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IRIDIUM COMMUNICATIONS INC.

FORM 10-Q
(Quarterly Report)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 001-33963

Iridium Communications Inc.
(Exact name of registrant as specified in its charter)

DELAWARE **(State of incorporation)**	**26-1344998** **(I.R.S. Employer Identification No.)**
1750 Tysons Boulevard, Suite 1400, McLean, Virginia **(Address of principal executive offices)**	**22102** **(Zip code)**

703-287-7400
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock, par value $0.001 per share, outstanding as of August 3, 2011 was 73,205,008.

IRIDIUM COMMUNICATIONS INC.

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PART I.

Iridium Communications Inc.

Unaudited Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)

	June 30, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	$ 103,767	$ 119,932
Accounts receivable	59,568	50,278
Inventory	14,407	16,654
Deferred tax assets, net	5,784	5,784
Income tax receivable	6,608	11,103
Prepaid expenses and other current assets	5,455	4,978
Total current assets	195,589	208,729
Property and equipment, net of accumulated depreciation of $138,134 and $97,667, respectively	717,390	566,519
Other assets	14,231	814
Intangible assets, net of accumulated amortization of $21,861 and $15,336, respectively	90,077	96,602
Deferred financing costs	95,867	87,746
Goodwill	87,039	87,039
Total assets	$1,200,193	$1,047,449
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 53,747	$ 28,132
Accrued expenses and other current liabilities	31,193	54,271
Note payable	0	22,223
Deferred revenue	33,074	28,215
Total current liabilities	118,014	132,841
Credit facility	265,272	135,145
Deferred tax liabilities, net	110,405	100,728
Other long-term liabilities	27,666	23,216
Total liabilities	521,357	391,930
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value, 2,000,000 shares authorized and none issued and outstanding	—	—
Common stock, $0.001 par value, 300,000,000 shares authorized and 73,205,008 and 70,253,501 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	73	70
Additional paid-in capital	678,563	675,402
Accumulated deficit	(61)	(20,043)
Accumulated other comprehensive income, net of taxes	261	90
Total stockholders' equity	678,836	655,519
Total liabilities and stockholders' equity	$1,200,193	$1,047,449

See notes to unaudited condensed consolidated financial statements

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Iridium Communications Inc.

Unaudited Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenue:				
Services	$ 65,156	$ 59,078	$ 126,326	$ 113,517
Subscriber equipment	21,913	20,264	46,323	42,107
Engineering and support services	8,834	4,632	14,557	10,092
Total revenue	95,903	83,974	187,206	165,716
Operating expenses:				
Cost of subscriber equipment sales	12,062	11,711	25,107	34,856
Cost of services (exclusive of depreciation and amortization)	19,758	19,021	36,697	39,382
Research and development	3,379	8,132	7,647	12,397
Selling, general and administrative	16,297	16,703	33,716	32,633
Depreciation and amortization	23,664	22,449	46,995	44,960
Total operating expenses	75,160	78,016	150,162	164,228
Operating income	20,743	5,958	37,044	1,488
Other (expense) income:				
Interest income (expense), net	262	228	547	334
Other (expense) income, net	(3,168)	(22)	(7,544)	95
Total other (expense) income	(2,906)	206	(6,997)	429
Income before income taxes	17,837	6,164	30,047	1,917
Provision for income taxes	6,154	2,964	10,065	34
Net income	$ 11,683	$ 3,200	$ 19,982	$ 1,883
Weighted average shares outstanding – basic	71,519	70,274	70,943	70,261
Weighted average shares outstanding – diluted	73,653	72,970	73,164	72,202
Net income per share – basic	$ 0.16	$ 0.05	$ 0.28	$ 0.03
Net income per share – diluted	$ 0.16	$ 0.04	$ 0.27	$ 0.03

See notes to unaudited condensed consolidated financial statements

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Iridium Communications Inc.

Unaudited Condensed Consolidated Statements of Cash Flows
(In thousands)

	Six Months Ended June 30,	
	2011	2010
Cash flows from operating activities:		
Net cash provided by operating activities	$ 84,082	$ 33,216
Cash flows from investing activities:		
Payment of deferred acquisition consideration	—	(4,636)
Capital expenditures	(170,871)	(48,158)
Net cash used in investing activities	(170,871)	(52,794)
Cash flows from financing activities:		
Borrowings under credit facility	130,127	—
Payment of deferred financing fees	(23,793)	(6,857)
Cash restricted for debt service reserve	(13,528)	—
Proceeds from exercise of stock options	41	—
Repayment of note payable	(22,223)	—
Net cash provided (used in) by financing activities	70,624	(6,857)
Net decrease in cash and cash equivalents	(16,165)	(26,435)
Cash and cash equivalents, beginning of period	119,932	147,178
Cash and cash equivalents, end of period	$ 103,767	$ 120,743
Supplemental disclosure of non-cash investing activities:		
Property and equipment received but not paid for yet	$ 41,384	$ 2,811
Leasehold improvement incentives	$ —	$ 901
Capitalized interest accrued	$ 1,832	$ —
Stock-based compensation capitalized	$ 282	$ 52
Supplemental disclosure of non-cash financing activities:		
Accrued financing fees	$ —	$ 1,541

See notes to unaudited condensed consolidated financial statements

Iridium Communications Inc.

