighted average number of common shares outstanding during the periods.

On April 23, 2013, we completed our initial public offering, in which we issued 22,222,222 common shares, and a concurrent public offering, in which we issued 3,450,000 Series A Preferred Shares. Prior to the consummation of the IPO, each of our former Class A common shares (the Class A Shares) was reclassified into one of our common shares and each of our former Class B common shares (the Class B Shares) was reclassified into 0.0735 of our common shares. In addition, immediately prior to the consummation of the IPO, an equivalent of a share split was effected by distributing common shares pro rata to existing holders of our common shares, so that each existing holder received approximately 4.6 additional common shares for each common share owned at that time (together, the IPO Reorganization Transactions). The effect of these reclassifications on outstanding shares, potentially dilutive shares and earnings per share (EPS) has been retroactively applied to the financial statements and notes to the consolidated financial statements for all periods presented.

In 2013 and 2014, the shareholders of Intelsat S.A. declared a $10.2 million and $9.9 million dividend, respectively, which was paid in four equal installments in accordance with the terms of the Series A Preferred Shares. In June 2015, the shareholders of Intelsat S.A. declared a $9.9 million dividend to be paid to holders of our Series A Preferred Shares in four installments through May 2016. In 2015, we made payments on the first and second installments of $0.71875 per share. In January 2016, we announced the third installment of $0.71875 per share. The dividend was paid on February 1, 2016 to holders of record as of January 15, 2016.

The following table sets forth the computation of basic and diluted net loss per share attributable to Intelsat S.A.:

	(in thousands, except per share data or where otherwise noted)		
	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
Numerator:			
Net income (loss)	$ (251,993)	$ 236,506	$ (3,919,453)
Net income attributable to noncontrolling interest	(3,687)	(3,974)	(3,934)
Net income (loss) attributable to Intelsat S.A.	(255,680)	232,532	(3,923,387)
Less: Preferred Shares dividends declared	(10,196)	(9,917)	(9,919)
Net income (loss) attributable to common shareholders	$ (265,876)	$ 222,615	(3,933,306)
Numerator for Basic EPS - income/ (loss) available to common shareholders	$ (265,876)	$ 222,615	(3,933,306)
Dilutive effect of Preferred shares		9,917	

Numerator for Diluted EPS	$ (265,876)	$ 232,532	(3,933,306)
Denominator:			
Basic weighted average shares outstanding (in millions)	98.5	106.5	107.2
Weighted average dilutive shares outstanding (in millions):			
Preferred shares (in millions)		9.6	
Employee compensation related shares including options and restricted stock units (in millions)		0.6	
Diluted weighted average shares outstanding (in millions)	98.5	116.7	107.2
Basic net income (loss) per common share attributable to Intelsat S.A.	$ (2.70)	$ 2.09	$ (36.68)
Diluted net income (loss) per common share attributable to Intelsat S.A.	$ (2.70)	$ 1.99	$ (36.68)

Due to a net loss in the year ended December 31, 2013 and December 31, 2015, there were no dilutive securities, and therefore, basic and diluted EPS were the same. The weighted average number of shares that could potentially dilute basic EPS in the future was 4.5 million, 1.4 million and 5.1 million (consisting of unvested common shares, restricted share units and options to purchase common shares) for the years ended December 31, 2013, 2014 and 2015, respectively. Further, there were 6.6 million and 9.6 million weighted average common shares resulting from the potential conversion of Series A Preferred Shares for the year ended December 31, 2013, and December 31, 2015, respectively, that could dilute basic EPS in future periods.

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Note 5 Share-Based and Other Compensation Plans

In connection with the IPO, in April 2013, we amended the Intelsat Global, Ltd. 2008 Share Incentive Plan (as amended, the 2008 Equity Plan) to reflect the IPO Reorganization Transactions (see Note 4 Net Income (Loss) per Share). Consequently, the number of restricted shares and options along with the associated exercise prices has been retroactively revised to reflect the IPO Reorganization Transactions. We also granted certain shares and options under the amended plan. Further, certain repurchase rights that were included in various share-based compensation awards contractually expired. As a result, (i) certain awards have been deemed granted under the provisions of FASB ASC 718 and (ii) certain awards previously accounted for as liability awards are now treated as equity awards under the provisions of FASB ASC 718. Further, upon consummation of the IPO, anti-dilution options were granted to certain individuals in accordance with the existing terms of their side letters to a management shareholders agreement (the Management Shareholders Agreement).

The items described here and above resulted in a pre-tax charge of $21.3 million (the IPO-Related Compensation Charges), $2.4 million of which was included in direct costs of revenue and $18.9 million of which was included in selling, general and administrative expenses on our consolidated statement of operations for the year ended December 31, 2013.

Also, in connection with the IPO, in April 2013, our board of directors adopted the Intelsat S.A. 2013 Share Incentive Plan (the 2013 Equity Plan). The 2013 Equity Plan provides for a variety of equity based awards, including incentive stock options (within the meaning of Section 422 of the United States Internal Revenue Service Tax Code), restricted shares, restricted share units, other share-based awards and performance compensation awards. Under the 2013 Equity Plan, an aggregate of 10,000,000 common shares are available for awards (as defined in the 2013 Equity Plan). Following the IPO, no new awards may be granted under the 2008 Equity Plan except those granted in connection with the IPO Reorganization Transactions and completion of the IPO. Total shares available for future issuance under the 2013 Equity Plan were 4.1 million as of December 31, 2015.

For all share-based awards, we recognize the compensation costs over the vesting period during which the employee provides service in exchange for the award. Compensation expense in 2013 also includes the IPO-Related Compensation Charges discussed above. During the years ended December 31, 2013, 2014 and 2015, we recorded compensation expense of $25.3 million, $22.5 million, and $25.8 million, respectively.

Stock Options

Stock options generally expire 10 years from the date of grant. In some cases, options have been granted which expire 15 years from the date of grant. The options vest monthly over service periods ranging from two to five years.

Stock Option activity during 2015 was as follows:

	Number of Stock Options (in thousands)	Weighted Average Exercise price	Weighted Average remaining contractual term (in years)	Aggregate intrinsic value (in millions)

Outstanding at January 1, 2015	1,288	$	20.35		
Exercised	34		4.50		
Forfeited	11		34.73		
Expired	80		24.20		
Outstanding at December 31, 2015	1,163	$	20.42	5.3	$
Exercisable at December 31, 2015	1,154	$	20.31	5.3	$

We measure the fair value of stock options at the date of grant using a Black-Scholes option pricing model. There were no stock options granted in 2015. The weighted average grant date fair value of options granted during the year ended December 31, 2013 was $7.85. The following assumptions were used in estimating the fair value of options using the Black-Scholes option pricing model during the year ended December 31, 2013: risk-free interest rates of 0.6%; dividend yields of 0.0%; expected volatility of 59.4%; and expected life of four years.

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The total intrinsic value of stock options exercised during the years ended December 31, 2013, 2014 and 2015 was $5.6 million, $2.6 million, and $0.3 million, respectively. As of December 31, 2015, there was less than $0.1 million of total unrecognized compensation cost related to unvested options, which is expected to be recognized over a weighted average period of one year.

During the years ended December 31, 2013, 2014 and 2015, we recorded a credit of $0.4 million, compensation expense of $3.0 million, and compensation expense of $0.8 million, respectively. During the years ended December 31, 2013, 2014, and 2015, we received cash of $2.4 million, $1.0 million, and $0.2 million, respectively, from the exercise of stock options.

In the first quarter of 2016, we granted options to purchase an additional 1.3 million shares to certain individuals. We intend to measure the fair value of stock options at the date of grant using a Black-Scholes option pricing model. The options vest over a service period of two years.

Anti-Dilution Options

In connection with the IPO Reorganization Transactions and upon consummation of the IPO, options were granted to certain individuals in accordance with the existing terms of their side letters to the Management Shareholders Agreement, which, when taken together with the common shares received in connection with the reclassification of our outstanding former Class B Shares, preserved their ownership interests represented by their outstanding former Class B Shares immediately prior to the reclassification.

These options generally expire five years from the date of grant. In some cases, options have been granted which expire 10 years from the date of grant.

Anti-Dilution Option activity during 2015 was as follows:

	Number of Stock Options (in thousands)	Weighted Average Exercise price	Weighted Average remaining contractual term (in years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2015	2,016	$ 18.00		
Exercised		18.00		
Expired		18.00		
Outstanding at December 31, 2015	2,016	$ 18.00	6.1	$
Exercisable at December 31, 2015	2,016	$ 18.00	6.1	$

We measured the fair value of anti-dilution option grants at the date of grant using a Black-Scholes option pricing model. There were no anti-dilution options granted during the years ended December 31, 2014 and 2015. The weighted average grant date fair value of anti-dilution options granted during the year ended December 31, 2013 was $5.97. The following assumptions were used in estimating the fair value of options using the Black-Scholes option

pricing model during the year ended December 31, 2013: risk-free interest rates of 0.3%; dividend yields of 0.0%; expected volatility of 60.8%; and expected life of two years.

The total intrinsic value of anti-dilution options exercised during the years ended December 31, 2013 and 2014 was $0.1 million and $0.6 million, respectively. All anti-dilution options were fully vested as of December 31, 2013. During the years ended December 31, 2013 and 2014, we recorded compensation expense associated with anti-dilution option awards of $14.5 million and $4.1 million, respectively. No compensation expense was recorded for these awards in 2015. During the years ended December 31, 2013 and 2014, we received cash of $0.4 million and $3.2 million, respectively, from the exercise of anti-dilution options. There were no anti-dilution options exercised in 2015.

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Option modifications

During the year ended December 31, 2014, 1.9 million stock options, including 1.6 million anti-dilution options, were amended to (a) extend the expiration date by five years; and (b) extend the duration of exercisability from one year to three years after ceasing to be an employee of the company. We estimated an additional expense of $2.52 per option resulting from the amendment, being the difference between the fair value of the amended option and the fair value of the original award before amendment. The fair value was measured using the Black-Scholes option pricing model and the following assumptions were used:

For the fair value of the amended options: risk-free interest rates of 1.3%; dividend yields of 0.0%; expected volatility of 45%; and expected life of 4.1 years.

For the fair value of the original award before amendment: risk-free interest rates of 0.3%; dividend yields of 0.0%; expected volatility of 45%; and expected life of 1.6 years.

All such options were fully vested and we recognized an additional compensation expense associated with such options of $4.7 million during the year ended December 31, 2014, which has been included in the respective sections discussed above.

During the first quarter of 2016, we repriced options to purchase approximately 1.2 million shares, including 0.7 million shares covered by anti-dilution options under the 2008 Equity Plan. We will estimate and record an additional expense resulting from the repricing, being the difference between fair value of the amended option and fair value of the original award before amendment.

Time-based RSUs

Time-based RSUs vest over periods ranging from six months to three years from the date of grant.

Time-based RSUs activity during 2015 was as follows:

	Number of Time-based RSUs (in thousands)	Weighted Average grant date fair value	Weighted Average remaining contractual term (in years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2015	3,350	$ 17.73		
Granted	716	11.64		
Vested	808	18.35		
Forfeited	378	16.37		
Outstanding at December 31, 2015	2,880	$ 16.13	1.7	$ 12.0

The fair value of time-based RSUs is deemed to be the market price of common shares on the date of grant. The weighted average grant date fair value of time-based RSUs granted during the years ended December 31, 2013, 2014,

and 2015 was $20.13, $17.45, and $11.64, respectively. The total intrinsic value of time-based RSUs vested during the years ended December 31, 2013, 2014 and 2015 was $2.5 million, $8.6 million, and $8.0 million, respectively. As of December 31, 2015, there was $31.5 million of total unrecognized compensation cost related to unvested time-based RSUs, which is expected to be recognized over a weighted average period of 1.7 years.

During the years ended December 31, 2013, 2014, and 2015 we recorded compensation expense associated with these time-based RSUs of $5.7 million, $13.0 million, and $22.8 million respectively.

Performance-based RSUs

Performance-based RSUs vest after three years from the date of grant upon achievement of certain performance conditions. Two-thirds of these grants are subject to vesting upon achievement of an adjusted EBITDA target. The remaining one-third of these grants is subject to vesting upon achievement of a relative shareholder return (RSR), which is based on the Company s relative shareholder return percentile ranking versus the S&P 900 Index target.

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Performance-based RSUs activity during 2015 was as follows:

	Number of RSUs (in thousands)	Weighted Average grant date fair value	Weighted Average remaining contractual term (in years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2015	914	$ 21.76		
Granted	483	8.97		
Forfeited	202	16.48		
Outstanding at December 31, 2015	1,195	$ 17.48	1.1	$ 5.0

We measure the fair value of performance-based RSUs at the date of grant using the market price of our common shares (to measure the award based on an adjusted EBITDA target) and a Monte Carlo simulation model (to measure the award based on an RSR target).

The weighted average grant date fair value of performance-based RSUs granted during the years ended December 31, 2013, 2014, and 2015 was $21.96, $21.48, and $8.97, respectively. As of December 31, 2015, there was $2.2 million of total unrecognized compensation cost related to unvested performance-based RSUs, which is expected to be recognized over a weighted average period of one year.

Achievement of the adjusted EBITDA target for awards granted in 2013, 2014, and 2015 is not currently considered probable, therefore, no compensation cost associated with these awards (based on the adjusted EBITDA condition) has been recognized during the years ended December 31, 2013, 2014, and 2015. We recorded compensation expense associated with the RSR portion of performance-based RSUs of $1.1 million, $2.4 million, and $2.2 million during the years ended December 31, 2013, 2014 and 2015, respectively.

Restricted Shares

There were no grants of restricted shares during the years ended December 31, 2014 and 2015. All restricted shares were vested as of December 31, 2013.

In connection with the IPO, the repurchase provisions that were included in the restricted share grant agreements held by certain awardees contractually expired, and these awards are now classified as equity awards and were recorded at the IPO common share offering price of $18.00 per share.

Following the IPO, the fair value of restricted shares is the market price of our common shares on the date of grant. The total intrinsic value of restricted shares vested during the year ended December 31, 2013 was $4.2 million. During the year ended December 31, 2013, we recorded compensation expense associated with restricted shares of $4.5 million.

Note 6 Fair Value Measurements

We have identified investments in marketable securities and interest rate financial derivative instruments as those items that meet the criteria of the disclosure requirements and fair value framework of FASB ASC 820.

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The following tables present assets and liabilities measured and recorded at fair value in our consolidated balance sheets on a recurring basis and their level within the fair value hierarchy (in thousands), excluding long-term debt (see Note 12 Long-Term Debt). We did not have any transfers between Level 1 and Level 2 fair value measurements during the year ended December 31, 2015.

	Fair Value Measurements at December 31, 2014		
Description	As of December 31, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets			
Marketable securities[1]	$ 5,950	$ 5,950	$
Total assets	$ 5,950	$ 5,950	$
Liabilities			
Undesignated interest rate swaps[2]	$ 26,109	$	$ 26,109
Total liabilities	$ 26,109	$	$ 26,109

	Fair Value Measurements at December 31, 2015		
Description	As of December 31, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets			
Marketable securities[1]	$ 5,486	$ 5,486	$
Total assets	$ 5,486	$ 5,486	$
Liabilities			
Undesignated interest rate swaps[2]	$ 2,013	$	$ 2,013
Total liabilities	$ 2,013	$	$ 2,013

(1) The valuation measurement inputs of these marketable securities represent unadjusted quoted prices in active markets and, accordingly, we have classified such investments within Level 1 of the fair value hierarchy. The cost basis of our available-for-sale marketable securities was $5.4 million at December 31, 2014 and $5.3 million at December 31, 2015. We sold marketable securities with a cost basis of $0.7 million during the year ended December 31, 2015 and recorded a gain on the sale of $0.4 million, which was included within other expense, net in our consolidated statement of operations.

