



500 Hills Drive  
Bedminster, NJ 07921

**NEWS**  
FOR IMMEDIATE RELEASE

Contact: John McCarthy  
(212) 338-5345

**LORAL SKYNET ANNOUNCES *SKYREACH*<sup>SM</sup> CELLULAR  
BACKHAUL SERVICE WITH COMTECH EF DATA**

*New IP-Based Application Delivers A Cost-Effective,  
Fully Managed Solution for Mobile/Cellular Operators*

**BEDMINSTER – February 14, 2007** – Loral Skynet, a subsidiary of Loral Space & Communications Inc. (NASDAQ: LORL), today introduced a new, satellite-based cellular backhaul service that enables mobile/cellular operators to extend their networks and reduce the operational costs of serving remote and low annual rate per user (ARPU) areas.

The new service, called *SkyReach*<sup>SM</sup> Cellular Backhaul, is a one-stop, end-to-end managed solution that integrates design, implementation, monitoring and support for optimum network management. Sensitive to bandwidth costs, the service replaces costly E1/T1 lines with highly optimized satellite links to provide Abis connectivity between operators' Base Station Controller (BSC) and Base Transceiver Stations (BTS). This connectivity allows networks to expand over challenging geographic regions or for delivering license-mandated services to low user, low income areas.

The service leverages global coverage from Skynet's satellite fleet and market-leading compression and optimization technologies from Comtech EF Data Corporation and its subsidiary, Memotec, Inc., to provide the most cost-effective means for mobile operators to expand their networks rapidly and seamlessly.

"Mobile/cellular services in rural areas are growing exponentially and represent 80% of new subscribers. A managed service that is rapidly deployable, scalable and reduces operational costs is very powerful. The partnership with Comtech EF Data and Memotec allows Skynet to offer this unique service," said Brian Skimmons, vice president and general manager of network services, Loral Skynet.

Increased flexibility is what differentiates Skynet's Cellular Backhaul service by allowing operators to retain full control of their network at their preferred hosting location, regardless of platform. The cellular backhaul-enabled satellite modems and link optimization provided by Comtech EF Data and Memotec deliver the highest levels of voice quality, bandwidth efficiency and reliability.

"Other satellite providers focus primarily on selling satellite bandwidth or require use of their teleports, creating an unnecessary burden on mobile operators," Skimmons continued.

“*SkyReach* Cellular Backhaul leverages the depth of our product and service portfolio and integrates value-added options for business continuity and disaster recovery for an unprecedented level of network availability and revenue protection.”

“Comtech EF Data and our subsidiary, Memotec, are honored that Loral Skynet selected our infrastructure products as integral to the *SkyReach* offering,” said Daniel Enns, senior vice president strategic marketing & business development, Comtech EF Data Corporation. “The combination of our satellite modems and multi-service access products can provide unprecedented efficiencies and scalability for cellular operators to enable lowering the total cost of ownership.”

*SkyReach* Cellular Backhaul is a “best of breed” service that is supported by Skynet’s world-class 24x7 global network of local ground operators and integrators with performance backed by “terrestrial-like” Service Level Agreements.

#### **About Memotec**

Memotec, Inc., a subsidiary of Comtech EF Data, is a leading supplier of voice optimization solutions for GSM cellular operators. Memotec’s solutions help mobile and telephony operators significantly reduce access and backhaul transmission costs, and extend service capabilities for their evolving networks. Please visit [www.memotec.com](http://www.memotec.com) for more information.

#### **About Comtech EF Data**

Comtech EF Data Corp., subsidiary of Comtech Telecommunications Corp., manufactures a broad spectrum of satellite communications products, including Modems, Bandwidth & Capacity Management, Performance Enhancement Proxies, Converters, Amplifiers, Transceivers and Terminals. The products tailored to support satellite-based cellular backhaul provide instant infrastructure, cost-effective expansion, superior performance and link efficiency. Please visit [www.comtecheftdata.com](http://www.comtecheftdata.com) for more information.

#### **About Loral and Loral Skynet**

A pioneer in the satellite industry, Loral Skynet delivers the superior service quality and range of satellite and global network service solutions that have made it an industry leader for more than 40 years. Through its networking expertise of complex and integrated global network solutions, Loral’s Telstar satellite fleet and global fiber backbone has led to the development of a strong product and services portfolio. With a commitment to service and customer satisfaction, Loral supplements good products with good services via a global network of partners and vendors to dynamic business requirements around the world for broadcast and data network services, VoIP, Internet access and systems integration. For more information, visit our web site at [www.loralskynet.com](http://www.loralskynet.com).

In addition to being the parent company of Loral Skynet, Loral Space & Communications is a world-class leader in the design and manufacture of satellites and satellite systems for commercial and government applications through its [Space Systems/Loral](#) subsidiary. For more information, visit our web site at [www.loral.com](http://www.loral.com)

###

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In addition, Loral Space & Communications Inc. or its representatives have made or may make forward-looking statements, orally or in writing, which may be included in, but are not limited to, various filings made from time to time with the Securities and Exchange Commission, press releases or oral statements made with the approval of an authorized executive officer of the company. Actual results could differ materially from those projected or suggested in any forward-looking statements as a result of a wide variety of factors and conditions. Many of these factors and conditions are described under the caption "Risk Factors" in each of the company's annual report on Form 10-K for the fiscal year ended December 31, 2005, and its quarterly reports on Form 10-Q for subsequent periods. The reader is specifically referred to these documents, as well as the company's other filings with the Securities and Exchange Commission.