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## **Commercial Satellite Industry Continues To Grow**

San Diego, CA -- The Satellite Industry Association (SIA) today released its annual "State of the Satellite Industry Report" at the 2006 ISCe Conference. SIA reported that the global commercial satellite industry generated some \$88.8 billion in revenue in 2005, an increase of 7.4 percent over 2004 industry-wide revenues.

SIA Executive Director David Cavossa noted that: **"After a few difficult years, the satellite industry has begun its rebound fueled by new technologies and applications in the mobile satellite sector and consumer applications such as HD television and satellite radio."**

Cavossa also commented **"This growth is expected to continue, driven as well by growing government demand for continuity of communications and the renewed interest by financial markets to invest in satellite companies."**

Satellite industry revenues were led again in 2005 by the satellite services sector, which has grown to over \$52 billion, and now accounts for nearly 60% of total industry revenues, increasing from 45% of the total in 2000 and 53.6% in 2003. Once again satellite services were dominated by Direct-To-Home (DTH) television services, which accounted for \$41.3 billion, more than half the entire industry's revenues.

2005 marks the 10th year the Satellite Industry Association and the Futron Corporation have compiled the satellite industry's annual revenues. The report is based on an extensive survey of the commercial satellite industry supplemented by research and analysis of industry trends and publicly available data. The report covers satellite manufacturing, launch services, satellite services, and ground equipment manufacturing.

According to the survey, global satellite manufacturing revenues, at \$7.8 billion in 2005, declined overall some 24% from 2004, largely as the result of lower government contract revenues. In 2005, government payloads accounted for 71% of total manufacturing revenues, vs. 82% in 2004. U.S. satellite manufacturing revenues were \$3.2 billion, or 41% of the total, which is a dramatic reduction from 2000 when U.S. revenues were \$6 billion and 51% of the global total. Revenues for satellite manufacturing and launch services are booked upon launch, not at the awarding of a contract.

Overall launch industry revenues increased 7% in 2005, up to \$3 billion, of which 50% was attributed to U.S. launch companies. The proportion of government versus commercial contracts for launches continues to shift as well, although not in sync with satellite manufacturing. Commercial customers represented 46% of the 2005 commercial launches, while government customers represented 54%; in 2004 these numbers were 37% and 63%, respectively.

Driven largely by new technologies and capabilities in key consumer services such as DTH and satellite radio, the satellite ground equipment sector grew 11% in 2005, accounting for \$25.2 billion in revenue. This sector is expected to continue to grow with the increased demand for new equipment to meet demand for innovative services such as mobile defense and emergency management applications.

The full report is available at [www.sia.org](http://www.sia.org) .

SIA is a U.S.-based trade association providing worldwide representation of the leading satellite operators, service providers, manufacturers, launch services providers, and ground equipment suppliers. SIA is the unified voice of the U.S. satellite industry on policy, regulatory, and legislative issues affecting the satellite business.

SIA Executive Members include: Artel Inc.; The Boeing Company; The DirecTV Group; Globalstar LLC; Hughes Network Systems LLC.; ICO Global Communications; Integral Systems, Inc.; Intelsat Ltd.; Iridium Satellite LLC; Lockheed Martin Corp.; Loral Space & Communications Ltd.; Mobile Satellite Ventures LP; Northrop Grumman Corporation; PanAmSat Corporation; SES Americom, Inc.; and TerreStar Networks Inc.; and Associate Members; ATK Inc.; EMC Inc.; Eutelsat Inc.; Inmarsat Ltd.; IOT Systems; Marshall Communications Corp.; New Skies Satellites Inc.; Spacecom Corp.; Stratos Global Corp.

Futron Corporation is a technology management consulting firm headquartered in Bethesda, MD. Futron specializes in the space industry, including satellite service and launch market assessments and forecasting, long-term industry trends, and vehicle, satellite, and company databases.

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