(2) The fair value of our interest rate financial derivative instruments reflects the estimated amounts that we would pay or receive to terminate the agreement at the reporting date, taking into account current interest rates, the market expectation for future interest rates and current creditworthiness of both the counterparties and ourselves. Observable inputs utilized in the income approach valuation technique incorporate identical contractual notional amounts, fixed coupon rates, periodic terms for interest payments and contract maturity. Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments, if any, associated with our derivatives utilize Level 3 inputs, such as the estimates of the current credit spread, to evaluate the likelihood of default by us or our counterparties. We also considered the existence of offset provisions and other credit enhancements that serve to reduce the credit exposure associated with the asset or liability being valued. We have assessed the significance of the inputs of the credit valuation adjustments to the overall valuation of our derivative positions and have determined that the credit valuation adjustments are not significant to the valuation of our derivatives. As a result, we have determined that our derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Note 7 Retirement Plans and Other Retiree Benefits

(a) Pension and Other Postretirement Benefits

We maintain a noncontributory defined benefit retirement plan covering employees hired prior to July 19, 2001. The cost of providing benefits to eligible participants under the defined benefit retirement plan is calculated using the plan s benefit formulas, which take into account the participants remuneration, dates of hire, years of eligible service, and certain actuarial assumptions. In addition, we provide postretirement medical benefits to certain current retirees and to certain active employees upon their retirement who meet the criteria under the medical plan for postretirement benefit eligibility.

In the first quarter of 2015, we amended the defined benefit retirement plan to cease the accrual of additional benefits for the remaining active participants effective March 31, 2015, resulting in a curtailment of $10.3 million that decreased both the pension

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liability and the actuarial loss recorded in accumulated other comprehensive loss. As a result of the curtailment, all of the plan s participants are now considered inactive. Accordingly, all amounts recorded in accumulated other comprehensive loss are being recognized as an increase to net periodic benefit cost over the average remaining life expectancy of plan participants, which is approximately 20 years, beginning in the second quarter of 2015.

Also, as a result of the plan amendment, we recognized in our consolidated statements of operations $0.6 million of prior service credits that were previously recorded in accumulated other comprehensive loss.

The defined benefit retirement plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended. We expect that our future contributions to the defined benefit retirement plan will be based on the minimum funding requirements of the Internal Revenue Code and on the plan s funded status. Any significant decline in the fair value of our defined benefit retirement plan assets or other adverse changes to the significant assumptions used to determine the plan s funded status would negatively impact its funded status and could result in increased funding in future periods. The impact on the funded status is determined based upon market conditions in effect when we completed our annual valuation. During the year ended December 31, 2015, we made cash contributions to the defined benefit retirement plan of $16.4 million. We do not anticipate additional contributions to the defined benefit retirement plan in 2016. We fund the postretirement medical benefits throughout the year based on benefits paid. We anticipate that our contributions to fund postretirement medical benefits in 2016 will be approximately $4.3 million.

Prior service credits and actuarial losses are reclassified from accumulated other comprehensive loss to net periodic pension benefit costs, which are included in both direct costs of revenue and selling, general and administrative on our consolidated statements of operations for the year ended December 31, 2015. The following table presents these reclassifications, net of tax, as well as the reclassification of the realized gain on investments, and the statement of operations line items that are impacted (in thousands):

	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
Amortization of prior service credits reclassified from other comprehensive loss to net periodic pension benefit costs included in:			
Direct costs of revenue (excluding depreciation and amortization)	$ (63)	$ (68)	$ (141)
Selling, general and administrative	(44)	(41)	(107)
Total	$ (107)	$ (109)	$ (248)
Amortization of actuarial loss reclassified from other comprehensive loss to net periodic pension benefit costs included in:			

Direct costs of revenue (excluding depreciation and amortization)	$ 7,302	$ 4,070	$ 3,196
Selling, general and administrative	5,018	2,440	2,048
Total	$ 12,320	$ 6,510	$ 5,244
Realized (gain) loss on investments included in:			
Other expense, net	$ 123	$ (390)	$ (340)
Total	$ 123	$ (390)	$ (340)

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Reconciliation of Funded Status and Accumulated Benefit Obligation. Expenses for our defined benefit retirement plan and for postretirement medical benefits that are provided under our medical plan are developed from actuarial valuations. The following summarizes the projected benefit obligations, plan assets and funded status of the defined benefit retirement plan, as well as the projected benefit obligations of the postretirement medical benefits provided under our medical plan (in thousands, except percentages):

	Year Ended December 31, 2014		Year Ended December 31, 2015	
	Pension Benefits	Other Post-retirement Benefits	Pension Benefits	Other Post-retirement Benefits
Change in benefit obligation				
Benefit obligation at beginning of period	$ 427,909	$ 95,315	$ 491,118	$ 116,086
Service cost	2,854	128	780	70
Interest cost	19,904	4,562	18,734	4,592
Employee contributions		356		403
Plan amendments				(202)
Plan curtailments			(10,314)	
Special termination benefits	48			
Benefits paid	(24,842)	(3,741)	(30,204)	(3,401)
Actuarial (gain) loss	65,245	19,466	(34,652)	(26,965)
Benefit obligation at end of period	$ 491,118	$ 116,086	$ 435,462	$ 90,583
Change in plan assets				
Plan assets at beginning of period	$ 322,176	$	$ 339,619	$
Employer contributions	25,873	3,385	16,435	2,998
Employee contributions		356		403
Actual return on plan assets	16,318		607	
Benefits paid	(24,842)	(3,741)	(30,203)	(3,401)
Plan assets at fair value at end of period	$ 339,525	$	$ 326,458	$
Accrued benefit costs and funded status of the plans	$ (151,593)	$ (116,086)	$ (109,004)	$ (90,583)
Accumulated benefit obligation	$ 480,906		$ 435,462	
Weighted average assumptions used to determine accumulated benefit obligation and accrued benefit costs				
Discount rate	4.01%	4.04%	4.53%	4.50%
Salary rate	3.25%			

Weighted average assumptions used to determine net periodic benefit costs				
Discount rate	4.83%	4.90%	4.01%	4.04%
Expected rate of return on plan assets	7.80%		7.80%	
Rate of compensation increase	3.25%		3.25%	
Amounts in accumulated other comprehensive loss recognized in net periodic benefit cost				
Actuarial loss, net of tax	$ 6,510	$	$ 4,883	$ 361
Prior service credits, net of tax	(109)		(383)	135
Total	$ 6,401	$	$ 4,500	$ 496
Amounts in accumulated other comprehensive loss not yet recognized in net periodic benefit cost				
Actuarial loss, net of tax	$ 101,829	$ 13,221	$ 84,866	$ (4,320)
Prior service credits, net of tax	(391)		(348)	
Total	$ 101,438	$ 13,221	$ 84,518	$ (4,320)
Amounts in accumulated other comprehensive loss expected to be recognized in net periodic benefit cost in the subsequent year				
Actuarial loss	$ (18,018)	$ (596)	$ (3,370)	$
Prior service credits	172			8
Total	$ (17,846)	$ (596)	$ (3,370)	$ 8

Our benefit obligations are discounted along a yield curve that is derived from the monthly bid-price data of bonds that are rated high grade by either Moody s Investor Service or Standard and Poor s Rating Services. The bond types included are noncallable bonds, private placement bonds that are traded among qualified institutional buyers and are at least two years from date of issuance, bonds with a make-whole provision, and bonds issued by foreign corporations that are denominated in U.S. dollars. Excluded are bonds that are callable, sinkable and putable as well as those for which the quoted yield-to-maturity is zero. Using the bonds from this universe that have a yield higher than the regression mean yield curve, regression analysis is used to determine the best-fitting curve, which gives a good fit to the data at both long and short maturities. The resulting regressed coupon yield curve is smoothly continuous along its entire length and represents an unbiased average of the observed market data.

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In the first quarter of 2016, we plan to change the method we use to estimate the interest cost component of net periodic benefit cost for our defined benefit pension and other postretirement benefit plans. In 2015 and historically, we have estimated the interest cost component using a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. We have elected to use a full yield curve approach in the estimation of this component of benefit cost by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. We plan to make this change to improve the correlation between projected benefit cash flows and the corresponding yield curve spot rates and to provide a more precise measurement of interest costs. We do not expect this change to affect the measurement of our total benefit obligations as the change in the interest cost will be completely offset in the actuarial (gain) loss reported. We plan to account for this change as a change in estimate and, accordingly, will account for it prospectively starting in 2016.

Interest rates used in these valuations are key assumptions, including discount rates used in determining the present value of future benefit payments and expected return on plan assets, which are reviewed and updated on an annual basis. The discount rates reflect market rates for high-quality corporate bonds. We consider current market conditions, including changes in interest rates, in making assumptions. The Society of Actuaries (SOA) issued new mortality and mortality improvement tables in 2014, and modified those tables in 2015. The new tables indicate raised life expectancies compared to previous mortality tables. Our December 31, 2015 valuation used mortality and improvement tables based on the SOA tables, adjusted to reflect (1) an ultimate rate of mortality improvement consistent with U.S. Social Security intermediate assumptions, and (2) a shorter transition period to reach the ultimate rate, which is consistent with historical patterns. In establishing the expected return on assets assumption, we review the asset allocations considering plan maturity and develop return assumptions based on different asset classes. The return assumptions are established after reviewing historical returns of broader market indexes, as well as historical performance of the investments in the plan. Our pension plan assets are managed in accordance with an investment policy adopted by the pension committee, as discussed below.

Plan Assets. The investment policy of the Plan includes target allocation percentages of approximately 49% for investments in equity securities (33% U.S. equities and 16% non-U.S. equities), 36% for investments in fixed income securities and 15% for investments in other securities, which is broken down further into 5% for investments in hedge fund of funds and 10% for investments in real estate fund of funds. Plan assets include investments in both U.S. and non-U.S. equity funds. Fixed income investments include a U.S. government securities fund, two short duration bond funds, a high yield bond fund and an emerging markets debt fund. The funds in which the plan s assets are invested are institutionally managed and have diversified exposures into multiple asset classes implemented with over 65 investment managers. The guidelines and objectives of the funds are congruent with the Intelsat investment policy statement.

The target and actual asset allocation of our pension plan assets were as follows:

	As of December 31, 2014		As of December 31, 2015	
Asset Category	**Target Allocation**	**Actual Allocation**	**Target Allocation**	**Actual Allocation**
Equity securities	47%	49%	49%	49%
Debt securities	38%	36%	36%	34%
Other securities	15%	15%	15%	17%

Total	100%	100%	100%	100%

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The fair values of our pension plan assets by asset category are as follows (in thousands):

	Fair Value Measurements at December 31, 2014	Fair Value Measurements at December 31, 2015
Asset Category		
Equity Securities		
U.S. Large-Cap [1]	$ 89,593	$ 87,383
U.S. Small/Mid-Cap [2]	25,133	22,121
World Equity Ex-US [3]	52,432	51,720
Fixed Income Securities		
Short Duration Bonds [4]	63,544	91,897
High Yield Bonds [5]	14,133	13,638
Emerging Market Fixed income (Non-US) [6]	10,041	4,463
Core Fixed Income [7]	32,502	
Other Securities		
Hedge Funds [8]	17,719	15,913
Core Property Fund [9]	34,236	39,176
Money Market Funds	14	
Income earned but not yet received	178	147
Total	**$ 339,525**	**$ 326,458**

(1) US large cap equity fund invests primarily in a portfolio of common stocks included in the S&P 500 Index, as well as other equity securities and derivative instruments whose value is derived from the performance of the S&P 500.

(2) US small/mid cap equity fund invests primarily in a portfolio of common stocks included in the Russell 2500 Index.

(3) World equity ex-US fund invests primarily in common stocks and other equity securities whose issuers comprise a broad range of capitalizations and are located outside of the U.S. The fund invests primarily in developed countries but may also invest in emerging markets.

(4) Short duration bond fund includes the Opportunistic Income fund and the Limited Duration Bond Fund. The Opportunistic Income fund invests primarily in a diversified portfolio of investment grade and non-investment grade fixed-income securities. There are no restrictions on the maturity of any individual securities or on the fund s average portfolio maturity, although the average portfolio duration will typically vary between 0 and two years. Under normal circumstances, the Limited Duration Bond Fund will invest at least 80% of its net assets in investment-grade, U.S. dollar-denominated debt instruments. The Fund is expected to maintain a portfolio duration of three years or less.

(5) High yield bond fund seeks to maximize return by investing primarily in a diversified portfolio of higher yielding, lower rated fixed income securities. The fund will invest primarily in securities rated below investment grade, including corporate bonds, convertible and preferred securities and zero coupon obligations.

(6) Emerging markets debt fund seeks to maximize return investing in fixed income securities of emerging markets issuers. The fund will invest primarily in U.S. dollar denominated debt securities of government,

government-related and corporate issuers in emerging market countries, as well as entities organized to restructure the outstanding debt of such issuers.

(7) Core fixed income fund invests in fixed-income funds which seek to provide current income consistent with the preservation of capital.

(8) Hedge fund seeks to provide returns that are different from (less correlated with) investments in more traditional asset classes. The fund will pursue its investment objective by investing substantially all of its assets in various hedge funds.

(9) Core property fund is a fund of funds that invests in direct commercial property funds primarily in the U.S. The fund is meant to provide current income-oriented returns, diversification, and modest inflation protection to an overall investment portfolio. Total returns are expected to be somewhere between stocks and bonds, with moderate volatility and low correlation to public markets.

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Our plan assets are measured at fair value. FASB ASC 820 prioritizes the inputs used in valuation techniques including Level 1, Level 2 and Level 3 (see Note 2 (d) Significant Accounting Policies Fair Value Measurements).

The majority of our plan assets are valued using measurement inputs which include unadjusted prices in active markets and we have therefore classified these assets within Level 1 of the fair value hierarchy. Our other securities include Hedge Funds and Core Property Funds, which are valued using quoted prices for similar assets and liabilities in active markets and inputs other than quoted market prices that are observable. We have determined the inputs used to value the Hedge Funds and Core Property Funds fall within Level 2 of the fair value hierarchy and therefore classified the Hedge Funds and Core Property Funds in Level 2 of the fair value hierarchy.

Net periodic pension benefit costs included the following components (in thousands):

	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
Service cost	$ 3,318	$ 2,854	$ 780
Interest cost	18,244	19,904	18,734
Expected return on plan assets	(21,263)	(24,130)	(25,926)
Amortization of unrecognized prior service credits	(172)	(172)	(43)
Amortization of unrecognized net loss	19,423	10,319	7,911
Curtailment (gain) loss			(564)
Special termination benefit recognized		48	
Total benefit	$ 19,550	$ 8,823	$ 892

We had accrued benefit costs at December 31, 2014 and 2015 of $151.6 million and $109.0 million, respectively, related to the pension benefits, of which $0.6 million was recorded within other current liabilities for both periods and $151.0 million and $108.4 million was recorded in other long-term liabilities, respectively.

