



Telesat Holdings Inc. Announces Second Quarter Earnings

OTTAWA, CANADA, August 11, 2008 - Telesat Holdings Inc. (Telesat) today announced its financial results for the three and six month periods ended June 30, 2008. Unless otherwise stated herein, all amounts are in Canadian Dollars (CAD).

Consolidated revenues and EBITDA for the six month period were \$332 million, and \$201 million respectively. For the quarter ending June 30, 2008, revenues were \$170 million, and EBITDA was \$104 million. Quarterly revenues and EBITDA both increased by \$7 million from \$163 and \$97 million, respectively, in the first quarter, reflecting sales increases in all business units and cost savings from the synergy plan. Quarter-over-quarter operating expenses were flat as additional savings from Telesat's synergy program were offset by a combination of in-orbit insurance for Anik F3 and certain costs related to the higher revenues, the combination of which totaled more than \$2 million. As a result, the EBITDA margin improved to 61% at the end of the second quarter, up from 60% at the end of the first quarter, and an improvement from the year end 2007 level of approximately 55%.

Telesat reported a net loss for the six months ended June 30, 2008 of \$89 million. For the most recent quarter, the net profit was \$12 million. For the six month period, the net loss is primarily driven by interest expense on the debt and non-cash, unrealized foreign exchange losses related to the Company's US-dollar denominated debt. The foreign exchange loss for the six months was \$102 million and for the three months ended June 30, 2008 was a gain of \$21 million. The Canadian dollar decreased by 3.05 cents relative to the US dollar in the first six months and increased by 0.93 cents in the three months ended June 30.

"I am very pleased with our second quarter and first half financial and operating performance" said Dan Goldberg, President and CEO. "We are executing well both with respect to our top line results and controlling our expenses, including delivering on our synergy plan."

Telesat now expects to launch its Nimiq 4 satellite on a Proton launch vehicle late in the 3rd quarter of 2008, subject to the successful completion of the next Proton launch mission scheduled earlier in the quarter.

Telesat has posted its unaudited Consolidated Financial Statements for the three and six month periods ended June 30, 2008 on its website at www.telesat.com in the "Investor Relations" section.

Conference Call

Telesat has scheduled a conference call to discuss its financial results for the three and six month periods ended June 30, 2008 and other recent developments for Monday, August 11, 2008 at 10:00 a.m. EDT. The call will be led by Daniel S. Goldberg, President & Chief Executive Officer and Ted H. Ignacy, Chief Financial Officer of Telesat. A presentation to be addressed on the conference call has been posted to the Company's website.

Dial-in Instructions:

The toll-free dial-in for the teleconference is +1-866-696-5910. International callers should dial +1-416-340-2217. The access code is 3268083 followed by the number sign. Please allow at least 10 minutes prior to the scheduled start time to connect to the teleconference.

Dial-in Audio Replay:

A replay of the teleconference will be available beginning at 12:00 p.m. EDT August 11, 2008, until 11:59 p.m. EDT on August 25, 2008. To access the replay, please call +1-800-408-3053. International callers should dial +1-416-695-5800. The access code is 3268083 followed by the number sign.

About Telesat (www.telesat.com)

Headquartered in Ottawa, Canada, with offices and facilities around the world, Telesat is the fourth largest fixed satellite services operator. The company provides reliable and secure satellite-delivered communications solutions to broadcast, telecom, corporate and government customers. Telesat has a global state-of-the-art fleet of 12 satellites and three additional satellites under construction, and manages the operations of 13 additional satellites for third parties. Telesat is privately held. Its principal shareholders are Canada's Public Sector Pension Investment Board and Loral Space & Communications Inc. (NASDAQ: LORL).

Statement under the Private Securities Litigation Reform Act

This news release may contain statements that are not based on historical fact and are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this release concerning the beliefs, expectations, intentions, future events, future performance, business prospects and business strategy, including statements regarding projections for 2008 and beyond, are based on several assumptions. If any of these assumptions are not satisfied or prove to be incorrect, actual results could differ materially from those indicated in the forward-looking statements, depending on a variety of factors including, but not limited to, Telesat’s ability to implement its business strategy and competition in the market. The information presented in this release reflects Telesat’s expectations as of the date of this release. Telesat undertakes no obligation to update or revise the information herein.

For further information:

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Telesat Holdings Inc.
Unaudited, Consolidated Financial Highlights
(CAD\$ millions)

	Three Months Ended June 30/2008	Three Months Ended March 31/2008	Two Months Ended December 30/2007
Total Operating Revenues	\$169.5	\$162.7	\$111.4
Total Operating Expenses	\$65.5	\$65.5	\$49.8
Net Income (Loss)	\$12.4	(\$101.4)	(\$4.1)
Total Assets	\$5,501.5	\$5,542.2	\$5,545.4
Total Debt Financing	\$2,923.7	\$2,921.5	\$2,794.4
Shareholders' Equity	\$1,204.5	\$1,191.0	\$1,293.5
Total Operating Expenses exclude amortization			

Telesat Holdings Inc.
Unaudited Reconciliation of Net Income (Loss) to EBITDA
(CAD\$ millions)

	Three Months Ended June 30/2008	Three Months Ended March 31/2008	Two Months Ended December 30/2007
Net Loss	\$12.4	(\$101.4)	(\$4.1)
Add:			
Income Tax Expense (Recovery)	17.6	(16.3)	(62.2)
Other Expense (income)	(39.1)	90.9	44.0
Interest Expense	55.7	65.3	43.9
Amortization	<u>57.4</u>	<u>58.7</u>	<u>40.0</u>
EBITDA	<u>\$104.0</u>	<u>\$97.2</u>	<u>\$61.6</u>
EBITDA margin	61%	60%	55%

Note:

Telesat Holdings Inc. ("Telesat" or "Telesat's") EBITDA consists of earnings before interest, taxes, other income, and depreciation and amortization. EBITDA is a measure commonly used in the fixed satellite services sector, and Telesat presents Telesat's EBITDA to provide further information with respect to its operating performance. Telesat's EBITDA margin is defined as Telesat's EBITDA divided by total revenues. Telesat's EBITDA is used as one criterion for evaluating its performance relative to that of its peers. It is believed that Telesat's 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, Telesat's EBITDA and Telesat's EBITDA margin are not measures of financial performance under Canadian GAAP or United States GAAP, and may not be comparable to similarly titled measures of other companies. You should not consider Telesat's EBITDA or Telesat's EBITDA margin as an alternative to operating income or net loss or operating or net income (loss) margin, determined in accordance with Canadian GAAP or United States GAAP, as an indicator of Telesat's operating performance, or as an alternative to cash flows from operating activities, determined in accordance with Canadian GAAP or United States GAAP, as an indicator of cash flows or as a measure of liquidity.