Notes to Unaudited Condensed Consolidated Financial Statements
June 30, 2011

1. Organization and Basis of Presentation

Iridium Communications Inc. (the "Company") was initially formed in 2007 as GHL Acquisition Corp., a special purpose acquisition company. The Company acquired, directly and indirectly, all the outstanding equity of Iridium Holdings LLC in a transaction accounted for as a business combination on September 29, 2009 (the "Acquisition"). In accounting for the Acquisition, the Company was deemed the legal and accounting acquirer. On September 29, 2009, the Company changed its name to Iridium Communications Inc.

As a result of, and subsequent to, the Acquisition, the Company is a provider of mobile voice and data communications services on a global basis using a constellation of low-earth orbiting satellites. The Company holds various licenses and authorizations from the U.S. Federal Communications Commission (the "FCC") and from foreign regulatory bodies that permit the Company to conduct its business, including the operation of its satellite constellation.

2. Significant Accounting Policies and Basis of Presentation

Principles of Consolidation and Basis of Presentation

The Company has prepared its unaudited condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information. The accompanying unaudited condensed consolidated financial statements include the accounts of (i) the Company, (ii) its wholly owned subsidiaries, (iii) all less than wholly owned subsidiaries that the Company controls, and (iv) variable interest entities where the Company is the primary beneficiary. All material intercompany transactions and balances have been eliminated, and net income not attributable to the Company has been allocated to noncontrolling interests, when material.

In the opinion of management, the unaudited condensed consolidated financial statements reflect all normal recurring adjustments that the Company considers necessary for the fair presentation of its results of operations and cash flows for the interim periods covered, and of the financial position of the Company at the date of the interim unaudited condensed consolidated balance sheet. The operating results for interim periods are not necessarily indicative of the operating results for the entire year. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to instructions, rules and regulations prescribed by the U.S. Securities and Exchange Commission ("SEC"). While the Company believes that the disclosures are adequate to make the information not misleading, these interim unaudited condensed consolidated financial statements should be read in conjunction with the 2010 annual consolidated financial statements and notes included in its Form 10-K filed with the SEC on March 7, 2011.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ materially from those estimates.

Financial Instruments

The unaudited condensed consolidated balance sheets include various financial instruments (primarily cash and cash equivalents, prepaid expenses and other current assets, accounts receivable, accounts payable, accrued expenses and other liabilities, notes and loans payable, deferred revenue, and other obligations). Fair value is the price that would be received from the sale of an asset or paid to transfer a liability assuming an orderly transaction in the most advantageous market at the measurement date. U.S. GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of observability of inputs used in measuring fair value. These tiers include:

- Level 1, defined as observable inputs such as quoted prices in active markets for identical assets;
- Level 2, defined as observable inputs other than Level 1 prices such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Additional information regarding fair value is disclosed in Note 5.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and receivables. The majority of cash is swept nightly into a money market fund invested in U.S. Treasuries. While the Company maintains its cash and cash equivalents with financial institutions with high credit ratings, it often maintains those deposits in federally insured financial institutions in excess of federally insured (FDIC) limits. When necessary, the Company performs credit evaluations of its customers' financial condition and records allowances to provide for estimated credit losses. Accounts receivable are due from both domestic and international customers (see Note 4).

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The cash and cash equivalents balances at June 30, 2011 and December 31, 2010, consisted of cash deposited in money market mutual funds invested in U.S. Treasuries, and interest bearing and non-interest bearing depository accounts with commercial banks. The Company's restricted cash balances (included in other assets) as of June 30, 2011 and December 31, 2010 were $13.6 million and $0.1 million, respectively (see Note 3).

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and are often subject to late payment penalties. Management develops its estimate of an allowance for uncollectible receivables based on the Company's experience with specific customers, aging of outstanding invoices, its understanding of customers' current economic circumstances and its own judgment as to the likelihood that the Company will ultimately receive payment. The Company writes off its accounts receivable when balances ultimately are deemed uncollectible.

Foreign Currencies

The functional currency of the Company's foreign subsidiaries is generally their local currency, except (i) in situations where the subsidiary conducts its business primarily in the U.S. dollar, and (ii) for countries that have "highly inflationary" economies, which in both cases the functional currency is deemed to be the reporting currency (or U.S. dollar). Assets and liabilities of its foreign subsidiaries are translated to U.S. dollars based on exchange rates at the end of the reporting period. Income and expense items are translated at the weighted average exchange rates prevailing during the reporting period. Translation adjustments are accumulated in a separate component of stockholders' equity. Transaction gains or losses are classified as other (expense) income, net in the accompanying unaudited condensed consolidated statements of operations.

Internally Developed Software

The Company capitalizes the costs of acquiring and developing software to meet its internal needs. Capitalization of costs associated with software obtained or developed for internal use commences when both the preliminary project stage is completed and management has authorized funding for the project, based on a determination that it is probable that the project will be completed and used to perform the function intended. Capitalized costs include only (i) external direct cost of materials and services consumed in developing or obtaining internal-use software and (ii) payroll and payroll-related costs for employees who are directly associated with, and devote time to, the development. Capitalization of such costs ceases when the project is substantially complete and ready for its intended use. Internal use software costs are amortized once the software is placed in service using the straight-line method over periods ranging from three to seven years.