Net periodic other postretirement benefit costs included the following components (in thousands):

	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
Service cost	$ 293	$ 128	$ 70
Interest cost	4,295	4,562	4,592
Plan amendment	797		
Amortization of unrecognized net loss	362		596
Total costs	$ 5,747	$ 4,690	$ 5,258

We had accrued benefit costs at December 31, 2014 and 2015 related to the other postretirement benefits of $116.1 million and $90.6 million, respectively, of which $5.2 million and $4.3 million was recorded in other current liabilities, respectively, and $110.9 million and $86.3 million was recorded in other long-term liabilities, respectively.

Depending upon our actual future health care claims, our actual costs may vary significantly from those projected above. As of December 31, 2014 and December 31, 2015, the assumed health care cost trend rate was 7.5%. This rate is assumed to decrease gradually to 4.5% by the year 2030 and to remain at that level of annual increase thereafter. Increasing the assumed health care cost trend rate by 1% each year would increase the other postretirement benefits obligation as of December 31, 2015 by $9.7 million. Decreasing this trend rate by 1% each year would reduce the other postretirement benefits obligation as of December 31, 2015 by $8.2 million. A 1% increase in the assumed health care cost trend rate would have increased the net periodic other postretirement benefits cost by $0.5 million and a 1% decrease would have decreased the cost by $0.4 million for 2015.

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The benefits expected to be paid in each of the next five years and in the aggregate for the five years thereafter are as follows (in thousands):

	Pension Benefits	Other Post-retirement Benefits
2016	$ 34,395	$ 4,277
2017	29,816	4,647
2018	28,052	4,948
2019	27,374	5,235
2020	28,938	5,498
2021 to 2025	138,404	29,970
Total	$ 286,979	$ 54,575

(b) Other Retirement Plans

As part of the defined benefit retirement plan amendment in the first quarter of 2015, the two defined contribution retirement plans we previously maintained were merged into a single plan, which is qualified under the provisions of Section 401(k) of the Internal Revenue Code, for our employees in the United States. We recognized compensation expense for these plans of $5.4 million, $9.2 million and $6.8 million for the years ended December 31, 2013, 2014 and 2015, respectively. We also maintain other defined contribution retirement plans in several non-U.S. jurisdictions, but such plans are not material to our financial position or results of operations.

Note 8 Receivables

Receivables were comprised of the following (in thousands):

	As of December 31, 2014	As of December 31, 2015
Service charges:		
Billed	$ 245,022	$ 258,034
Unbilled	7,493	9,658
Other	3,117	2,261
Allowance for doubtful accounts	(35,174)	(37,178)
Total	$ 220,458	$ 232,775

Unbilled service charges represent amounts earned and accrued as receivables from customers for services rendered prior to the end of the reporting period. Unbilled service charges are expected to be billed and collected within twelve months of the respective balance sheet date.

Note 9 Satellites and Other Property and Equipment

(a) Satellites and Other Property and Equipment, net

Satellites and other property and equipment, net were comprised of the following (in thousands):

	As of December 31, 2014	As of December 31, 2015
Satellites and launch vehicles	$ 9,154,751	$ 9,810,941
Information systems and ground segment	582,115	641,741
Buildings and other	236,845	241,273
Total cost	9,973,711	10,693,955
Less: accumulated depreciation	(4,093,447)	(4,705,638)
Total	$ 5,880,264	$ 5,988,317

Satellites and other property and equipment, net as of December 31, 2014 and 2015 included construction-in-progress of $1.1 billion and $1.5 billion, respectively. These amounts relate primarily to satellites under construction and related launch services. Interest costs of $70.9 million and $86.3 million were capitalized during the years ended December 31, 2014 and 2015, respectively. Additionally, we recorded depreciation expense of $654.3 million, $611.1 million and $627.5 million during the years ended December 31, 2013, 2014 and 2015, respectively.

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We have entered into launch contracts for the launch of both specified and unspecified future satellites. Each of these launch contracts provides that such contract may be terminated at our option, subject to payment of a termination fee that increases as the applicable launch date approaches. In addition, in the event of a failure of any launch, we may exercise our right to obtain a replacement launch within a specified period following our request for re-launch.

(b) Recent Satellite Launches

On January 27, 2016, we successfully launched our IS-29e satellite into orbit. IS-29e is a C- and Ku-band satellite which contains an advanced digital payload, providing commercial and government customers access to high-throughput capabilities. The satellite, which will be located at the 310ºE orbital location, will enable the delivery of high performance broadband services to enterprise, fixed and mobile network operators, aero and maritime mobility service providers, and to government customers operating throughout the Americas. The satellite is expected to enter into service in the second quarter of 2016.

On August 20, 2015, we successfully launched our IS-34 satellite into orbit. IS-34 is a C- and Ku-band satellite that establishes long-term capacity at the 304.5ºE orbital location, and entered into service in October 2015. IS-34 includes a C-band payload which delivers media distribution services to Latin American customers. The satellite also hosts a Direct-to-Home (DTH) platform in Ku-band as well as a specialized Ku-band payload serving the North Atlantic region, designed to support broadband services for the aeronautical and maritime mobility sectors.

On October 16, 2014, we successfully launched our IS-30 satellite into orbit. This satellite establishes long-term capacity at the 95°W orbital location and is co-located with our Galaxy 3C satellite. IS-30 entered into service in the fourth quarter of 2014. It provides capacity for DTH television service in Latin America via Ku-band platforms, as well as additional capacity for media, government and network services customers via C-band platforms.

On February 1, 2013, the launch vehicle for our IS-27 satellite failed shortly after liftoff and the satellite was completely destroyed. A Failure Review Board was established and subsequently concluded that the launch failed due to the mechanical failure of one of the first stage engine s thrust control components. The satellite and launch vehicle were fully insured, and we received $406.2 million of insurance proceeds during the year ended December 31, 2013. Accounting for insured losses of fixed assets is governed by FASB ASC Topic 605-40, *Revenue Recognition Gains and Losses* (FASB ASC 605-40). In accordance with FASB ASC 605-40, we recognized the surplus of insurance proceeds received over the $396.6 million book value of the IS-27 satellite and its related assets and recorded a $9.6 million gain, which is reflected as a gain on satellite insurance recoveries on our consolidated statements of operations for the year ended December 31, 2013. These proceeds were used to redeem $366.4 million aggregate principal amount of Intelsat Luxembourg s outstanding 11/4% Senior Notes due 2017.

(c) Satellite Health

Our satellite fleet is diversified by manufacturer and satellite type, and as a result, our fleet is generally healthy. We have experienced some technical problems with our current fleet but have been able to minimize the impact of these problems on our customers, our operations and our business in recent years. Many of these problems have been component failures and anomalies that have had little long-term impact to date on the overall transponder availability in our satellite fleet. All of our satellites have been designed to accommodate an anticipated rate of equipment failures with adequate redundancy to meet or exceed their orbital design lives, and to date, this redundancy design scheme has proven effective. After each anomaly we have generally restored services for our customers on the affected satellite, provided alternative capacity on other satellites in our fleet, or provided capacity that we purchased from other satellite operators.

Significant Anomalies

On January 14, 2005, our IS-804 satellite experienced a sudden and unexpected electrical power system anomaly that resulted in the total loss of the satellite. IS-804 was a Lockheed Martin 7000 series (the LM 7000 series) satellite, and as of December 31, 2015 we operated one other satellite in the LM 7000 series, IS-805, which is currently being relocated to a new orbital role. Based on the report of the failure review board that we established with Lockheed Martin Corporation, we believe that the IS-804 failure was not likely to have been caused by an IS-804 specific workmanship or hardware element, but was most likely caused by a high current event in the battery circuitry triggered by an electrostatic discharge that propagated to cause the sudden failure of the high voltage power system. We therefore believe that although this risk exists for our other LM 7000 series satellite, the risk of any individual satellite having a similar anomaly is low.

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On April 5, 2010, our Galaxy 15 satellite experienced an anomaly resulting in our inability to command the satellite. Galaxy 15 is a Star-2 satellite manufactured by Orbital Sciences Corporation. On December 23, 2010, we recovered command of the spacecraft and we have since uploaded flight software code to protect against future anomalies of this type. As of December 31, 2015, Galaxy 15 continues to provide normal service.

On April 22, 2011, our IS-28 satellite, formerly known as the Intelsat New Dawn satellite, was launched into orbit. Subsequent to the launch, the satellite experienced an anomaly during the deployment of its west antenna reflector, which controls communications in the C-band frequency. The anomaly had not been experienced previously on other STAR satellites manufactured by Orbital Sciences Corporation, including those in our fleet. The New Dawn joint venture filed a partial loss claim with its insurers relating to the C-band antenna reflector anomaly and all of the insurance proceeds from the partial loss claim were received in 2011. The Ku-band antenna reflector deployed and that portion of the satellite is operating as planned, entering service in June 2011. A Failure Review Board established to determine the cause of the anomaly, completed its investigation in July 2011 and concluded that the deployment anomaly of the C-band reflector was most likely due to a malfunction of the reflector sunshield. As a result, the sunshield interfered with the ejection release mechanism, and prevented the deployment of the C-band antenna. The Failure Review Board also recommended corrective actions for Orbital Sciences Corporation satellites not yet launched to prevent reoccurrence of the anomaly. Appropriate corrective actions were implemented on IS-18, which was successfully launched on October 5, 2011, and on IS-23, which was launched in October 2012.

During launch operations of IS-19 on June 1, 2012, the satellite experienced damage to its south solar array. Although both solar arrays are deployed, the power available to the satellite is less than is required to operate 100% of the payload capacity. The IOB formed by Space Systems/Loral, LLC (SSL) and Sea Launch to investigate the solar array deployment anomaly. The IOB concluded that the anomaly occurred before the spacecraft separated from the launch vehicle, during the ascent phase of the launch, and originated in one of the satellite s two solar array wings due to a rare combination of factors in the panel fabrication and unrelated to the launch vehicle. While the satellite is operational, the anomaly resulted in structural and electrical damage to one solar array wing, which reduced the amount of power available for payload operation. Additionally, we filed a partial loss claim with our insurers relating to the solar array anomaly. We received $84.8 million of insurance proceeds related to the claim in 2013. As planned, IS-19 followed IS-8 at 166°E, in August 2012.

Other Anomalies

We have also identified four other types of common anomalies among the satellite models in our fleet, which have had an operational impact in the past and could, if they materialize, have an impact in the future. These are:

- failure of the on-board satellite control processor (SCP) in Boeing 601 (BSS 601) satellites;
- failure of the on-board XIPS used to maintain the in-orbit position of Boeing 601 High Power Series (BSS 601 HP) satellites;
- accelerated solar array degradation in early Boeing 702 (BSS 702) satellites; and
- electrical distribution anomalies on older SSL FS 1300 satellites.

SCP Failures. Many of our satellites use an on-board SCP to provide automatic on-board control of many operational functions. SCPs are a critical component in the operation of such satellites. Each such satellite has a backup SCP, which is available in the event of a failure of the primary SCP. Certain BSS 601 satellites have experienced SCP failures. The risk of SCP failure appears to decline as these satellites age.

As of December 31, 2015, we operated one BSS 601 satellite, IS-26. This satellite was identified as having heightened susceptibility to the SCP problem. IS-26 has been in continuous operation since 1997. Both primary and backup SCPs on this satellite are monitored regularly and remain fully functional. Accordingly, we believe it is unlikely that additional SCP failures will occur; however, should they occur, we do not anticipate an interruption in business or early replacement of this satellite as a result.

BSS 601 HP XIPS. The BSS 601 HP satellite uses XIPS as its primary propulsion system. There are two separate XIPS on each BSS 601 HP, each one of which is capable of maintaining the satellite in its orbital position. The satellite also has a completely independent chemical propulsion system as a backup to the XIPS. As a result, the failure of a XIPS on a BSS 601 HP typically would have no effect on the satellite s performance or its operating life. However, the failure of both XIPS would require the use of the backup chemical propulsion system, which could result in a shorter operating life for the satellite depending on the amount of chemical fuel remaining. XIPS failures do not typically result in a catastrophic failure of the satellite or affect the communications capability of the satellite.

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As of December 31, 2015, we operated four BSS 601 HP satellites, IS-5, IS-9, and IS-10 are now in inclined-orbit, and Galaxy 13/Horizons-1. Galaxy 13/Horizons-1 continues to have both XIPS available as its primary propulsion system. IS-5, IS-9 and IS-10 have experienced the failure of both XIPS and are operating on their backup chemical propulsion systems. IS-5 was redeployed in 2012 following its replacement by IS-8, which was subsequently replaced by IS-19. Also in 2012, IS-9 and IS-10 were redeployed following their replacements by IS-21 and IS-20, respectively. No assurance can be given that we will not have further XIPS failures that result in shortened satellite lives. We have decommissioned three satellites that had experienced failure of both XIPS. IS-6B was replaced by IS-11 during the first quarter of 2008, Galaxy 10R was replaced by Galaxy 18 during the second quarter of 2008, and Galaxy 4R was decommissioned in March 2009.

BSS 702 HP Solar Arrays. All of our satellites have solar arrays that power their operating systems and transponders and recharge the batteries used when solar power is not available. Solar array performance typically degrades over time in a predictable manner. Additional power margins and other operational flexibility are designed into satellites to allow for such degradation without loss of performance or operating life. Certain BSS 702 HP satellites have experienced greater than anticipated degradation of their solar arrays resulting from the design of the solar arrays. Such degradation, if continued, results in a shortened operating life of a satellite or the need to reduce the use of the communications payload.

As of December 31, 2015, we operated three BSS 702 HP satellites, two of which are affected by accelerated solar array degradation, Galaxy 11 and IS-1R. Service to customers has not been affected, and we expect that both of these satellites will continue to serve customers until we replace or supplement them with new satellites. Along with the manufacturer, we continually monitor the problem to determine its cause and its expected effect. Due to this continued degradation, Galaxy 11 s estimated end of service life is in the first quarter of 2019 and IS-1R s estimated end of service life is in the second quarter of 2017. Galaxy 11 is currently operating in a primary orbital role and was replaced by IS-34 in 2015. IS-1R was redeployed following its replacement by IS-14. The third BSS 702 HP satellite that we operated as of December 31, 2015, Galaxy 3C, was launched after the solar array anomaly was identified, and it has a substantially different solar array design intended to eliminate the problem. This satellite has been in service since September 2002 and has not experienced similar degradation problems.

SSL FS 1300 Electrical Anomalies. We have experienced past anomalies in the electrical distribution systems of certain SSL FS 1300 satellites. In November 2004, our Galaxy 27 satellite experienced a sudden anomaly in the north electrical distribution system resulting in loss of control and customer service interruptions. We determined that the satellite lost some degree of functionality and as of December 31, 2015, Galaxy 27 is kept in inclined orbit. In June 2008, our Galaxy 26 satellite experienced an unexpected electrical distribution anomaly which significantly reduced the power generating capability resulting in some customer service interruptions. In June 2014, Galaxy 26 was decommissioned. With respect to both of these satellites, it was determined that the anomalies were likely due to a design flaw which is affected by a number of parameters and in some extreme cases can result in an electrical system anomaly. Along with SSL, we continually monitor this problem.

As of December 31, 2015, we operated one other SSL FS 1300 satellite, IS-8, which contains this design flaw. IS-8 has been in service since 1998 and has not experienced an electrical distribution anomaly. We believe that while the risk of an electrical distribution anomaly still exists for IS-8, this risk diminishes over time.

Note 10 Investments

We have an ownership interest in two entities that met the criteria of a VIE, Horizons Satellite Holdings, LLC (Horizons Holdings) and our new joint venture, Horizons-3 Satellite Holdings, LLC. Horizons Holdings is discussed in further detail below, including our analyses of the primary beneficiary determination as required under FASB ASC

Topic 810, *Consolidation* (FASB ASC 810). Horizons Satellite-3 Satellite LLC is discussed in further detail below. On June 24, 2015, we purchased a minority share investment in WorldVu Satellite Limited (OneWeb) discussed further below.

