

## Selected Financial Data of Intelsat, Ltd.

The following selected financial data should be read in conjunction with, and is qualified by reference to, our consolidated financial statements and their notes and Item 5 – “Operating and Financial Review and Prospects” included in our annual report on Form 20-F for the fiscal year ended December 31, 2003 (the “20-F”). The consolidated statement of operations data for each of the years in the five-year period ended December 31, 2003 and the consolidated balance sheet data for the years ended December 31, 2000, 2001, 2002 and 2003 have been derived from consolidated financial statements audited by KPMG LLP, independent auditors. The consolidated statement of operations data for the years ended December 31, 1999 and 2000 and the consolidated balance sheet data as of December 31, 1999, 2000 and 2001 have been derived from financial statements that are not included in the 20-F.

	Year Ended December 31,				
	1999	2000	2001	2002	2003
	(in thousands, except share and per share data)				
<b>Consolidated Statement of Operations Data</b>					
Revenue.....	\$ 979,032	\$ 1,099,751	\$ 1,084,009	\$ 991,956	\$ 952,781
Operating expenses:					
Direct costs of revenue (exclusive of depreciation and amortization shown separately below).....	93,180	93,162	101,985	117,405	136,223
Selling, general and administrative .....	47,362	61,900	95,600	121,077	132,750
Depreciation and amortization <sup>(1)</sup> .....	441,183	414,250	340,449	361,322	403,234
Privatization initiative .....	11,433	21,575	33,576	—	—
IS-10-01 contract termination costs.....	—	—	—	34,358	(3,000)
Restructuring costs .....	—	—	7,300	5,522	(837)
Total operating expenses .....	593,158	590,887	578,910	639,684	668,370
Income from operations.....	385,874	508,864	505,099	352,272	284,411
Interest expense, net .....	(59,263)	(24,859)	(13,050)	(55,053)	(97,789)
Other income, net .....	29,561	20,885	12,293	9,942	20,626
Income before income taxes.....	356,172	504,890	504,342	307,161	207,248
Provision for income taxes <sup>(2)</sup> .....	—	—	5,359	33,021	26,129
Net income .....	\$ 356,172	\$ 504,890	\$ 498,983	\$ 274,140	\$ 181,119
Basic and diluted net income per ordinary share <sup>(3)</sup> .....	\$ 2.14	\$ 3.03	\$ 2.99	\$ 1.66	\$ 1.13
Dividends per ordinary share.....	—	—	—	—	—
Basic and diluted weighted average ordinary shares outstanding <sup>(3)</sup> .....	166,666,755	166,666,755	166,666,755	164,893,283	160,382,120
<b>Consolidated Statement of Cash Flow Data:</b>					
Net cash provided by operating activities.....	\$ 820,886	\$ 933,048	\$ 856,388	\$ 657,985	\$ 604,605
Net cash used in investing activities.....	(330,327)	(546,020)	(663,671)	(678,222)	(968,317)
Net cash (used in) provided by financing activities .....	(464,855)	(411,828)	(191,161)	31,504	956,425
	As of December 31,				
	1999	2000	2001	2002	2003
	(in thousands, except per share data)				
<b>Consolidated Balance Sheet Data:</b>					
Current assets.....	\$ 324,188	\$ 300,491	\$ 264,697	\$ 280,926	\$ 1,519,467
Non-current assets.....	2,839,901	2,898,672	3,311,438	3,684,506	3,553,250
Total assets .....	\$ 3,164,089	\$ 3,199,163	\$ 3,576,135	\$ 3,965,432	\$ 5,072,717
Current liabilities.....	\$ 426,013	\$ 471,798	\$ 260,607	\$ 307,651	\$ 1,347,575
Non-current liabilities.....	1,186,669	1,025,725	1,319,702	1,507,547	1,365,627
Total liabilities.....	\$ 1,612,682	\$ 1,497,523	\$ 1,580,309	\$ 1,815,198	\$ 2,713,202
Total shareholders' equity.....	1,551,407	1,701,640	1,995,826	2,150,234	2,344,400
Book value per ordinary share.....	\$ 9.31	\$ 10.21	\$ 11.97	\$ 13.41	\$ 14.62

(footnotes on following page)

	Year Ended December 31,				
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
	(in thousands)				
<b>Other Data (unaudited):</b>					
EBITDA <sup>(4) (5)</sup> .....	\$ 856,618	\$ 943,999	\$ 857,841	\$ 723,536	\$ 708,271
<b>Reconciliation of Net Income to EBITDA:</b>					
Net income .....	\$ 356,172	\$ 504,890	\$ 498,983	\$ 274,140	\$ 181,119
Add:					
Interest expense, net .....	59,263	24,859	13,050	55,053	97,789
Provision for income taxes <sup>(2)</sup> .....	—	—	5,359	33,021	26,129
Depreciation and amortization .....	441,183	414,250	340,449	361,322	403,234
EBITDA <sup>(4) (5)</sup> .....	<u>\$ 856,618</u>	<u>\$ 943,999</u>	<u>\$ 857,841</u>	<u>\$ 723,536</u>	<u>\$ 708,271</u>

- (1) As of January 1, 2001, we revised the estimated useful lives for certain satellites. The effect of these revised estimates was to increase the useful lives of substantially all of our Intelsat VII and VIII series satellites and thereby decrease depreciation expense by approximately \$60,507 for the year ended December 31, 2001.
- (2) Prior to privatization, the IGO was not subject to income taxes. Upon privatization, Intelsat, Ltd. and its subsidiaries became subject to taxes in various jurisdictions. Results of operations for the period from privatization through December 31, 2003 include a provision for these taxes. Intelsat, Ltd. and its subsidiaries also recognized a deferred tax benefit upon privatization as a result of the change in taxable status.
- (3) Basic and diluted net income per ordinary share for each of the three years ended December 31, 2001 has been computed assuming 166,666,755 ordinary shares had been outstanding for those periods. Basic and diluted net income per ordinary share for each of the four years ended December 31, 2002 also assumes that our June 4, 2002 share consolidation occurred at the beginning of the earliest period presented. On June 4, 2002, we amended our bye-laws to decrease the number of authorized ordinary shares from 650,000,000 ordinary shares with a par value of \$1.00 per share to 216,666,666 2/3 ordinary shares with a par value of \$3.00 per share, and to decrease the number of authorized preference shares from 7,500,000 preference shares with a par value of \$1.00 per share to 2,500,000 preference shares with a par value of \$3.00 per share. Prior to our share consolidation, we had 500,000,000 ordinary shares outstanding and no preference shares outstanding. At December 31, 2003, we had, for accounting purposes, 160,382,120 ordinary shares outstanding and no preference shares outstanding. This number of ordinary shares outstanding excludes the 6,284,635 ordinary shares purchased from Teleglobe Inc. by our Intelsat Global Sales & Marketing Ltd. subsidiary.
- (4) EBITDA consists of earnings before interest, taxes and depreciation and amortization. EBITDA is a measure commonly used in the fixed satellite services sector, and we present EBITDA to enhance your 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 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 measurement of financial performance under U.S. generally accepted accounting principles and may not be comparable to other similarly titled measures of other companies. You should not consider EBITDA as an alternative to operating or net income, determined in accordance with generally accepted accounting principles, as an indicator of our operating performance, or as an alternative to cash flows from operating activities, determined in accordance with generally accepted accounting principles, as an indicator of cash flows, or as a measure of liquidity.
- (5) EBITDA for 2002 and 2003 includes non-operating other income related to an obligation payable by us to Teleglobe Inc. of \$6,080 and \$29,780, respectively.