Deferred Financing Costs

Direct and incremental costs incurred in connection with securing debt financing are deferred and are amortized as additional interest expense using the effective interest method over the term of the related debt.

Capitalized Interest

The Company capitalizes interest costs incurred during the period when an asset is under construction or is being prepared for its intended use. Capitalized interest costs will be depreciated over the useful lives of assets to which such costs are allocated, beginning when the assets are placed in service.

Inventory

Inventory consists primarily of finished goods, although the Company at times also maintains an inventory of raw materials from third-party manufacturers. The Company outsources manufacturing of subscriber equipment primarily to a third-party manufacturer and purchases accessories from a variety of third-party suppliers. The Company's cost of inventory includes an allocation of overhead (including salaries and benefits of employees directly involved in bringing inventory to its existing condition), scrap and freight. Inventories are valued using the average cost method, and are carried at the lower of cost or market value.

The Company has a manufacturing agreement with a supplier to manufacture subscriber equipment, which contains minimum monthly purchase requirements. Pursuant to the agreement, the Company may be required to purchase excess raw materials if the materials are not used in production within the periods specified in the agreement. The supplier will then repurchase such materials from the Company at the same price paid by the Company, as required for the production of the devices. As of June 30, 2011 and December 31, 2010, the Company had $0.9 million and $1.1 million, respectively, of those materials, and the amounts were included in inventory on the accompanying unaudited condensed consolidated balance sheets.

Accounting for Stock-Based Compensation

The Company accounts for stock-based compensation at fair value. The Company expenses the estimated fair value of stock-based awards over the requisite service period. Stock option compensation cost is determined at the grant date using the Black-Scholes option pricing model. The fair value of an award that is ultimately expected to vest is expensed on a straight-line basis over the requisite service period and is classified in the statement of operations in a manner consistent with the classification of the employee's or non-employee director's salary or other compensation. Stock-based awards to consultants are expensed at their fair value according to the terms of their agreements and are classified in selling, general and administrative expenses in the accompanying unaudited condensed consolidated statements of operations.

Non-employee directors elected to receive a portion of their 2011 annual compensation in the form of equity awards, in an aggregate of approximately 0.1 million stock options and 0.1 million restricted stock units ("RSUs"). These stock options and RSUs were granted in January 2011 and vest over a one-year period with 25% vesting on the last day of each calendar quarter. The estimated aggregate grant-date fair value of the stock options was approximately $0.3 million. The estimated aggregate grant-date fair value of the RSUs was approximately $0.7 million. The Company is recognizing the expense for these awards ratably over the one-year service period.

The Company also granted stock options to acquire an aggregate of approximately 0.2 million and 1.8 million shares of its common stock, par value $0.001 per share (the "Common Stock") to its employees in the three and six months ended June 30, 2011, respectively. Employee stock options generally vest over a four-year period with 25% vesting on the first anniversary of the grant date and the remainder vesting ratably on a quarterly basis thereafter. The estimated aggregate grant-date fair values of the employee stock options granted during the three and six month periods ended June 30, 2011 were approximately $0.6 million and $6.5 million, respectively.

Property and Equipment

Property and equipment is carried at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Ground systems	5 – 7 years
Equipment	3 – 5 years
Internally developed software and purchased software	3 – 7 years
Buildings	39 years
Building improvements	estimated useful life
Leasehold improvements	shorter of useful life or remaining lease term

The Company's current satellite constellation is being depreciated using the straight-line method over 5 years from the date of the Acquisition.

Repairs and maintenance costs are expensed as incurred.

Long-Lived Assets

The Company assesses its long-lived assets for impairment when indicators of impairment are present. Recoverability of assets is measured by comparing the carrying amounts of the assets to the future undiscounted cash flows expected to be

generated by the assets. Any impairment loss would be measured as the excess of the assets' carrying amount over their fair value. Fair value is based on market prices, when available, an estimate of market value or various other valuation techniques.

Goodwill and Other Intangible Assets

Goodwill

Goodwill is the excess of the acquisition cost of a business over the fair value of the identifiable net assets acquired. Impairment testing for goodwill is performed annually on October 1, or more frequently if indicators of potential impairment exist. If the fair value of goodwill is less than the carrying amount of goodwill, an impairment loss is recognized.

Intangible Assets Not Subject to Amortization

A portion of the Company's intangible assets are spectrum and regulatory authorizations and trade names, which are indefinite-lived intangible assets. The Company evaluates the useful life determination for these assets each reporting period to determine whether events and circumstances continue to support an indefinite useful life. The Company tests its indefinite-lived intangible assets for potential impairment annually or more frequently if indicators of impairment exist. If the fair value of the indefinite-lived asset is less than the carrying amount, an impairment loss is recognized.