(a) Horizons Holdings

Our first joint venture with JSAT is named Horizons Satellite Holdings, LLC, and consists of two investments: Horizons-1 Satellite LLC (Horizons-1) and Horizons-2 Satellite LLC (Horizons-2). Horizons Holdings borrowed from JSAT a portion of the funds necessary to finance the construction of the Horizons-2 satellite pursuant to a loan agreement (the Horizons 2 Loan Agreement). We provide certain services to the joint venture and utilize capacity from the joint venture.

We have determined that this joint venture meets the criteria of a VIE under FASB ASC 810, and we have concluded that we are the primary beneficiary because decisions relating to any future relocation of the Horizons-2 satellite, the most significant asset of the joint venture, are effectively controlled by us. In accordance with FASB ASC 810, as the primary beneficiary, we consolidate Horizons Holdings within our consolidated financial statements. Total assets and liabilities of Horizons Holdings were $67.5 million and $0.1 million as of December 31, 2014, respectively, and $58.7 million and $0.3 million as of December 31, 2015, respectively.

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We have a revenue sharing agreement with JSAT related to services sold on the Horizons-1 and Horizons-2 satellites. We are responsible for billing and collection for such services, and we remit 50% of the revenue, less applicable fees and commissions, to JSAT. Amounts payable to JSAT related to the revenue sharing agreement, net of applicable fees and commissions, from the Horizons-1 and Horizons-2 satellites were $5.7 million and $6.6 million as of December 31, 2014 and 2015, respectively.

Under the Horizons Holdings joint venture agreement, which was amended on September 30, 2011, we also agreed to guarantee to JSAT certain minimum levels of annual gross revenues for a three-year period beginning in early 2012. In connection with the guarantee, we paid a total of $13.9 million, net of fees and commissions.

(b) Horizons-3 Satellite LLC

On November 4, 2015, we entered into a new joint venture agreement with JSAT. The joint venture, named Horizons-3 Satellite LLC (Horizons 3), was formed for the purpose of developing, launching, managing, operating and owning a high performance satellite to be located at the 169ºE orbital location.

Horizons 3, which is 50% owned by each of Intelsat and JSAT, was set up with a joint share of management authority and equal rights to profits and revenues from the joint venture. Similar to Horizons Holdings, we have a revenue sharing agreement with JSAT related to services sold on the Horizons 3 satellite. In addition, we are responsible for billing and collection for such services, and we remit 50% of the revenue, less applicable fees and commissions, to JSAT.

We have determined that this joint venture meets the criteria of a VIE under FASB ASC 810, and we have concluded that we are not the primary beneficiary, and therefore, do not consolidate Horizons 3. The assessment considered both quantitative and qualitative factors, including an analysis of voting power and other means of control of the joint venture as well as each owner s exposure to risk of loss or gain. Because we and JSAT equally share control over the operations of the joint venture and also equally share exposure to risk of losses or gains, we concluded that we are not the primary beneficiary of Horizons 3. Our investment is accounted for using the equity method of accounting and the investment balance of $19.1 million was included within other assets in our consolidated balance sheets as of December 31, 2015.

In connection with our investment in Horizons 3, we entered into a capital contribution and subscription agreement, which requires us to fund our 50% share of the amounts due in order to maintain our respective 50% interest in the joint venture. Pursuant to this agreement, we made contributions of $19.1 million during the year ended December 31, 2015. In addition, our indirect subsidiary that holds our investment in Horizons 3 has entered into a security and pledge agreement with Horizons 3, pursuant to which it has granted a security interest in its membership interests in Horizons 3. Further, our indirect subsidiary has granted a security interest to Horizons 3 in its customer capacity service contracts and its ownership interest in its wholly-owned subsidiary that will hold the U.S. Federal Communications Commission license required for the joint venture s operations.

(c) OneWeb

On June 24, 2015, we entered into an agreement with OneWeb, a venture planning to build, deploy and operate a low earth orbit (LEO) Ku-band satellite constellation. As part of the alliance, we will partner with OneWeb to use its LEO platform, once established, to complement our geostationary orbit satellite services, resulting in what we expect will be the first and only fully global, pole-to-pole high throughput satellite system.

Pursuant to the agreement, we purchased a minority share investment in OneWeb for $25.0 million. We account for this investment under the cost method per FASB ASC Topic 325-20, *Investments Other Cost Method Investments.* As of December 31, 2015, our cost method investment had a carrying value of $25.0 million and was recorded in other assets in our consolidated balance sheets.

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(d) Equity Attributable to Intelsat S.A. and Noncontrolling Interests

The following tables present changes in equity attributable to the Company and equity attributable to our noncontrolling interests, which is included in the equity section of our consolidated balance sheet (in thousands):

	Intelsat S.A. Shareholders Deficit	Noncontrolling Interest	Total Shareholders Deficit
Balance at January 1, 2014	$ (975,353)	$ 40,686	$ (934,667)
Net income	232,532	3,974	236,506
Dividends paid to noncontrolling interests		(8,744)	(8,744)
Acquisition of remaining interests in WP Com	2,215	(2,215)	
Share-based compensation	26,389		26,389
Declaration of preferred stock dividend	(9,917)		(9,917)
Postretirement/pension liability adjustment	(52,002)		(52,002)
Other comprehensive income	(132)		(132)
Balance at December 31, 2014	$ (776,268)	$ 33,701	$ (742,567)

	Intelsat S.A. Shareholders Deficit	Noncontrolling Interest	Total Shareholders Deficit
Balance at January 1, 2015	$ (776,268)	$ 33,701	$ (742,567)
Net income (loss)	(3,923,387)	3,934	(3,919,453)
Dividends paid to noncontrolling interests		(8,423)	(8,423)
Share-based compensation	25,921		25,921
Declaration of preferred stock dividend	(9,919)		(9,919)
Postretirement/pension liability adjustment	34,449		34,449
Other comprehensive income	(361)		(361)
Balance at December 31, 2015	$ (4,649,565)	$ 29,212	$ (4,620,353)

Note 11 Goodwill and Other Intangible Assets

The carrying amounts of goodwill and acquired intangible assets not subject to amortization consist of the following (in thousands):

	As of December 31, 2014	**As of December 31, 2015**

Goodwill	$ 6,780,827	$ 2,620,627
Orbital locations	2,387,700	2,387,700
Trade name	70,400	65,200

We account for goodwill and other non-amortizable intangible assets in accordance with FASB ASC 350, and have deemed these assets to have indefinite lives. Therefore, these assets are not amortized but are instead tested on an annual basis for impairment during the fourth quarter, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable.

(a) Goodwill

We perform our annual goodwill impairment assessment using a qualitative approach to identify and consider the significance of relevant key factors, events, and circumstances that affect the fair value of our reporting unit. We are required to identify reporting units at a level below the company s identified operating segments for impairment analysis. We have identified only one reporting unit for the goodwill impairment test.

Assumptions and Approach Used. We make our qualitative evaluation considering, among other things, general macroeconomic conditions, industry and market considerations, cost factors, overall financial performance and other relevant entity-specific events.

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During the fourth quarter of 2015, our share price experienced a sustained reduction in trading values. Secondly, the trading values of our debt securities also showed sustained deterioration. This was also reflective of broader difficulties in the credit markets for high yield issuers. Finally, our annual business planning process which we undertook in the fourth quarter showed a decline in our forecasted results as compared to previous levels. Based on our examination of these and other qualitative factors, we concluded that further testing of goodwill was required.

Determining the fair value of individual assets and liabilities of a reporting unit (including unrecognized intangible assets) is judgmental in nature and often involves the use of significant estimates and assumptions. Similarly, estimates and assumptions are used in determining the fair value of other intangible assets. These estimates and assumptions require significant judgment and could have a significant impact on whether or not an impairment charge is recognized and the magnitude of any such charge. Estimates of fair value are primarily determined using discounted cash flows, market comparisons, and recent transactions. These approaches use significant estimates and assumptions, including projected future cash flows (including timing), discount rates reflecting the risks inherent in future cash flows, perpetual growth rates, and determination of appropriate market comparables.

The second step of the process requires us to calculate a hypothetical purchase allocation to compare the current implied value of the goodwill to the current carrying value of the goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination, which is the excess of the fair value of the reporting unit over the aggregate fair values of the individual assets, liabilities and identifiable intangibles. If the implied fair value of goodwill as described above exceeds recorded goodwill, there is no impairment. If the recorded goodwill exceeds the implied fair value, an impairment charge would be recorded for the excess. Furthermore, an impairment loss cannot exceed the amount of goodwill assigned to a reporting unit. After recognizing the impairment loss, the corresponding loss establishes a new basis in the goodwill. Subsequent reversals of goodwill impairment losses are not permitted under applicable accounting standards.

We determined the estimated fair value of our reporting unit using discounted cash flow analysis, along with independent source data related to the comparative market multiples and, when available, recent transactions, each of which is considered a Level 3 input within the fair value hierarchy under FASB ASC 820. The discounted cash flows were derived from a five-year projection of cash flows plus a residual value, with the resulting projected cash flows discounted at an appropriate weighted average cost of capital.

In estimating the undiscounted cash flows, we primarily used our internally prepared budgets and forecast information. The key assumptions included in our model were projected growth rates, cost of capital, effective tax rates, and industry and economic trends. A change in the estimated future cash flows or other assumptions could change our estimated fair values and result in future impairments. The result of our analysis resulted in a non-cash impairment charge of $4.2 billion, which is included within impairment of goodwill and other intangibles in the consolidated statement of operations.

The analysis was performed using information available at that time and was based on estimates of fair values of the assets acquired and liabilities. We believe that the estimates and assumptions underlying the valuation methodologies are reasonable.

(b) Orbital Locations, Trade Name and other Indefinite-Lived Intangible Assets

Orbital Locations. Intelsat is authorized by governments to operate satellites at certain orbital locations i.e., longitudinal coordinates along the Clarke Belt. The Clarke Belt is the part of space approximately 35,800 kilometers above the plane of the equator where geostationary orbit may be achieved. Various governments acquire rights to these orbital locations through filings made with the ITU, a sub-organization of the United Nations. We will continue

to be able to operate satellites at our orbital locations so long as we maintain our authorizations to do so.

Our rights to operate at orbital locations can be used and sold individually; however, since satellites and customers can be and are moved from one orbital location to another, our rights are used in conjunction with each other as a network that can be adapted to meet the changing needs of our customers and market demands. Due to the interchangeable nature of orbital locations, the aggregate value of all of the orbital locations is used to measure the extent of impairment, if any.

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We determined the estimated fair value of our rights to operate at orbital locations by using the build-up method to determine cash flows for the income approach, with the resulting projected cash flows discounted at an appropriate weighted average cost of capital. Under the build-up approach, the amount an investor would be willing to pay for the right to operate a satellite business at an orbital location is calculated by first estimating the cash flows that typical market participants would assume could be available from the right to operate satellites using the subject location in a similar market. It is assumed that rather than acquiring such a business as a going concern, the buyer would hypothetically start with the right to operate at an orbital location and build a new operation with similar attributes from the beginning. Thus the buyer/builder is considered to incur the start-up costs and losses typically associated with the going concern value and pay for all other tangible and intangible assets.

The key assumptions used in estimating the fair values of our rights to operate at our orbital locations included: (i) market penetration leading to revenue growth, (ii) profit margin, (iii) duration and profile of the build-up period, (iv) estimated start-up costs and losses incurred during the build-up period and (v) weighted average cost of capital.

In instances where the build-up method did not generate positive value for the rights to operate at an orbital location, but the rights were expected to generate revenue, we assigned a value based upon independent source data for recent transactions relating to similar orbital locations, each of which is considered a Level 3 input within the fair value hierarchy under FASB ASC 820. We completed our analysis of our orbital locations in connection with the analysis of goodwill described above, and concluded that there was no impairment.

Trade Name. We have implemented the relief from royalty method to determine the estimated fair value of the Intelsat trade name. The relief from royalty analysis is comprised of two major steps: i) a determination of the hypothetical royalty rate, and ii) the subsequent application of the royalty rate to projected revenue. In determining the hypothetical royalty rate utilized in the relief from royalty approach, we considered comparable license agreements, operating earnings benchmark rule of thumb, an excess earnings analysis to determine aggregate intangible asset earnings, and other qualitative factors, each of which is considered a Level 3 input within the fair value hierarchy under FASB ASC 820.

The key assumptions used in our model to estimate the fair value of the Intelsat trade name included forecasted revenues, the tax rate and discount rate. A change in the estimated tax rates or discount rate could result in future impairments. We completed our analysis of the Intelsat trade name in connection with the analysis of goodwill described above and it resulted in an impairment of our trade name intangible of $5.2 million, which is included within impairment of goodwill and other intangibles in the consolidated statement of operations.

The carrying amount and accumulated amortization of acquired intangible assets subject to amortization consisted of the following (in thousands):

	As of December 31, 2014			As of December 31, 2015		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Backlog and other	$ 743,760	$ (615,285)	$ 128,475	$ 743,760	$ (647,534)	$ 96,226
Customer relationships	534,030	(161,960)	372,070	534,030	(189,926)	344,104
Total	$ 1,277,790	$ (777,245)	$ 500,545	$ 1,277,790	$ (837,460)	$ 440,330

Intangible assets are amortized based on the expected pattern of consumption. We recorded amortization expense of $82.3 million, $68.2 million and $60.2 million for the years ended December 31, 2013, 2014 and 2015, respectively.

Scheduled amortization charges for the intangible assets over the next five years are as follows (in thousands):

Year	Amount
2016	$ 48,491
2017	42,254
2018	38,481
2019	34,351
2020	31,103

In accordance with FASB ASC 350, we are required to disclose on an interim and annual basis our policy related to the renewal or extension of the term of our intangible assets. Our policy is to expense all costs incurred to renew or extend the terms of our intangible assets. The renewal expenses for each of the years ended December 31, 2013, 2014 and 2015 were immaterial to our consolidated results of operations.

