



**PRESS RELEASE:**

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**SIA Releases 2002 Satellite Industry Statistics**

April 7, 2003 - (Colorado Springs, CO) – The Satellite Industry Association (SIA) today released its 2002 satellite industry statistics at the Space Foundation’s National Space Symposium. SIA reported that the commercial satellite industry generated \$86.8 billion in revenue in 2002, an increase of 10 percent over 2001 industry revenues. SIA President Richard DalBello noted that “despite a sluggish global economy in 2002, the satellite industry continues to make significant progress.”

As in the last several years, satellite industry revenues were driven primarily by Direct-To-Home (DTH) services, which accounted for \$42.5 billion, roughly 49% of the entire industry’s revenues. By comparison, at just \$7.3 billion, transponder leasing revenues experienced zero growth in 2002 after a decline in 2001. DalBello explained the lack of revenue growth in transponder sales was directly attributable to “the introduction of roughly 1000 new transponders into service and subsequent falling lease prices and fill rates.”

2002 marks the 7<sup>th</sup> year the Satellite Industry Association and the Futron Corporation have compiled the satellite industry’s annual statistics. The study is based on a survey of the commercial satellite industry to determine aggregate revenue, employment, and output indicators. The study covers satellite manufacturing, launch services, satellite services, and ground equipment manufacturing.

According to the survey, global satellite manufacturing revenues were \$12.1 billion, a 27% increase over 2001 revenues. 2002 revenues were driven, in part, by the delivery and launch of two billion-dollar government satellites (the U.S. military’s Milstar 5 and the European research satellite, Envisat). Revenues for satellite manufacturing and launch services are booked upon launch, not at the awarding of a contract. DalBello stated “although 2002 was a lackluster year for new satellite orders, strong revenues reflect the launch of satellites contracted in previous years. The significant decline in orders in 2002 will be reflected in satellite manufacturing revenues in 18-24 months” Dalbello noted.

Overall launch industry revenues increased 23% to \$3.7 billion in 2002, while U.S. launch revenues declined by 9% to a seven year low of \$1 billion. DalBello noted, “the decline in U.S. launch revenues can be attributed to the continued price war among the many new and old players in the global launch industry and the cautious response of global buyers to the introduction of two new U.S. launch vehicles in 2002.”

The satellite ground equipment sector accounted for \$21.2 billion in revenue – an 8% increase over 2001. The largest revenue growth in this sector has been observed in end-user equipment sales for VSAT, satellite television, high-speed Internet, and satellite radio services.

SIA is a national trade association representing the world's leading satellite manufacturers, service providers, and launch service companies. SIA serves as an advocate for the commercial satellite industry on regulatory and policy issues common to its members. With member companies providing a broad range of manufactured products and services throughout the world, SIA represents the unified voice of the commercial satellite industry.

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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