Intangible Assets Subject to Amortization

The Company's intangible assets that have finite lives (primarily customer relationships, core developed technology, intellectual property and software) are amortized over their useful lives and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any indicators are present, the Company tests for recoverability by comparing the carrying amount of the asset to the net undiscounted cash flows expected to be generated from the asset. If those net undiscounted cash flows do not exceed the carrying amount (i.e., the asset is not recoverable), the Company then determines the fair value of the asset and records an impairment loss, if any. The Company evaluates the useful lives for these intangible assets each reporting period to determine whether events and circumstances warrant a revision in their remaining useful lives.

Comprehensive Income

The Company's only component of other comprehensive income for all periods presented is the currency translation adjustment for its foreign subsidiaries. Comprehensive income was $11.8 million and $3.2 million for the three months ended June 30, 2011 and 2010, respectively; and $20.2 million and $1.8 million for the six months ended June 30, 2011 and 2010, respectively.

Asset Retirement Obligations

Liabilities arising from legal obligations associated with the retirement of long-lived assets are required to be measured at fair value and recorded as a liability. Upon initial recognition of a liability for retirement obligations, a company must record an asset, which is depreciated over the life of the asset to be retired.

Under certain circumstances, each of the U.S. government, The Boeing Company ("Boeing") and Motorola Solutions, Inc., formerly known as Motorola, Inc. ("Motorola"), has the right to require the de-orbit of the Company's satellite constellation. In the event the Company was required to effect a mass de-orbit, pursuant to the amended and restated operations and maintenance agreement (the "Amended and Restated O&M Agreement") by and between the Company and Boeing, the Company would be required to pay Boeing $16.8 million, plus an amount equivalent to the premium for de-orbit insurance coverage (estimated at $2.5 million as of June 30, 2011). The Company has concluded that each of the foregoing de-orbit rights meets the definition of an asset retirement obligation. However, the Company currently does not believe that it is likely the U.S. government, Boeing or Motorola will exercise their respective de-orbit rights. As a result, the Company believes the likelihood of any future cash outflows associated with the mass de-orbit obligation is remote and has recorded an asset retirement obligation with respect to the potential mass de-orbit of approximately $0.2 million.

There are other circumstances in which the Company could be required, either by the U.S. government or for technical reasons, to de-orbit an individual satellite; however, the Company believes that any related costs would not be significant or incremental relative to the costs associated with the ordinary operations of the satellite constellation.

Revenue Recognition

The Company derives its revenue primarily as a wholesaler of satellite communications products and services. The primary types of revenue include (i) services revenue (access and usage-based airtime fees), (ii) subscriber equipment revenue, and (iii) revenue generated by providing engineering and support services to commercial and government customers.

Wholesaler of satellite communications products and services

Pursuant to wholesale agreements, the Company sells its products and services to service providers who, in turn, sell the products and services to other distributors or directly to the end-users. The Company recognizes revenue when services are performed or delivery has occurred, evidence of an arrangement exists, the fee is fixed or determinable, and collection is probable, as follows:

Contracts with multiple elements

At times, the Company sells services and equipment through multi-element arrangements that bundle equipment, airtime and other services. For multi-element revenue arrangements entered into or materially modified after January 1, 2011, when the Company sells services and equipment in bundled arrangements that include guaranteed minimum orders and determines that it has separate units of accounting, the Company allocates the bundled contract price among the various contract deliverables based on each deliverable's relative selling price. The selling price used for each deliverable is based on vendor-specific objective evidence when available, third-party evidence when vendor-specific evidence is not available, or the estimated selling price when neither vendor-specific evidence nor third-party evidence is available. The Company determines vendor-specific objective evidence of selling price by assessing sales prices of subscriber equipment, airtime and other services when they are sold to customers on a stand-alone basis. When the Company determines the elements are not separate units of accounting, the Company recognizes revenue on a combined basis as the last element is delivered. For similar multi-element revenue arrangements entered into prior to January 1, 2011, when the Company determined that it had separate units of accounting, the Company allocated the bundled contract price among the various contract deliverables based on each deliverable's objectively determined and relative fair value. The Company determined vendor specific objective evidence of fair value by assessing sales prices of subscriber equipment, airtime and other services when they are sold to customers on a stand-alone basis. When the Company determined the elements are not separate units of accounting, the Company recognized revenue on a combined basis as the last element is delivered.

Services revenue

Services revenue is generated from the Company's service providers through usage of its satellite system and through fixed monthly access fees per user charged to service providers. Revenue for usage is recognized when usage occurs. Revenue for fixed-per-user access fees is recognized ratably over the period in which the services are provided to the end-user. The Company sells prepaid services in the form of e-vouchers and prepaid cards. A liability is established for the cash paid for the e-voucher or prepaid card on purchase. The Company recognizes revenue from the prepaid services (i) upon the use of the e-voucher or prepaid card by the customer; (ii) upon the expiration of the right to access the prepaid service; or (iii) when it is determined that the likelihood of the prepaid card being redeemed by the customer is remote ("Prepaid Card Breakage"). The Company has determined the recognition of Prepaid Card Breakage based on its historical redemption patterns. The Company does not offer refund privileges for unused prepaid services.

Subscriber equipment

The Company recognizes subscriber equipment sales and the related costs when title to the equipment (and the risks and rewards of ownership) passes to the customer, typically upon shipment.