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Note 12 Long-Term Debt

The carrying values and fair values of our notes payable and long-term debt were as follows (in thousands):

	As of December 31, 2014		As of December 31, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Intelsat Luxembourg:				
6.75% Senior Notes due June 2018	$ 500,000	$ 509,400	$ 475,000	$ 355,063
Unamortized prepaid debt issuance costs on 6.75% Senior Notes	(2,972)		(2,066)	
7.75% Senior Notes due June 2021	2,000,000	2,005,000	2,000,000	930,000
Unamortized prepaid debt issuance costs on 7.75% Senior Notes	(22,385)		(19,602)	
8.125% Senior Notes due June 2023	1,000,000	1,015,000	1,000,000	450,000
Unamortized prepaid debt issuance costs on 8.125% Senior Notes	(11,887)		(10,870)	
Total Intelsat Luxembourg obligations	3,462,756	3,529,400	3,442,462	1,735,063
Intelsat Jackson:				
7.25% Senior Notes due October 2020	2,200,000	2,318,360	2,200,000	1,919,500
Unamortized prepaid debt issuance costs and premium on 7.25% Senior Notes	(9,635)		(8,248)	
7.25% Senior Notes due April 2019	1,500,000	1,563,750	1,500,000	1,368,750
Unamortized prepaid debt issuance costs on 7.25% Senior Notes	(10,355)		(8,203)	
7.5% Senior Notes due April 2021	1,150,000	1,227,625	1,150,000	1,000,500
Unamortized prepaid debt issuance costs on 7.5% Senior Notes	(9,350)		(8,137)	
6.625% Senior Notes due December 2022	1,275,000	1,313,250	1,275,000	803,250
Unamortized prepaid debt issuance costs and premium on 6.625% Senior Notes	22,694		20,428	
5.5% Senior Notes due August 2023	2,000,000	1,980,000	2,000,000	1,560,000
Unamortized prepaid debt issuance costs on 5.5% Senior Notes	(18,439)		(16,719)	
Senior Secured Credit Facilities due June 2019	3,095,000	3,075,811	3,095,000	2,944,274
Jackson Revolver	49,000	49,000		
	(38,450)		(30,204)	

Unamortized prepaid debt issuance costs and discount on Senior Credit Facilities and Jackson Revolver				
Total Intelsat Jackson obligations	11,205,465	11,527,796	11,168,917	9,596,274
Total Intelsat S.A. long-term debt	14,668,221	15,057,196	14,611,379	11,331,337
Less:				
Current portion of long-term debt	49,000			
Total long-term debt, excluding current portion	$ 14,619,221		$ 14,611,379	

The fair value for publicly traded instruments is determined using quoted market prices, and for non-publicly traded instruments, fair value is based upon composite pricing from a variety of sources, including market leading data providers, market makers, and leading brokerage firms. Substantially all of the inputs used to determine the fair value of our debt are classified as Level 1 inputs within the fair value hierarchy from FASB ASC 820, except our senior secured credit facilities, the inputs for which are classified as Level 2.

In April 2015, the FASB issued ASU 2015-03, *Interest Imputation of Interest (Subtopic 835-30)* to simplify the presentation of debt issuance costs. The amendments in this update require that debt issuance costs related to a recognized debt liability are presented in the balance sheet as a direct deduction from the carrying value of that debt liability. ASU 2015-03 is effective for interim and annual periods beginning after December 15, 2015 on a retrospective basis with early adoption allowed. Additionally, in the third quarter of 2015, the FASB issued an amendment to this update to simplify the presentation of debt issuance costs to include line-of-credit arrangements. We adopted the amendments in the fourth quarter of 2015. The adoption of ASU 2015-03 had the effect of a reduction in each of other assets and long-term debt, net of current portion of $142.9 million and $121.7 million as of December 31, 2014 and December 31, 2015, respectively.

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Required principal repayments of long-term debt over the next five years and thereafter as of December 31, 2015 are as follows (in thousands):

Year	Amount
2016	$
2017	
2018	475,000
2019	4,595,000
2020	2,200,000
2021 and thereafter	7,425,000
Total principal repayments	14,695,000
Unamortized discounts, premium and prepaid issuance costs	(83,621)
Total Intelsat S.A. long-term debt	$ 14,611,379

2015 Intelsat Luxembourg Notes Repurchases

During the fourth quarter of 2015, we repurchased $25.0 million in aggregate principal amount of Intelsat Luxembourg s 6¾% Senior Notes due 2018 (the 2018 Luxembourg Notes). In connection with these repurchases, we recognized a gain on early extinguishment of debt of $7.1 million in the fourth quarter of 2015, consisting of the difference between the carrying value of the debt purchased and the total cash amount paid, and a write-off of unamortized debt issuance costs.

2014 Intelsat Jackson Notes Redemption

On November 1, 2014, Intelsat Jackson redeemed all of the outstanding $500.0 million aggregate principal amount of its 8 ½% Senior Notes due 2019. In connection with the redemption of these notes, we recognized a loss on early extinguishment of debt of $40.4 million in the fourth quarter of 2014, consisting of the difference between the carrying value of the debt redeemed and the total cash amount paid (including related fees), and a write-off of unamortized debt discount and debt issuance costs.

Description of Indebtedness

(a) Intelsat Luxembourg

6 ¾% Senior Notes due 2018

Intelsat Luxembourg had $475.0 million in net aggregate principal amount of the 2018 Luxembourg Notes, which represents $500.0 million of aggregate principal outstanding less $25.0 million of aggregate principal notes held in treasury following the repurchases described above in 2015 Intelsat Luxembourg Notes Repurchases. The 2018 Luxembourg Notes bear interest at 6 ¾% annually and mature in June 2018. The 2018 Luxembourg Notes are guaranteed by Intelsat S.A., Intelsat Investment Holdings S.à r.l., Intelsat Holdings S.A. and Intelsat Investments S.A. (the Parent Guarantors).

Interest is payable on the 2018 Luxembourg Notes semi-annually on June 1 and December 1. Intelsat Luxembourg may redeem some or all of the notes at the applicable redemption prices set forth in the notes.

The 2018 Luxembourg Notes are senior unsecured obligations of Intelsat Luxembourg and rank equally with Intelsat Luxembourg s other senior unsecured indebtedness.

7 ¾% Senior Notes due 2021

Intelsat Luxembourg had $2.0 billion in aggregate principal amount of the 2021 Luxembourg Notes outstanding at December 31, 2015. The 2021 Luxembourg Notes bear interest at 7 ¾% annually and mature in June 2021. The 2021 Luxembourg Notes are guaranteed by the Parent Guarantors.

Interest is payable on the 2021 Luxembourg Notes semi-annually on June 1 and December 1. Intelsat Luxembourg may redeem the 2021 Luxembourg Notes, in whole or in part, prior to June 1, 2017 at a price equal to 100% of the principal amount plus the applicable premium described in the notes. Thereafter, Intelsat Luxembourg may redeem some or all of the notes at the applicable redemption prices set forth in the notes.

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Intelsat Luxembourg may redeem up to 40% of the aggregate principal amount of the 2021 Luxembourg Notes on or prior to June 1, 2016, with the net cash proceeds of one or more equity offerings by Intelsat Luxembourg or its direct or indirect parent, under the conditions set forth in the notes.

The 2021 Luxembourg Notes are senior unsecured obligations of Intelsat Luxembourg and rank equally with Intelsat Luxembourg s other senior unsecured indebtedness.

8 1/8% Senior Notes due 2023

Intelsat Luxembourg had $1.0 billion in aggregate principal amount of the 2023 Luxembourg Notes outstanding at December 31, 2015. The 2023 Luxembourg Notes bear interest at 8 ⅛% annually and mature in June 2023. The 2023 Luxembourg Notes are guaranteed by the Parent Guarantors.

Interest is payable on the 2023 Luxembourg Notes semi-annually on June 1 and December 1. Intelsat Luxembourg may redeem the 2023 Luxembourg Notes, in whole or in part, prior to June 1, 2018 at a price equal to 100% of the principal amount plus the applicable premium described in the notes. Thereafter, Intelsat Luxembourg may redeem some or all of the notes at the applicable redemption prices set forth in the notes.

Intelsat Luxembourg may redeem up to 40% of the aggregate principal amount of the 2023 Luxembourg Notes on or prior to June 1, 2016, with the net cash proceeds of one or more equity offerings by Intelsat Luxembourg or its direct or indirect parent, under the conditions set forth in the notes.

The 2023 Luxembourg Notes are senior unsecured obligations of Intelsat Luxembourg and rank equally with Intelsat Luxembourg s other senior unsecured indebtedness.

(b) Intelsat Jackson

7 1/4% Senior Notes due 2020

Intelsat Jackson had $2.2 billion in aggregate principal amount of 2020 Jackson Notes outstanding at December 31, 2015. The 2020 Jackson Notes bear interest at 7 ¼% annually and mature in October 2020. These notes are guaranteed by the Parent Guarantors, Intelsat Luxembourg and certain of Intelsat Jackson s subsidiaries.

Interest is payable on the 2020 Jackson Notes semi-annually on April 15 and October 15. Intelsat Jackson may redeem some or all of the notes at the applicable redemption prices set forth in the notes.

The 2020 Jackson Notes are senior unsecured obligations of Intelsat Jackson and rank equally with Intelsat Jackson s other senior unsecured indebtedness.

7 ¼% Senior Notes due 2019 and 7 ½% Senior Notes due 2021

Intelsat Jackson had $1.5 billion in aggregate principal amount of its 7 ¼% Senior Notes due 2019 (the 7¼% 2019 Jackson Notes) and $1.15 billion aggregate principal amount of its 7½% Senior Notes due 2021 (the 2021 Jackson Notes and, together with the 7¼% 2019 Jackson Notes, the New Jackson Notes) outstanding at December 31, 2015. The New Jackson Notes are guaranteed by the Parent Guarantors, Intelsat Luxembourg, and certain of Intelsat Jackson s subsidiaries.

Interest is payable on the New Jackson Notes semi-annually on April 1 and October 1. Intelsat Jackson may redeem the 7 ½% 2021 Jackson Notes, in whole or in part, prior to April 1, 2016, at a price equal to 100% of the principal amount plus the applicable premium described in the respective notes.

The New Jackson Notes are senior unsecured obligations of Intelsat Jackson and rank equally with Intelsat Jackson s other senior unsecured indebtedness.

6 ⅝% Senior Notes due 2022

Intelsat Jackson had $1.3 billion in aggregate principal amount of the 2022 Intelsat Jackson Notes outstanding at December 31, 2015. The 2022 Intelsat Jackson Notes bear interest at 6 ⅝% annually and mature in December 2022. These notes are guaranteed by the Parent Guarantors and Intelsat Luxembourg.

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Interest is payable on the 2022 Intelsat Jackson Notes semi-annually on June 15 and December 15. Intelsat Jackson may redeem some or all of the 2022 Intelsat Jackson Notes at any time prior to December 15, 2017 at a price equal to 100% of the principal amount thereof plus the applicable premium described in the notes. Thereafter, Intelsat Jackson may redeem some or all of the 2022 Intelsat Jackson Notes at the applicable redemption prices set forth in the notes.

The 2022 Intelsat Jackson Notes are senior unsecured obligations of Intelsat Jackson and rank equally with Intelsat Jackson s other senior unsecured indebtedness.

5 ½% Senior Notes due 2023

Intelsat Jackson had $2.0 billion in aggregate principal amount of the 2023 Jackson Notes outstanding at December 31, 2015. The 2023 Jackson Notes bear interest at 5 ½% annually and mature in August 2023. These notes are guaranteed by the Parent Guarantors, Intelsat Luxembourg and certain of Intelsat Jackson s subsidiaries.

Interest is payable on the 2023 Jackson Notes semi-annually on February 1 and August 1. Intelsat Jackson may redeem some or all of the 2023 Jackson Notes at any time prior to August 1, 2018 at a price equal to 100% of the principal amount thereof plus the applicable premium described in the notes. Thereafter, Intelsat Jackson may redeem some or all of the 2023 Intelsat Jackson Notes at the applicable redemption prices set forth in the notes.

Intelsat Jackson may redeem up to 40% of the aggregate principal amount of the 2023 Jackson Notes prior to August 1, 2016, with the net cash proceeds of one or more equity offerings by Intelsat Jackson or its direct or indirect parent, under the conditions set forth in the notes.

The 2023 Jackson Notes are senior unsecured obligations of Intelsat Jackson and rank equally with Intelsat Jackson s other senior unsecured indebtedness.

Intelsat Jackson Senior Secured Credit Agreement

On January 12, 2011, Intelsat Jackson entered into a secured credit agreement (the Intelsat Jackson Secured Credit Agreement), which included a $3.25 billion term loan facility and a $500.0 million revolving credit facility, and borrowed the full $3.25 billion under the term loan facility. The term loan facility required regularly scheduled quarterly payments of principal equal to 0.25% of the original principal amount of the term loan beginning six months after January 12, 2011, with the remaining unpaid amount due and payable at maturity.

Up to $350.0 million of the revolving credit facility is available for issuance of letters of credit. Additionally, up to $70.0 million of the revolving credit facility was available for swingline loans. Both the face amount of any outstanding letters of credit and any swingline loans reduce availability under the revolving credit facility on a dollar for dollar basis. Intelsat Jackson is required to pay a commitment fee for the unused commitments under the revolving credit facility, if any, at a rate per annum of 0.375%. As of December 31, 2015, Intelsat Jackson had $488.7 million (net of standby letters of credit) of availability remaining thereunder.

On October 3, 2012, Intelsat Jackson entered into an Amendment and Joinder Agreement (the Jackson Credit Agreement Amendment), which amended the Intelsat Jackson Secured Credit Agreement. As a result of the Jackson Credit Agreement Amendment, interest rates for borrowings under the term loan facility and the revolving credit facility were reduced. In April 2013, our corporate family rating was upgraded by Moody s, and as a result, the interest rate for the borrowing under the term loan facility and revolving credit facility were further reduced to LIBOR plus 3.00% or the Above Bank Rate (ABR) plus 2.00%.

On November 27, 2013, Intelsat Jackson entered into a Second Amendment and Joinder Agreement (the Second Jackson Credit Agreement Amendment), which further amended the Intelsat Jackson Secured Credit Agreement. The Second Jackson Credit Agreement Amendment reduced interest rates for borrowings under the term loan facility and extended the maturity of the term loan facility. In addition, it reduced the interest rates applicable to $450 million of the $500 million total revolving credit facility and extended the maturity of such portion. As a result of the Second Jackson Credit Agreement Amendment, interest rates for borrowings under the term loan facility and the new tranche of the revolving credit facility are (i) LIBOR plus 2.75%, or (ii) the ABR plus 1.75%. The LIBOR and the ABR, plus applicable margins, related to the term loan facility and the new tranche of the revolving credit facility are determined as specified in the Intelsat Jackson Secured Credit Agreement, as amended by the Second Jackson Credit Agreement Amendment, and the LIBOR will not be less than 1.00% per annum. The maturity date of the term loan facility was extended from April 2, 2018 to June 30, 2019 and the maturity of the new $450 million tranche of the revolving credit facility was extended from January 12, 2016 to July 12, 2017. The interest rates and maturity date applicable to the $50 million tranche of the revolving credit facility that was not amended did not change. The Second Jackson Credit Agreement Amendment further removed the requirement for regularly scheduled quarterly principal payments under the term loan facility.

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Intelsat Jackson s obligations under the Intelsat Jackson Secured Credit Agreement are guaranteed by Intelsat Luxembourg, and certain of Intelsat Jackson s subsidiaries. Intelsat Jackson s obligations under the Intelsat Jackson Secured Credit Agreement are secured by a first priority security interest in substantially all of the assets of Intelsat Jackson and the guarantors, to the extent legally permissible and subject to certain agreed exceptions, and by a pledge of the equity interests of the subsidiary guarantors and the direct subsidiaries of each guarantor, subject to certain exceptions, including exceptions for equity interests in certain non-U.S. subsidiaries, existing contractual prohibitions and prohibitions under other legal requirements.

The Intelsat Jackson Secured Credit Agreement includes two financial covenants. Intelsat Jackson must maintain a consolidated secured debt to consolidated EBITDA ratio equal to or less than 3.50 to 1.00 at the end of each fiscal quarter as well as a consolidated EBITDA to consolidated interest expense ratio equal to or greater than 1.75 to 1.00 at the end of each fiscal quarter, in each case as such financial measures are defined in the Intelsat Jackson Secured Credit Agreement. Intelsat Jackson was in compliance with these financial maintenance covenant ratios with a consolidated secured debt to consolidated EBITDA ratio of 1.58 to 1.00 and a consolidated EBITDA to consolidated interest expense ratio of 2.59 to 1.00 as of December 31, 2015.

Note 13 Derivative Instruments and Hedging Activities

Interest Rate Swaps

We are subject to interest rate risk primarily associated with our variable-rate borrowings. Interest rate risk is the risk that changes in interest rates could adversely affect earnings and cash flows. Specific interest rate risk includes: the risk of increasing interest rates on short-term debt; the risk of increasing interest rates for planned new fixed long-term financings; and the risk of increasing interest rates for planned refinancing using long-term fixed-rate debt. We originally entered into these interest rate swap agreements to reduce the impact of interest rate movements on future interest expense by converting substantially all of our floating-rate debt to a fixed rate.

As of December 31, 2015, we held interest rate swaps with an aggregate notional amount of $1.6 billion. These interest rate swaps matured in January 2016. These swaps were entered into, as further described below, to economically hedge the variability in cash flow on a portion of the floating-rate term loans under our senior secured credit facilities, but had not been designated as hedges for accounting purposes. On a quarterly basis, we received a floating rate of interest equal to the three-month LIBOR and paid a fixed rate of interest. On the interest rate reset date of December 14, 2015, the interest rate which the counterparties utilized to compute interest due to us was determined to be 0.41%. From September 14, 2015 to December 14, 2015, the rate we paid averaged 1.97% and the rate we received averaged 0.34%.

The counterparties to our interest rate swap agreements are highly rated financial institutions. Over the life of the agreements, there was no occurrence of non-performance by the counterparties.

All of our interest rate swaps were undesignated as of December 31, 2015. The swaps were marked-to-market quarterly with any change in fair value included in interest expense, net in our consolidated statements of operations. We incorporated credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty s nonperformance risk in the fair value measurements of our derivatives. Due to final payments and the maturity of these interest rate swaps in January 2016, no credit valuation adjustment was recorded as of December 31, 2015.

The following table sets forth the fair value of our derivatives by category (in thousands):

Derivatives not designated as hedging instruments	Balance Sheets Location	Year Ended December 31, 2014	Year Ended December 31, 2015
Undesignated interest rate swaps	Other current liabilities	$ 1,321	$ 2,013
Undesignated interest rate swaps	Other long-term liabilities	24,788	
Total derivatives		$ 26,109	$ 2,013

The following table sets forth the effect of the derivative instruments, included in interest expense, net in our consolidated statements of operations (in thousands):

Derivatives not designated as hedging instruments	Presentation in Statements of Operations	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
Undesignated interest rate swaps	Included in interest expense, net	$ 8,064	$ 5,649	$ 3,483

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Note 14 Income Taxes

The following table summarizes our total income (loss) before income taxes (in thousands):

	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
Domestic income (loss) before income taxes	$ (356,019)	$ 199,682	$ (3,966,322)
Foreign income before income taxes	73,189	59,795	48,382
Total income (loss) before income taxes	$ (282,830)	$ 259,477	$ (3,917,940)

An impairment of goodwill and other intangible assets was recorded primarily at our domestic entities with the 2015 net loss, with no comparable amounts recorded in 2014. The composition of our income (loss) between domestic and foreign sources changed in 2014 principally due to our IPO and the debt refinancing transactions in 2013, as well as a 2013 internal subsidiary reorganization.

The provision for (benefit from) income taxes consisted of the following (in thousands):

	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
Current income tax provision			
Domestic	$ 856	$ 2,306	$
Foreign	33,654	33,311	10,817
Total	34,510	35,617	10,817
Deferred income tax benefit:			
Foreign	(65,347)	(12,646)	(9,304)
Total	(65,347)	(12,646)	(9,304)
Total income tax provision (benefit):	$ (30,837)	$ 22,971	$ 1,513

The income tax provision (benefit) was different from the amount computed using the Luxembourg statutory income tax rate of 29.22% for the reasons set forth in the following table (in thousands):

	Year Ended December 31,	Year Ended December 31,	Year Ended

	2013	2014	December 31, 2015
Expected tax provision (benefit) at Luxembourg statutory income tax rate	$ (82,643)	$ 75,819	$ (1,144,822)
Foreign income tax differential	35,511	40,099	42,339
Nontaxable interest income	(93,154)	(53,361)	(67,651)
Tax deductible impairment charge in Luxembourg subsidiaries			(854,393)
Goodwill impairment			599,974
Changes in unrecognized tax benefits	(3,997)	1,229	(15,465)
Changes in valuation allowance	171,433	(24,147)	1,463,774
Tax effect of 2011 intercompany sale	(6,865)	(6,740)	(6,112)
Foreign tax credits	(44,137)	(2,147)	(2,171)
Research and development tax credits	(5,890)	(5,564)	(2,103)
Other	(1,095)	(2,217)	(11,857)
Total income tax provision (benefit)	$ (30,837)	$ 22,971	$ 1,513

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The majority of our operations are located in taxable jurisdictions, including Luxembourg, the United States and the United Kingdom. Our Luxembourg companies that file tax returns as a consolidated group generated a taxable loss for the year ended December 31, 2015. Due to our cumulative losses in recent years, and the inherent uncertainty associated with the realization of future taxable income in the foreseeable future, we recorded a full valuation allowance against the net operating losses generated in Luxembourg. The difference between tax expense (benefit) reported in the consolidated statements of operations and tax computed at statutory rates is attributable to the valuation allowance on losses generated in Luxembourg, the provision for foreign taxes, which were principally in the United States and the United Kingdom, as well as withholding taxes on revenue earned in many of the foreign markets in which we operate.

Our Luxembourg net operating loss includes the effect of Luxembourg GAAP to US GAAP differences, primarily related to fair value adjustments attributable to the migration of certain holding companies and subsidiaries jurisdiction of organization from Bermuda to Luxembourg on December 15, 2009 and the result of a series of internal transactions and related steps completed on January 12, 2011, that reorganized the ownership of our assets among our subsidiaries and effectively combined the legacy business of Intelsat Subsidiary Holding Company S.A. and Intelsat Corporation.

The following table details the composition of the net deferred tax balances as of December 31, 2014 and 2015 (in thousands):

	As of December 31, 2014	As of December 31, 2015
Current deferred taxes, net	$ 76,315	$
Long-term deferred taxes, net	(211,680)	(160,802)
Other assets	9,157	12,203
Net deferred taxes	$ (126,208)	$ (148,599)

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The components of the net deferred tax liability were as follows (in thousands):

	As of December 31, 2014	As of December 31, 2015
Deferred tax assets:		
Accruals and advances	$ 27,586	$ 26,672
Amortizable intangible assets	74,062	739,058
Performance incentives	22,308	17,596
Customer deposits	55,573	17,771
Bad debt reserve	3,081	3,607
Accrued retirement benefits	92,320	72,520
Interest rate swap	295	
Satellites and other property and equipment	11,348	
Disallowed interest expense carryforward	108,446	111,038
Net operating loss carryforward	1,343,444	2,232,359
Tax credits	58,643	36,656
Other	15,576	14,646
Total deferred tax assets	1,812,682	3,271,923
Deferred tax liabilities:		
Satellites and other property and equipment	(32,811)	(172,574)
Amortizable intangible assets	(58,789)	(30,788)
Non-amortizable intangible assets	(223,878)	(116,526)
Tax basis differences in investments and affiliates	(219,049)	(218,583)
Other	(7,126)	(21,040)
Total deferred tax liabilities	(541,653)	(559,511)
Valuation allowance	(1,397,237)	(2,861,011)
Total net deferred tax liabilities	$ (126,208)	$ (148,599)

In November 2015, the FASB issued ASU 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes* to simplify the presentation of deferred income taxes. The amendments in this update require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. ASU 2015-17 is effective for interim and annual periods beginning after December 15, 2016 on a prospective or retrospective basis with early adoption allowed. We adopted the amendments in the fourth quarter of 2015 on a prospective basis.

As of December 31, 2014 and 2015, our consolidated balance sheets included a deferred tax asset in the amount of $1.3 billion and $2.2 billion, respectively, attributable to the future benefit from the utilization of certain net operating loss carryforwards and $67.9 million and $46.3 million of deferred tax assets, respectively, attributable to the future

benefit from the utilization of tax credit carryforwards. As of December 31, 2015, we had tax-effected U.S. federal, state and other foreign tax net operating loss carryforwards of $59.5 million expiring, for the most part, between 2020 and 2035 and tax effected Luxembourg net operating loss carryforwards of $2.2 billion without expiration. These Luxembourg net operating loss carryforwards were caused primarily by our interest expense, satellite depreciation and the amortization of goodwill and other intangible assets. Our alternative minimum tax credit carryforward of $17.8 million may be carried forward indefinitely, our foreign tax credit carryforward of $20.4 million may be carried forward to years between 2022 and 2025, and the $8.1 million research and development credit may be carried forward to years between 2030 and 2035.

Our valuation allowance as of December 31, 2014 and 2015 was $1.4 billion and $2.9 billion, respectively. Almost all of the valuation allowance relates to Luxembourg net operating loss carryforwards and deferred tax assets created by differences between US GAAP and Luxembourg tax basis. Certain operations of our subsidiaries are controlled by various intercompany agreements which provide these subsidiaries with predictable operating profits. Other subsidiaries, principally Luxembourg subsidiaries, are subject to the risks of our overall business conditions which make their earnings less predictable.

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The following table summarizes the activity related to our unrecognized tax benefits (in thousands):

	2014	2015
Balance at January 1	$ 65,111	$ 67,135
Increases related to current year tax positions	2,366	3,237
Increases related to prior year tax positions	2,629	962
Decreases related to prior year tax positions		(1,068)
Expiration of statute of limitations for the assessment of taxes	(2,971)	(30,018)
Balance at December 31	$ 67,135	$ 40,248

As of December 31, 2014 and December 31, 2015 our gross unrecognized tax benefits were $67.1 million and $40.2 million, respectively (including interest and penalties), of which $45.6 million and $29.6 million, respectively, if recognized, would affect our effective tax rate. As of December 31, 2014 and 2015, we had recorded reserves for interest and penalties in the amount of $17.3 million and $5.0 million, respectively. We continue to recognize interest and, to the extent applicable, penalties with respect to the unrecognized tax benefits as income tax expense. Since December 31, 2015, the change in the balance of unrecognized tax benefits consisted of an increase of $3.2 million related to current tax positions, an increase of $1.0 million related to prior tax positions, a decrease of $1.1 million related to prior tax positons and due to a settlement of an audit, and a decrease of $30.0 million due to the expiration of statute of limitations for the assessment of taxes.

We operate in various taxable jurisdictions throughout the world and our tax returns are subject to audit and review from time to time. We consider Luxembourg, the United States, the United Kingdom and Brazil to be our significant tax jurisdictions. Our Luxembourg, U.S., United Kingdom and Brazilian subsidiaries are subject to income tax examination for periods after December 31, 2010.

Within the next twelve months, we believe that there are no jurisdictions in which the outcome of unresolved tax issues or claims is likely to be material to our results of operations, financial position or cash flows within the next twelve months.

On March 7, 2013, Intelsat USA Sales LLC (Intelsat USA Sales Corporation prior to January 2011, and a disregarded subsidiary of Intelsat Corp) was notified by the U.S. Internal Revenue Service of its intent to initiate an audit for the tax year ending on December 31, 2010. Intelsat USA Sales LLC wholly owns Intelsat General Corporation, which provides services to U.S. government and other select military organizations and their contractors, as well as other commercial customers. On March 5, 2014, Intelsat USA Sales LLC received a letter from the U.S. Internal Revenue Service effectively closing the audit of this federal income tax return for 2010 with no adjustment. Certain previously unrecognized tax benefits were recognized as a result of the conclusion of this audit.

On March 3, 2014, Intelsat Corp, Intelsat Global Service LLC, Intelsat General, Intelsat USA License LLC and Intelsat USA Sales LLC were notified by the District of Columbia Office of the Tax Revenue of its intent to initiate an audit for the tax years ending 2010 and 2011. At this point in time, it is too early to assess the probability of any adjustments resulting from these audits.

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Tax Contingency

Prior to August 20, 2004, Intelsat Corp joined with The DIRECTV Group and General Motors Corporation in filing a consolidated U.S. federal income tax return. In April 2004, Intelsat Corp entered into a tax separation agreement with The DIRECTV Group that superseded four earlier tax-related agreements among Intelsat Corp and its subsidiaries, The DIRECTV Group and certain of its affiliates. Pursuant to the tax separation agreement, The DIRECTV Group agreed to indemnify Intelsat Corp for all federal and consolidated state and local income taxes a taxing authority may attempt to collect from Intelsat Corp regarding any liability for the federal or consolidated state or local income taxes of General Motors Corporation and The DIRECTV Group, except those income taxes Intelsat Corp is required to pay under the tax separation agreement. In addition, The DIRECTV Group agreed to indemnify Intelsat Corp for any taxes (other than those taxes described in the preceding sentence) related to any periods or portions of such periods ending on, or prior to, the day of the closing of the PanAmSat Corporation recapitalization, which occurred on August 20, 2004, in amounts equal to 80% of the first $75.0 million of such other taxes and 100% of any other taxes in excess of the first $75.0 million. As a result, Intelsat Corp s tax exposure after indemnification related to these periods is capped at $15.0 million, of which $4.0 million has been paid to date. The tax separation agreement with The DIRECTV Group is effective from August 20, 2004 until the expiration of the statute of limitations with respect to all taxes to which the tax separation agreement relates. As of December 31, 2014, we had a tax indemnification receivable of $1.5 million. During the third quarter of 2015, we were notified by The DIRECTV Group that the audit of a tax return period covered under this separation agreement was closed with no adjustments. At this point, we released the previously unrecognized tax benefits related to the tax return under audit and we wrote off the corresponding indemnification receivable.

Note 15 Contractual Commitments

In the further development and operation of our commercial global communications satellite system, significant additional expenditures are anticipated. In connection with these and other expenditures, we have a significant amount of long-term debt, as described in Note 12 Long-Term Debt. In addition to these debt and related interest obligations, we have expenditures represented by other contractual commitments. The additional expenditures as of December 31, 2015 and the expected year of payment are as follows (in thousands):

	Satellite Construction and Launch Obligations	Satellite Performance Incentive Obligations	Horizons-3 Satellite LLC Contribution Obligations [1]	Operating Leases	Sublease Rental Income	Customer and Vendor Contracts	Total
2016	$ 455,997	$ 35,321	$ 14,000	$ 15,057	$ (580)	$ 101,176	$ 620,971
2017	369,432	30,170	21,700	13,868	(62)	31,585	466,693
2018	164,222	25,899	36,400	13,451	(46)	36,221	276,147
2019	83,777	24,020		13,370	(48)	32,277	153,396
2020	31,536	23,947		12,825	(37)	13,719	81,990
2021 and thereafter	136,478	133,091		119,183	(181)	276	388,847
Total contractual commitments	$ 1,241,442	$ 272,448	$ 72,100	$ 187,754	$ (954)	$ 215,254	$ 1,988,044

(1) See Note 10(b) Investments Horizons-3 Satellite LLC.

(a) Satellite Construction and Launch Obligations

As of December 31, 2015, we had approximately $1.2 billion of expenditures remaining under our existing satellite construction and launch contracts. Satellite launch and in-orbit insurance contracts related to future satellites to be launched are cancelable up to thirty days prior to the satellite s launch. As of December 31, 2015, we did not have any non-cancelable commitments related to existing launch insurance or in-orbit insurance contracts for satellites to be launched.