Services sold to the U.S. government

The Company provides airtime to U.S. government subscribers through (i) fixed monthly fees on a per user basis for unlimited voice services; (ii) fixed monthly fees per user for unlimited paging services; (iii) a tiered pricing plan (based on usage) per device for data services; (iv) fixed monthly fees on a per user basis for unlimited beyond-line-of-sight push-to-talk voice services to user-defined groups ("Netted Iridium"); and (v) a monthly fee for active user-defined groups using Netted Iridium. Revenue related to these services is recognized ratably over the periods in which the services are provided, and the related costs are expensed as incurred. The U.S. government purchases its subscriber equipment from third-party distributors and not directly from the Company.

Government engineering and support services

The Company provides maintenance services to the U.S. government's dedicated gateway. This revenue is recognized ratably over the periods in which the services are provided; the related costs are expensed as incurred.

Other government and commercial engineering and support services

The Company also provides certain engineering services to assist customers in developing new technologies for use on the Company's satellite system. The revenue associated with these services is recorded when the services are rendered, typically using a proportional performance method of accounting based on the Company's estimate of total costs expected to complete the contract, and the related costs are expensed as incurred. Revenue on cost-plus-fixed-fee contracts is recognized to the extent of estimated costs incurred plus the applicable fees earned. The Company considers fixed fees under cost-plus-fixed-fee contracts to be earned in proportion to the allowable costs incurred in performance of the contract. The portion of revenue on research and development arrangements that is contingent upon the achievement of substantive milestone events is recognized in the period in which the milestone is achieved.

Warranty Expense

The Company provides the first end-user purchaser of its subscriber equipment a warranty for one to five years from the date of purchase by such first end-user, depending on the product. A warranty reserve is maintained based on historical experience of warranty costs and expected occurrences of warranty claims on equipment. Costs associated with warranties are recorded as cost of subscriber equipment sales and include equipment replacements, repairs, freight and program administration.

	Six Months Ended June 30, 2011 (In thousands)
Balance at beginning of the period	$ 2,307
Provision	909
Utilization	(849)
Balance at end of the period	$ 2,367

Research and Development

Research and development costs are charged as an expense in the period in which they are incurred.

Income Taxes

The Company accounts for income taxes using the asset and liability approach, which requires the recognition of tax benefits or expenses on the temporary differences between the financial reporting and tax bases of its assets and liabilities. For interim periods, the Company recognizes a provision (benefit) for income taxes based on an estimated annual effective tax rate expected for the entire year. A valuation allowance is established when necessary to reduce deferred tax assets to the amounts expected to be realized. The Company also recognizes a tax benefit from uncertain tax positions only if it is "more likely than not" that the position is sustainable based on its technical merits. The Company's policy is to recognize interest and penalties on uncertain tax positions as a component of income tax expense.

Net Income Per Share

The Company calculates basic net income per share by dividing net income available to common stockholders by the weighted-average number of shares of Common Stock outstanding during the period. Diluted net income per share takes into account the effect of potential dilutive common shares when the effect is dilutive. The effect of potential dilutive common shares, consisting of Common Stock issuable upon exercise of outstanding stock options and stock purchase warrants, is computed using the treasury stock method. Unvested RSUs contain non-forfeitable rights to dividends and therefore are considered to be participating securities; the calculation of basic and diluted net income per share excludes net income attributable to the unvested RSUs from the numerator and excludes the impact of unvested RSUs from the denominator (see Note 6).

Accounting Developments

In October 2009, the Financial Accounting Standards Board, ("FASB") issued Accounting Standards Update 2009-13, *"Revenue Recognition (Topic 605) Multiple-Deliverable Revenue Arrangements, a consensus of the FASB Emerging Issues Task Force"* ("ASU 2009-13"). ASU 2009-13 amends existing accounting guidance for separating consideration in multiple-deliverable arrangements. ASU 2009-13 establishes a selling price hierarchy for determining the selling price of a

deliverable. The selling price used for each deliverable will be based on vendor-specific objective evidence if available, third-party evidence if vendor-specific evidence is not available, or the estimated selling price if neither vendor-specific evidence nor third-party evidence is available. ASU 2009-13 eliminates the residual method of allocation and requires that consideration be allocated at the inception of the arrangement to all deliverables using the "relative selling price method." The relative selling price method allocates any discount in the arrangement proportionately to each deliverable on the basis of each deliverable's selling price. ASU 2009-13 requires that a vendor determine its best estimate of selling price in a manner that is consistent with that used to determine the price to sell the deliverable on a stand-alone basis. The Company adopted the provisions of ASU 2009-13 effective January 1, 2011 for revenue arrangements entered into or materially modified beginning on or after that date.

The adoption of ASU 2009-13 did not have any effect on the Company's consolidated balance sheets, statements of operations and statements of cash flows as of or for the three and six months ended June 30, 2011. The Company is not able to reasonably estimate the effect of adopting this standard on future periods because the impact will vary based on the nature and volume of new or materially modified revenue arrangements in any given period.