The satellite construction contracts typically require that we make progress payments during the period of the satellites construction. The satellite construction contracts contain provisions that allow us to terminate the contracts with or without cause. If terminated without cause, we would forfeit the progress payments and be subject to termination payments that escalate with the passage of time. If terminated for cause, we would be entitled to recover any payments we made under the contracts and certain liquidated damages as specified in the contracts.

(b) Satellite Performance Incentive Obligations

Satellite construction contracts also typically require that we make orbital incentive payments (plus interest as defined in each agreement with the satellite manufacturer) over the orbital life of the satellite. The incentive obligations may be subject to reduction or refund if the satellite fails to meet specific technical operating standards. As of December 31, 2015, we had $272.4 million of satellite performance incentive obligations, including future interest payments.

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(c) Operating Leases

We have commitments for operating leases primarily relating to equipment and office facilities, including for our U.S. administrative headquarters facility in McLean, Virginia. As of December 31, 2015, the total obligation related to operating leases, net of sublease income on leased facilities and rental income, was $186.8 million. Rental income and sublease income are included in other expense, net in the accompanying consolidated statements of operations.

Total rent expense for the years ended December 31, 2013, 2014 and 2015, was $13.1 million, $13.0 million and $14.9 million, respectively.

(d) Customer and Vendor Contracts

We have contracts with certain customers that require us to provide equipment, services and other support during the term of the related contracts. We also have long-term contractual obligations with service providers primarily for the operation of certain of our satellites. As of December 31, 2015, we had commitments under these customer and vendor contracts which totaled approximately $215.3 million related to the provision of equipment, services and other support.

Note 16 Contingencies

We are subject to litigation in the ordinary course of business. Management does not believe that the resolution of any pending proceedings would have a material adverse effect on our financial position or results of operations.

Note 17 Business and Geographic Segment Information

We operate in a single industry segment in which we provide satellite services to our communications customers around the world. Revenue by region is based on the locations of customers to which services are billed. Our satellites are in geosynchronous orbit, and consequently are not attributable to any geographic location. Of our remaining assets, substantially all are located in the United States.

The geographic distribution of our revenue based upon billing region of the customer was as follows:

	Year Ended December 31, 2013	Year Ended December 31, 2014	Year Ended December 31, 2015
North America	45%	45%	47%
Europe	16%	17%	15%
Latin America and Caribbean	16%	16%	15%
Africa and Middle East	15%	14%	14%
Asia Pacific	8%	8%	9%

Approximately 4%, 4% and 7% of our revenue was derived from our largest customer during each of the years ended December 31, 2013, 2014 and 2015, respectively. The ten largest customers accounted for approximately 25%, 26% and 29% of our revenue for the years ended December 31, 2013, 2014 and 2015, respectively.

We earn revenue primarily by providing services to our customers using our satellite transponder capacity. Our customers generally obtain satellite capacity from us by placing an order pursuant to one of several master customer service agreements. On-network services are comprised primarily of services delivered on our owned network infrastructure, as well as commitments for third-party capacity, generally long-term in nature, that we integrate and market as part of our owned infrastructure. In the case of third-party services in support of government applications, the commitments for third-party capacity are shorter and matched to the government contracting period, and thus remain classified as off-network services. Off-network services can include transponder services and other satellite-based transmission services, such as mobile satellite services (MSS), which are sourced from other operators, often in frequencies not available on our network. Under the category Off-Network and Other Revenues, we also include revenues from consulting and other services. In addition, effective first quarter 2015, certain revenues have been reclassified between transponder services and managed services across our customer sets in order to better reflect the nature of the underlying business.

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Our revenues were derived from the following services, with Off-Network and Other Revenues shown separately from On-Network Revenues (in thousands, except percentages):

	Year Ended December 31, 2013		Year Ended December 31, 2014		Year Ended December 31, 2015	
On-Network Revenues						
Transponder services	$ 1,873,192	72%	$ 1,779,458	72%	$ 1,705,568	73%
Managed services	411,126	16%	415,269	17%	405,330	17%
Channel	72,123	3%	58,669	2%	38,872	2%
Total on-network revenues	2,356,441	91%	2,253,396	91%	2,149,770	91%
Off-Network and Other Revenues						
Transponder, MSS and other off-network services	201,282	8%	171,637	7%	160,063	7%
Satellite-related services	45,900	2%	47,353	2%	42,688	2%
Total off-network and other revenues	247,182	9%	218,990	9%	202,751	9%
Total	$ 2,603,623	100%	$ 2,472,386	100%	$ 2,352,521	100%

Note 18 Related Party Transactions

(a) Shareholders Agreements

Certain shareholders of Intelsat Global S.A. entered into shareholders agreements on February 4, 2008. The shareholders agreements were assigned to Intelsat S.A. by amendments effective as of March 30, 2012. The shareholders agreements and the articles of incorporation of Intelsat S.A. provided, among other things, for the governance of Intelsat S.A. and its subsidiaries and provided specific rights to and limitations upon the holders of Intelsat S.A. s share capital with respect to shares held by such holders. In connection with the IPO in April 2013, these articles of incorporation and shareholders agreements were amended.

(b) Monitoring Fee Agreement

Intelsat Luxembourg, our wholly-owned subsidiary, had a monitoring fee agreement dated February 4, 2008 (the 2008 MFA) with BC Partners Limited and Silver Lake Management Company III, L.L.C. (together, the 2008 MFA Parties), pursuant to which the 2008 MFA Parties provided certain monitoring, advisory and consulting services to Intelsat Luxembourg.

In connection with the IPO in April 2013, the 2008 MFA was terminated and we paid a fee of $39.1 million to the 2008 MFA Parties in connection with the termination. The $39.1 million payment, together with a write-off of $17.2 million of prepaid fees relating to the balance of 2013, were expensed upon consummation of the IPO, and are included within selling, general and administrative expenses in our consolidated statement of operations. We recorded expense for services associated with, and including the termination of, the 2008 MFA of $64.2 million for the year ended December 31, 2013.

(c) Governance Agreement

Prior to the consummation of the IPO, we entered into a governance agreement (the Governance Agreement) with our shareholder affiliated with BC Partners (the BC Shareholder), our shareholder affiliated with Silver Lake (the Silver Lake Shareholder) and David McGlade (collectively with the BC Shareholder and the Silver Lake Shareholder, the Governance Shareholders). The Governance Agreement contains provisions relating to the composition of our board of directors and certain other matters.

(d) Indemnification Agreements

We have entered into agreements with our executive officers and directors to provide contractual indemnification in addition to the indemnification provided for in our articles of incorporation.

(e) Horizons Holdings

We have a 50% ownership interest in Horizons Holdings as a result of a joint venture with JSAT (see Note 10(a) Investments Horizons Holdings).

(f) Horizons-3 Satellite LLC

We have a 50% ownership interest in Horizons-3 Satellite LLC as a result of a joint venture with JSAT (see Note 10(b) Investments Horizons-3 Satellite LLC).

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Note 19 Quarterly Results of Operations (in thousands, unaudited)

	Quarter Ended			
2014	**March 31**	**June 30**	**September 30**	**December 31**
Revenue [1]	$ 628,890	$ 615,749	$ 608,625	$ 619,122
Income from operations [1]	328,700	315,060	310,811	292,707
Net income	82,896	67,771	68,620	17,220 [3]
Net income attributable to Intelsat S.A.	81,946	66,768	67,624	16,194 [3]
Net income attributable to common shareholders	81,946	56,851	67,624	16,194 [3]
Net income per share attributable to Intelsat S.A.:				
Basic [2]	$ 0.77	$ 0.53	$ 0.63	$ 0.15
Diluted [2]	0.70	0.53	0.58	0.14

	Quarter Ended			
2015	**March 31**	**June 30**	**September 30**	**December 31**
Revenue [1]	$ 602,306	$ 598,109	$ 580,847	$ 571,259
Income (loss) from operations [1]	292,762	290,842	284,999	(3,897,122)
Net income (loss)	55,665	61,236	78,967	(4,115,321) [4]
Net income (loss) attributable to Intelsat S.A.	54,717	60,220	77,982	(4,116,306) [4]
Net income (loss) attributable to common shareholders	54,717	50,301	77,982	(4,116,306) [4]
Net income (loss) per share attributable to Intelsat S.A.:				
Basic [2]	$ 0.51	$ 0.47	$ 0.73	$ (38.29)
Diluted [2]	0.47	0.47	0.66	(38.29)

(1) Our quarterly revenue and operating income (loss) are generally not impacted by seasonality, as customer contracts for satellite utilization are generally long-term. Revenue declines shown above were primarily due to declines from our network services customers, mainly due to reduced volumes resulting from non-renewals and point-to-point connectivity and certain cellular backhaul services which are shifting to fiber alternatives, together with non-renewals and renewal pricing at lower rates for enterprise network services. Additional declines in Channel services related to the continued migration of international point-to-point satellite traffic to fiber optic cable, a trend which we expect will continue.

(2) Basic and diluted earnings per share are computed independently for each of the quarters presented. Therefore, the sum of quarterly basic and diluted per share information may not equal annual basic and diluted earnings per share.

(3) Includes a $40.4 million loss on early extinguishment of debt related to the redemption of debt in connection with the 2014 Intelsat Jackson Notes Redemption and $5.0 million payment for development costs.

(4) Includes a $4.2 billion impairment of goodwill and other intangibles.

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Note 20 Supplemental Consolidating Financial Information

On April 5, 2011, Intelsat Jackson completed an offering of $2.65 billion aggregate principal amount of the New Jackson Notes. The New Jackson Notes are fully and unconditionally guaranteed, jointly and severally, by Intelsat S.A., Intelsat Holdings, Intelsat Investment Holdings S.à r.l. and Intelsat Investments (collectively, the Parent Guarantors); Intelsat Luxembourg and certain wholly-owned subsidiaries of Intelsat Jackson (the Subsidiary Guarantors).

On April 26, 2012, Intelsat Jackson completed an offering of $1.2 billion aggregate principal amount of the 2020 Jackson Notes, which are fully and unconditionally guaranteed, jointly and severally, by the Parent Guarantors, Intelsat Luxembourg and the Subsidiary Guarantors.

Separate financial statements of the Parent Guarantors, Intelsat Luxembourg, Intelsat Jackson and the Subsidiary Guarantors are not presented because management believes that such financial statements would not be material to investors. Investments in Intelsat Jackson s subsidiaries in the following condensed consolidating financial information are accounted for under the equity method of accounting. Consolidating adjustments include the following:

elimination of investment in subsidiaries;

elimination of intercompany accounts;

elimination of intercompany sales between guarantor and non-guarantor subsidiaries; and

elimination of equity in earnings (losses) of subsidiaries.

We had other comprehensive income of $58.0 million, other comprehensive loss of $52.1 million and other comprehensive income of $34.1 million for the years ended December 31, 2013, 2014 and 2015, respectively. Other comprehensive income (loss) is fully attributable to the Subsidiary Guarantors, which are also consolidated within Intelsat Jackson.

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

AS OF DECEMBER 31, 2015

(in thousands)

	Intelsat S.A. and Other Parent Guarantors	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
ASSETS							
Current assets:							
Cash and cash equivalents	$ 16,941	$ 760	$ 109,959	$ 89,641	$ 43,881	$ (89,641)	$ 171,541
Receivables, net of allowance			173,869	173,638	58,906	(173,638)	232,775
Prepaid expenses and other current assets	919		28,633	28,593	6,680	(29,041)	35,784
Intercompany receivables		116,396	49,539		323,173	(489,108)	
Total current assets	17,860	117,156	362,000	291,872	432,640	(781,428)	440,100
Satellites and other property and equipment, net			5,897,103	5,897,103	91,214	(5,897,103)	5,988,317
Goodwill			2,620,627	2,620,627		(2,620,627)	2,620,627
Non-amortizable intangible assets			2,452,900	2,452,900		(2,452,900)	2,452,900
Amortizable intangible assets, net			440,330	440,330		(440,330)	440,330
Investment in affiliates	(4,120,570)	(769,452)	139,983	139,983		4,610,056	
Other assets	87		278,771	278,771	32,458	(278,771)	311,316
Total assets	$ (4,102,623)	$ (652,296)	$ 12,191,714	$ 12,121,586	$ 556,312	$ (7,861,103)	$ 12,253,590
LIABILITIES AND SHAREHOLDERS EQUITY							
Current liabilities:							
Accounts payable and accrued	$ 28,622	$ 10	$ 154,247	$ 154,861	$ 29,053	$ (155,309)	$ 211,484

liabilities							
Accrued interest payable		22,360	139,133	1,964		(1,964)	161,493
Deferred satellite performance incentives			19,411	19,411		(19,411)	19,411
Other current liabilities			168,261	166,248	3,793	(166,248)	172,054
Intercompany payables	489,108			2,038,908		(2,528,016)	
Total current liabilities	517,730	22,370	481,052	2,381,392	32,846	(2,870,948)	564,442
Long-term debt, net of current portion		3,442,462	11,168,917				14,611,379
Deferred satellite performance incentives, net of current portion			162,177	162,177		(162,177)	162,177
Deferred revenue, net of current portion			1,010,019	1,010,019	223	(1,010,019)	1,010,242
Deferred income taxes			150,283	150,283	10,519	(150,283)	160,802
Accrued retirement benefits			195,170	195,170	215	(195,170)	195,385
Other long-term liabilities			161,420	161,420	8,096	(161,420)	169,516
Shareholders equity (deficit):							
Common shares	1,076	7,202	3,114,981	5,558,066	24	(8,680,273)	1,076
Preferred shares	35						35
Other shareholders equity (deficit)	(4,621,464)	(4,124,330)	(4,252,305)	2,503,059	504,389	5,369,187	(4,621,464)
Total liabilities and shareholders equity	$ (4,102,623)	$ (652,296)	$ 12,191,714	$ 12,121,586	$ 556,312	$ (7,861,103)	$ 12,253,590

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

AS OF DECEMBER 31, 2014

(in thousands)

	Intelsat S.A. and Other Parent Guarantors	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
ASSETS							
Current assets:							
Cash and cash equivalents	$ 6,229	$ 1,068	$ 63,633	$ 63,144	$ 52,217	$ (63,144)	$ 123,147
Receivables, net of allowance	12		167,621	167,569	52,825	(167,569)	220,458
Deferred income taxes			74,466	74,466	1,849	(74,466)	76,315
Prepaid expenses and other current assets	940		27,938	27,880	9,334	(30,147)	35,945
Intercompany receivables		134,093	356,680	285,453		(776,226)	
Total current assets	7,181	135,161	690,338	618,512	116,225	(1,111,552)	455,865
Satellites and other property and equipment, net			5,761,839	5,761,839	118,425	(5,761,839)	5,880,264
Goodwill			6,780,827	6,780,827		(6,780,827)	6,780,827
Non-amortizable intangible assets			2,458,100	2,458,100		(2,458,100)	2,458,100
Amortizable intangible assets, net			500,545	500,545		(500,545)	500,545
Investment in affiliates	(270,172)	3,084,655	141,594	141,594		(3,097,671)	
Other assets	88	1	240,844	240,844	9,900	(240,844)	250,833
Total assets	$ (262,903)	$ 3,219,817	$ 16,574,087	$ 16,502,261	$ 244,550	$ (19,951,378)	$ 16,326,434
LIABILITIES AND SHAREHOLDERS EQUITY							
Current liabilities:							