In April 2010, the FASB issued Accounting Standards Update 2010-17, *"Revenue Recognition—Milestone Method (Topic 605) Milestone Method of Revenue Recognition, a consensus of the FASB Emerging Issues Task Force"* ("ASU 2010-17"). ASU 2010-17 provides guidance on the criteria that should be met for determining whether the milestone method of revenue recognition is appropriate. A vendor can recognize consideration that is contingent upon achievement of a milestone in its entirety as revenue in the period in which the milestone is achieved only if the milestone meets all criteria to be considered substantive. For the milestone to be considered substantive, the considerations earned by achieving the milestone should meet all of the following criteria: (i) be commensurate with either the vendor's performance to achieve the milestone or the enhancement of the value of the item delivered as a result of a specific outcome resulting from the vendor's performance to achieve the milestone, (ii) relate solely to past performance, and (iii) be reasonable relative to all deliverables and payment terms in the arrangement. An individual milestone may not be bifurcated, and an arrangement may include more than one milestone. Accordingly, an arrangement may contain both substantive and nonsubstantive milestones.

The Company adopted the provisions of ASU 2010-17 effective January 1, 2011 for milestones achieved on or after that date. The adoption of ASU 2010-17 did not have any effect on the Company's consolidated balance sheets, statements of operations and statements of cash flows as of or for the three and six months ended June 30, 2011. The Company is not able to reasonably estimate the effect of adopting this standard on future periods because the impact will vary based on the accomplishment of any future milestones achieved and on the nature and volume of new research and development arrangements in any given period.

3. Commitments and Contingencies

Commitments

Thales

In June 2010, the Company executed a primarily fixed-price full-scale development contract with Thales Alenia Space France ("Thales") for the design and build of satellites for Iridium NEXT (the "FSD"). The total price under the FSD is approximately $2.2 billion, and the Company expects payment obligations under the FSD to extend into the third quarter of 2017.

As of June 30, 2011, the Company had made aggregate payments of $297.2 million to Thales, which was capitalized as construction in progress within property and equipment, net in the accompanying unaudited condensed consolidated balance sheet as of June 30, 2011.

SpaceX

In March 2010, the Company entered into an agreement with Space Exploration Technologies Corp. ("SpaceX") to secure SpaceX as the primary launch services provider for Iridium NEXT (the "SpaceX Agreement"). The SpaceX Agreement, as amended, has a maximum price of $492.0 million.

As of June 30, 2011, the Company had made aggregate payments of $43.9 million to SpaceX, which was capitalized as construction in progress within property and equipment, net in the accompanying unaudited condensed consolidated balance sheet as of June 30, 2011.

Kosmotras

In June 2011, the Company entered into an agreement with International Space Company Kosmotras ("Kosmotras") as a supplemental launch service provider for Iridium NEXT (the "Kosmotras Agreement"). The agreement provides for the purchase of up to six launches and six additional option launches. Each launch will carry two satellites. If the Company exercises the option for all six launches, the Company will pay Kosmotras a total of approximately $184.3 million. If the Company does not exercise any options by March 31, 2013, the Kosmotras Agreement will terminate, and the Company's payments to Kosmotras, including in respect of pre-launch development work, non-recurring milestone payments already completed at that time and termination fees, would be approximately $14.9 million. No payments were made to Kosmotras as of June 30, 2011.

Credit Facility

In October 2010, the Company entered into a $1.8 billion loan facility (the "Credit Facility") with a syndicate of bank lenders. As of June 30, 2011, the Company had borrowed an aggregate total of $265.3 million under the Credit Facility. The unused portion of the Credit Facility as of June 30, 2011 and December 31, 2010 was approximately $1.5 billion and $1.7 billion, respectively. In addition, pursuant to the Credit Facility, the Company is required to maintain a minimum cash reserve of $13.5 million as of June 30, 2011. This minimum cash reserve requirement will increase over the term of the Credit Facility and will be approximately $189.0 million at the beginning of the repayment period, which is expected to begin in 2017. The cash reserve balance is classified in other assets in the accompanying unaudited condensed consolidated balance sheet as of June 30, 2011.

Interest expense incurred under the Credit Facility, all of which was capitalized as part of the Company's assets under construction, was $2.5 million and $4.2 million for the three and six months ended June 30, 2011, respectively.

Note Payable

In May 2011, the Company paid $23.6 million to Motorola as a payment in full for the outstanding balance of its promissory note to Motorola, including accrued interest. Interest expense under this note payable totaled approximately $0.2 million and $0.8 million for the three and six months ended June 30, 2011, respectively. All of this expense was capitalized as part of the Company's assets under construction.

Contingencies

From time to time, in the normal course of business, the Company is party to various pending claims and lawsuits. The Company is not aware of any such actions that it would expect to have a material adverse impact on its business, financial results or financial condition.

4. Segments, Significant Customers, Suppliers and Service Providers and Geographic Information

The Company operates in one business segment, providing global satellite communications services and products.

The Company contracts for the manufacture of its subscriber equipment primarily from one manufacturer and utilizes other sole source suppliers for certain component parts of its devices. Should events or circumstances prevent the manufacturer or the suppliers from producing the equipment or component parts, the Company's business could be adversely affected until the Company is able to move production to other facilities of the manufacturer or secure a replacement manufacturer or an alternative supplier for such component parts.