Accounts payable and accrued liabilities	$ 28,818	$	$ 154,445	$ 154,124	$ 24,585	$ (156,390)	$ 205,582
Accrued interest payable		22,500	138,971	1,803	24	(1,803)	161,495
Current portion of long-term debt			49,000				49,000
Deferred satellite performance incentives			19,793	19,793	1,164	(19,793)	20,957
Other current liabilities			183,677	182,356	6,353	(182,356)	190,030
Intercompany payables	450,846				39,928	(490,774)	
Total current liabilities	479,664	22,500	545,886	358,076	72,054	(851,116)	627,064
Long-term debt, net of current portion		3,462,756	11,156,465				14,619,221
Deferred satellite performance incentives, net of current portion			163,360	163,360		(163,360)	163,360
Deferred revenue, net of current portion			966,832	966,832	486	(966,832)	967,318
Deferred income taxes			201,212	201,212	10,468	(201,212)	211,680
Accrued retirement benefits			262,536	262,536	370	(262,536)	262,906
Other long-term liabilities			193,141	168,353	24,311	(168,353)	217,452
Shareholders equity (deficit):							
Common shares	1,067	7,202	3,466,429	7,535,655	24	(11,009,310)	1,067
Preferred shares	35						35
Other shareholders equity (deficit)	(743,669)	(272,641)	(381,774)	6,846,237	136,837	(6,328,659)	(743,669)
Total liabilities and shareholders equity	$ (262,903)	$ 3,219,817	$ 16,574,087	$ 16,502,261	$ 244,550	$ (19,951,378)	$ 16,326,434

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

(in thousands)

	Intelsat S.A. and Other Parent Guarantors	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Revenue	$	$	$ 2,160,235	$ 2,160,251	$ 554,831	$ (2,522,796)	$ 2,352,521
Operating expenses:							
Direct costs of revenue (exclusive of depreciation and amortization)			241,603	241,603	449,274	(603,979)	328,501
Selling, general and administrative	7,912	193	126,331	125,494	65,143	(125,661)	199,412
Impairment of goodwill and other intangibles			4,165,400	4,165,400		(4,165,400)	4,165,400
Depreciation and amortization			654,784	654,784	32,945	(654,784)	687,729
Total operating expenses	7,912	193	5,188,118	5,187,281	547,362	(5,549,824)	5,381,042
Income (loss) from operations	(7,912)	(193)	(3,027,883)	(3,027,030)	7,469	3,027,028	(3,028,521)
Interest expense (income), net	10,723	274,451	613,162	36,059	(8,057)	(36,059)	890,279
Gain on early extinguishment of debt		7,061					7,061

Subsidiary income (loss)	(3,904,747)	(3,614,952)	11,983	11,983		7,495,733	
Other income (expense), net			4,367	(5,136)	(10,568)	5,136	(6,201)
Income (loss) before income taxes	(3,923,382)	(3,882,535)	(3,624,695)	(3,056,242)	4,958	10,563,956	(3,917,940)
Provision for (benefit from) income taxes	3		(1,871)	(1,885)	3,381	1,885	1,513
Net income (loss)	(3,923,385)	(3,882,535)	(3,622,824)	(3,054,357)	1,577	10,562,071	(3,919,453)
Net income attributable to noncontrolling interest					(3,934)		(3,934)
Net income (loss) attributable to Intelsat, S.A.	(3,923,385)	(3,882,535)	(3,622,824)	(3,054,357)	(2,357)	10,562,071	(3,923,387)
Cumulative preferred dividends	(9,919)						(9,919)
Net income (loss) attributable to common shareholders	$ (3,933,304)	$ (3,882,535)	$ (3,622,824)	$ (3,054,357)	$ (2,357)	$ 10,562,071	$ (3,933,306)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2014

(in thousands)

	Intelsat S.A. and Other Parent Guarantors	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Revenue	$	$	$ 2,281,331	$ 2,281,348	$ 592,317	$ (2,682,610)	$ 2,472,386
Operating expenses:							
Direct costs of revenue (exclusive of depreciation and amortization)			257,999	257,999	491,460	(659,110)	348,348
Selling, general and administrative	7,547	139	132,379	131,874	57,493	(132,025)	197,407
Depreciation and amortization			644,597	644,597	34,754	(644,597)	679,351
Total operating expenses	7,547	139	1,034,975	1,034,470	583,707	(1,435,732)	1,225,106
Income (loss) from operations	(7,547)	(139)	1,246,356	1,246,878	8,610	(1,246,878)	1,247,280
Interest expense, net	10,153	274,253	660,763	6,605	(382)	(6,605)	944,787
Loss on early extinguishment of debt			(40,423)				(40,423)
Subsidiary income	250,281	545,402	14,729	14,729		(825,141)	
Other income (expense), net	2		2,864	2,770	(5,461)	(2,768)	(2,593)
Income before income taxes	232,583	271,010	562,763	1,257,772	3,531	(2,068,182)	259,477
Provision for income taxes	53		17,361	17,268	5,557	(17,268)	22,971
Net income (loss)	232,530	271,010	545,402	1,240,504	(2,026)	(2,050,914)	236,506

Net income attributable to noncontrolling interest					(3,974)		(3,974)
Net income (loss) attributable to Intelsat, S.A.	232,530	271,010	545,402	1,240,504	(6,000)	(2,050,914)	232,532
Cumulative preferred dividends	(9,917)						(9,917)
Net income (loss) attributable to common shareholders	$ 222,613	$ 271,010	$ 545,402	$ 1,240,504	$ (6,000)	$ (2,050,914)	$ 222,615

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

(in thousands)

	Intelsat S.A. and Other Parent Guarantors	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Revenue	$	$	$ 2,382,169	$ 2,382,201	$ 663,354	$ (2,824,101)	$ 2,603,623
Operating expenses:							
Direct costs of revenue (excluding depreciation and amortization)			266,869	266,869	504,983	(662,952)	375,769
Selling, general and administrative	62,861	8,167	155,035	152,961	62,469	(153,026)	288,467
Depreciation and amortization			705,165	705,165	34,623	(708,386)	736,567
Gain on satellite insurance recoveries			(9,618)	(9,618)		9,618	(9,618)
Total operating expenses	62,861	8,167	1,117,451	1,115,377	602,075	(1,514,746)	1,391,185
Income (loss) from operations	(62,861)	(8,167)	1,264,718	1,266,824	61,279	(1,309,355)	1,212,438
Interest (income) expense, net	40,916	438,052	644,838	(10,042)	(1,545)	10,042	1,122,261
Loss on early extinguishment of debt	(24,185)	(341,351)	(2,553)				(368,089)
Subsidiary income (loss)	(85,180)	728,465	70,409	70,409		(784,103)	
Other income (expense), net	(7)		577	42,772	(5,488)	(42,772)	(4,918)
Income (loss) before income taxes	(213,149)	(59,105)	688,313	1,390,047	57,336	(2,146,272)	(282,830)
Provision for (benefit from)			(40,152)	(38,819)	9,315	38,819	(30,837)

income taxes							
Net income (loss)	(213,149)	(59,105)	728,465	1,428,866	48,021	(2,185,091)	(251,993)
Net income attributable to noncontrolling interest					(3,687)		(3,687)
Net income (loss) attributable to Intelsat S.A.	(213,149)	(59,105)	728,465	1,428,866	44,334	(2,185,091)	(255,680)
Cumulative preferred dividends	(10,196)						(10,196)
Net income (loss) attributable to common shareholders	$ (223,345)	$ (59,105)	$ 728,465	$ 1,428,866	$ 44,334	$ (2,185,091)	$ (265,876)

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

(in thousands)

	Intelsat S.A. and Other Parent Guarantors	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	$ 724	$ (251,879)	$ 1,138,747	$ 1,629,412	$ 22,438	$ (1,629,411)	$ 910,031
Cash flows from investing activities:							
Payments for satellites and other property and equipment (including capitalized interest)			(720,273)	(720,273)	(4,089)	720,273	(724,362)
Repayment from (disbursements for) intercompany loans	9,538		2,064	2,064	(346,799)	333,133	
Investment in subsidiaries	(7,355)	(610,000)	(198)	(40,444)		657,997	
Dividend from affiliates	19,000	898,400	28,423	28,423		(974,246)	
Purchase of cost method investment			(25,000)	(25,000)		25,000	(25,000)
Other investing activities			432	432	(424)	(432)	8
Net cash provided by (used in) investing activities	21,183	288,400	(714,552)	(754,798)	(351,312)	761,725	(749,354)
Cash flows from financing activities:							
Repayments of long-term debt		(17,829)	(479,000)				(496,829)
			430,000				430,000

Proceeds from drawdown of long-term debt							
Proceeds from (repayment of) intercompany borrowing	(1,430)		337,261		(634)	(335,197)	
Dividends paid to preferred shareholders	(9,919)						(9,919)
Capital contribution from parent			250,000	86,316	367,553	(703,869)	
Dividends to shareholders		(19,000)	(898,400)	(916,697)	(28,423)	1,862,520	
Principal payments on deferred satellite performance incentives			(18,405)	(18,405)	(1,163)	18,405	(19,568)
Dividends paid to noncontrolling interest					(8,423)		(8,423)
Other financing activities	154		1,600	1,600		(1,601)	1,753
Net cash provided by (used in) financing activities	(11,195)	(36,829)	(376,944)	(847,186)	328,910	840,258	(102,986)
Effect of exchange rate changes on cash and cash equivalents			(925)	(931)	(8,372)	931	(9,297)
Net change in cash and cash equivalents	10,712	(308)	46,326	26,497	(8,336)	(26,497)	48,394
Cash and cash equivalents, beginning of period	6,229	1,068	63,633	63,144	52,217	(63,144)	123,147
Cash and cash equivalents, end of period	$ 16,941	$ 760	$ 109,959	$ 89,641	$ 43,881	$ (89,641)	$ 171,541

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

(in thousands)

	Intelsat S.A. and Other Parent Guarantors	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	$ (1,366)	$ (270,171)	$ 1,253,342	$ 1,887,340	$ 64,363	$ (1,887,338)	$ 1,046,170
Cash flows from investing activities:							
Payments for satellites and other property and equipment (including capitalized interest)			(639,603)	(639,603)	(5,821)	639,603	(645,424)
Repayment from (disbursements for) intercompany loans	9,214		3,873	3,873		(16,960)	
Investment in subsidiaries	(3,790)		(194)	(194)		4,178	
Dividend from affiliates	8,300	279,400	33,943	33,943		(355,586)	
Other investing activities			174	174		(174)	174
Net cash provided by (used in)investing activities	13,724	279,400	(601,807)	(601,807)	(5,821)	271,061	(645,250)
Cash flows from financing activities:							
Repayments of long-term debt			(586,000)		(24,418)		(610,418)
Payment of premium on early extinguishment of			(21,250)				(21,250)

debt							
Proceeds from issuance of long-term debt			135,000				135,000
Proceeds from (repayment of) intercompany borrowing	(4,233)		(9,214)		360	13,087	
Dividends paid to preferred shareholders	(9,919)						(9,919)
Capital contribution from parent				103,698	3,984	(107,682)	
Dividends to shareholders		(8,300)	(279,400)	(1,473,781)	(33,943)	1,795,424	
Principal payments on deferred satellite performance incentives			(18,705)	(18,705)	(1,069)	18,705	(19,774)
Capital contribution from noncontrolling interest					12,209		12,209
Dividends paid to noncontrolling interest					(8,744)		(8,744)
Other financing activities	4,231		(338)	(338)		338	3,893
Net cash provided by (used in) financing activities	(9,921)	(8,300)	(779,907)	(1,389,126)	(51,621)	1,719,872	(519,003)
Effect of exchange rate changes on cash and cash equivalents			(1,085)	(1,063)	(5,473)	1,061	(6,560)
Net change in cash and cash equivalents	2,437	929	(129,457)	(104,656)	1,448	104,656	(124,643)
Cash and cash equivalents, beginning of period	3,792	139	193,090	167,800	50,769	(167,800)	247,790
Cash and cash equivalents, end of period	$ 6,229	$ 1,068	$ 63,633	$ 63,144	$ 52,217	$ (63,144)	$ 123,147

(Certain totals may not add due to the effects of rounding)

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INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

(in thousands)

	Intelsat S.A. and Other Parent Guarantors	Intelsat Luxembourg	Intelsat Jackson	Jackson Subsidiary Guarantors	Non-Guarantor Subsidiaries	Consolidation and Eliminations	Consolidated
Cash flows from operating activities:	$ (108,561)	$ (622,489)	$ 1,406,174	$ 1,785,702	$ 41,767	$ (1,785,701)	$ 716,892
Cash flows from investing activities:							
Payments for satellites and other property and equipment (including capitalized interest)			(591,762)	(591,762)	(9,030)	591,762	(600,792)
Proceeds from insurance settlements			487,930	487,930		(487,930)	487,930
Payment on satellite performance incentives from insurance proceeds			(19,199)	(19,199)		19,199	(19,199)
Repayment from (disbursements for) intercompany loans	(23,644)		(2,223,001)	(593,753)	3,493	2,836,905	
Investment in subsidiaries	(11,436)	(17,248)	(324)	(324)		29,332	
Dividend from affiliates	20,181	524,812	9,811	9,811		(564,615)	

Other investing activities			(2,000)	(2,000)		2,000	(2,000)
Net cash provided by (used in)investing activities	(14,899)	507,564	(2,338,545)	(709,297)	(5,537)	2,426,653	(134,061)
Cash flows from financing activities:							
Repayments of long-term debt	(353,550)	(5,307,986)	(1,218,208)		(24,418)		(6,904,162)
Repayment of notes payable to former shareholders	(868)						(868)
Payment of premium on early extinguishment of debt	(9,395)	(301,762)	(67)				(311,224)
Proceeds from issuance of long-term debt		3,500,000	2,754,688				6,254,688
Proceeds from (repayment of) intercompany borrowing	(52,391)	2,289,335	20,151	(44,111)	(13,943)	(2,199,041)	
Debt issuance costs		(44,433)	(40,412)				(84,845)
Proceeds from initial public offering	572,500						572,500
Stock issuance costs	(26,683)						(26,683)
Dividends paid to preferred shareholders	(5,235)						(5,235)
Capital contribution from parent			17,248	45,062	11,760	(74,070)	
Dividends to shareholders		(20,181)	(524,812)	(1,024,160)	(9,811)	1,578,964	
Principal payments on deferred satellite performance incentives			(16,509)	(16,509)	(993)	16,508	(17,503)
					12,209		12,209

Capital contribution from noncontrolling interest							
Dividends paid to noncontrolling interest					(8,671)		(8,671)
Other financing activities	2,800		471	471		(471)	3,271
Net cash provided by (used in) financing activities	127,178	114,973	992,550	(1,039,247)	(33,867)	(678,110)	(516,523)
Effect of exchange rate changes on cash and cash equivalents	(7)		(468)	(465)	(5,528)	465	(6,003)
Net change in cash and cash equivalents	3,711	48	59,711	36,693	(3,165)	(36,693)	60,305
Cash and cash equivalents, beginning of period	81	91	133,379	131,107	53,934	(131,107)	187,485
Cash and cash equivalents, end of period	$ 3,792	$ 139	$ 193,090	$ 167,800	$ 50,769	$ (167,800)	$ 247,790

(Certain totals may not add due to the effects of rounding)

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SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions	Balance at End of Period
		(in thousands)		
Year ended December 31, 2013:				
Allowance for doubtful accounts	$ 23,583	$ 29,599	$ (17,894)	$ 35,288
Year ended December 31, 2014:				
Allowance for doubtful accounts	$ 35,288	$ 2,306	$ (2,420)	$ 35,174
Year ended December 31, 2015:				
Allowance for doubtful accounts	$ 35,174	$ 7,432	$ (5,428)	$ 37,178