A significant portion of the Company's satellite operations and maintenance service is provided by Boeing. Should events or circumstances prevent Boeing from providing these services, the Company's business could be adversely affected until the Company is able to assume operations and maintenance responsibilities or secure a replacement service provider.

Property and equipment, net, by geographic area, was as follows:

	June 30, 2011	December 31, 2010
	(In thousands)	
United States	$ 70,814	$ 73,170
Satellites in orbit	225,587	260,293
Iridium NEXT systems under construction	414,449	226,636
All other	6,540	6,420
	$717,390	$ 566,519

Revenue by geographic area was as follows:

	Three Months Ended June 30,	
	2011	2010
	(In thousands)	
United States	$ 45,892	$ 40,318
Canada	11,802	11,713
United Kingdom	11,328	9,972
Other countries [1]	26,881	21,971
	$ 95,903	$ 83,974

	Six Months Ended June 30,	
	2011	2010
	(In thousands)	
United States	$ 86,513	$ 80,709
Canada	23,511	23,420
United Kingdom	23,106	19,626
Other countries [1]	54,076	41,961
	$ 187,206	$ 165,716

(1) No one other country represented more than 10% of revenue.

Revenue is attributed to geographic area based on the billing address of the distributor. Service location and the billing address are often not the same. The Company's distributors sell services directly or indirectly to end-users, who may be located or use the Company's products and services elsewhere. The Company cannot provide the geographical distribution of end-users because it does not contract directly with them. The Company does not have significant foreign exchange risk on sales since invoices are generally denominated in United States dollars.

5. Fair Value Measurements

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability assuming an orderly transaction in the most advantageous market at the measurement date. U.S. GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of observability of inputs used in measuring fair value.

Financial Assets and Liabilities

The fair values of short-term financial instruments (primarily cash and cash equivalents, prepaid expenses and other current assets, accounts receivable, accounts payable, accrued expenses deferred revenue, and other obligations) approximated their carrying values because of their short-term nature.

6. Equity Transactions

Private Warrant Exchanges

During the second quarter of 2011, the Company entered into several private transactions (the "Private Warrant Exchanges") to exchange shares of its Common Stock for outstanding stock purchase warrants to purchase its Common Stock at an exercise price of $11.50 per share (the "$11.50 Warrants). As a result of these transactions, the Company issued an aggregate of 1,643,453 unrestricted shares of its Common Stock in exchange for an aggregate of 8,167,541 outstanding $11.50 Warrants.

Tender Offer Warrant Exchange

During the second quarter of 2011, the Company initiated and completed a tender offer to exchange outstanding $11.50 Warrants for unrestricted shares of its Common Stock (the "Tender Offer Warrant Exchange"). As a result of the Tender Offer Warrant Exchange, the Company issued an aggregate of 1,303,267 unrestricted shares of its Common Stock in exchange for an aggregate of 5,923,963 outstanding $11.50 Warrants.

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As a result of the Private Warrant Exchanges and the Tender Offer Warrant Exchange, approximately 277,000 of the $11.50 Warrants remained outstanding as of June 30, 2011.

7. Net Income Per Share

The computations of basic and diluted net income per share are set forth below:

	Three Months Ended June 30,	
	2011	2010
	(In thousands, except per share amounts)	
Numerator:		
Net income	$ 11,683	$ 3,200
Net income allocated to participating securities	(10)	(4)
Numerator for basic net income per share	$ 11,673	$ 3,196
Numerator for diluted net income per share	$ 11,673	$ 3,196
Denominator:		
Denominator for basic net income per share – Weighted average outstanding common shares	71,519	70,274
Dilutive effects of stock options	1	—
Dilutive effect of vested restricted stock units	—	26
Dilutive effect of warrants	2,133	2,670
Denominator for diluted net income per share	73,653	72,970
Net income per share – basic	$ 0.16	$ 0.05
Net income per share – diluted	$ 0.16	$ 0.04

	Six Months Ended June 30,	
	2011	2010
	(In thousands, except per share amounts)	
Numerator:		
Net income	$ 19,982	$ 1,883
Net income allocated to participating securities	(21)	(2)
Numerator for basic net income per share	$ 19,961	$ 1,881
Numerator for diluted net income per share	$ 19,961	$ 1,881
Denominator:		
Denominator for basic net income per share – Weighted average outstanding common shares	70,943	70,261
Dilutive effects of stock options	2	—
Dilutive effect of vested restricted stock units	—	39
Dilutive effect of warrants	2,219	1,902
Denominator for diluted net income per share	73,164	72,202
Net income per share – basic	$ 0.28	$ 0.03
Net income per share – diluted	$ 0.27	$ 0.03

For the three and six months ended June 30, 2011, 0.3 million warrants and 4.5 million stock options, respectively, were not included in the computation of diluted net income per share as the effect would be anti-dilutive.

For the three and six months ended June 30, 2010, 14.4 million warrants and 3.1 million stock options, respectively, were not included in the computation of diluted earnings per share as the effect would be anti-dilutive.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

You should read the following discussion along with our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed on March 7, 2011 with the Securities and Exchange Commission, or the SEC, as well as our unaudited condensed consolidated financial statements included in this Form 10-Q.

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Such forward-looking statements include those that express plans, anticipation, intent, contingencies, goals, targets or future development or otherwise are not statements of historical fact. Without limiting the foregoing, the words "believe," "anticipate," "plan," "expect," "intend" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on our current expectations and projections about future events, and they are subject to risks and uncertainties, known and unknown, that could cause actual results and developments to differ materially from those expressed or implied in such statements. The important factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed on March 7, 2011, and in this Form 10-Q, could cause actual results to differ materially from those indicated by forward-looking statements made herein. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Background

We were initially formed in 2007 as GHL Acquisition Corp., a special purpose acquisition company. We acquired, directly and indirectly, all the outstanding equity of Iridium Holdings LLC, or Iridium Holdings, in a transaction accounted for as a business combination on September 29, 2009. We refer to this transaction as the Acquisition. We refer to Iridium Holdings, together with its direct and indirect subsidiaries, as Iridium. In accounting for the Acquisition, we were deemed the legal and accounting acquirer and Iridium the legal and accounting acquiree. On September 29, 2009, we changed our name to Iridium Communications Inc.

Overview of Our Business

We are engaged primarily in providing mobile voice and data communications services using a constellation of orbiting satellites. We are the second largest provider of satellite-based mobile voice and data communications services based on revenue, and the only commercial provider of communications services offering 100% global coverage. Our satellite network provides communications services to regions of the world where existing wireless or wireline networks do not exist or are impaired, including extremely remote or rural land areas, airways, open oceans, the polar regions and regions where the telecommunications infrastructure has been affected by political conflicts or natural disasters.

We provide voice and data communications services to businesses, the U.S. and foreign governments, non-governmental organizations and consumers. We provide these services using our constellation of in-orbit satellites and related ground infrastructure, including a primary commercial gateway. We utilize an interlinked, mesh architecture to route traffic across the satellite constellation using radio frequency crosslinks. This unique architecture minimizes the need for ground facilities to support the constellation, which facilitates the global reach of our services and allows us to offer services in countries and regions where we have no physical presence.

We sell our products and services to commercial end-users through a wholesale distribution network, encompassing over 70 service providers, 170 value-added resellers, or VARs, and 50 value-added manufacturers, who either sell directly to the end-user or indirectly through other service providers, VARs or dealers. These distributors often integrate our products and services with other complementary hardware and software and have developed a broad suite of applications for our products and services targeting specific vertical markets.

At June 30, 2011, we had approximately 478,000 billable subscribers worldwide, an increase of 95,000, or 24.8%, from approximately 383,000 billable subscribers at June 30, 2010. We have a diverse customer base, with end-users in the following vertical markets: land-based handset; maritime; aviation; machine-to-machine, or M2M; and government.

We expect a higher proportion of our future revenue will be derived from service revenue than in the past. Voice and M2M data service historically have generated higher gross margin than subscriber equipment. We expect our future revenue growth rates overall will be somewhat lower than our historical growth rates, primarily due to decreased subscriber equipment revenue growth and the difficulty in sustaining high growth rates as our revenue increases.

We are currently devoting a substantial part of our resources to develop Iridium NEXT, our next-generation satellite constellation, and on hardware and software upgrades to our ground infrastructure in preparation for Iridium NEXT, the

development of new product and service offerings, upgrades to our current services, and upgrades to our information technology ("IT") systems. We estimate the aggregate costs associated with the design, build and launch of Iridium NEXT and related infrastructure upgrades through early 2017 to be approximately $3 billion. We believe our $1.8 billion loan facility, or the Credit Facility, together with internally generated cash flows, including cash flows from hosted payloads, will be sufficient to fully fund the aggregate costs associated with the design, build and launch of Iridium NEXT and related infrastructure upgrades through early 2017. As of August 5, 2011, we have borrowed a total of $307.3 million under the Credit Facility. For more information about our sources of funding, see "Liquidity and Capital Resources."

Material Trends and Uncertainties

Iridium's industry and customer base has historically grown as a result of:

- demand for remote and reliable mobile communications services;
- increased demand for communications services by the Department of Defense, or DoD, disaster and relief agencies and emergency first responders;
- a broad and expanding wholesale distribution network with access to diverse and geographically dispersed niche markets;
- a growing number of new products and services and related applications;
- improved data transmission speeds for mobile satellite service offerings;
- regulatory mandates requiring the use of mobile satellite services;
- a general reduction in prices of mobile satellite services and subscriber equipment; and
- geographic market expansion through the receipt of licenses in additional countries.

Nonetheless, as we continue the Iridium business, we face a number of challenges and uncertainties, including:

- our ability to develop Iridium NEXT and related ground infrastructure, and to develop products and services for Iridium NEXT, including our ability to continue to access the Credit Facility to meet our future capital requirements for the design, build and launch of the Iridium NEXT satellites;
- our ability to obtain sufficient internally generated cash flows, including cash flows from hosted payloads, to fund a portion of the costs associated with Iridium NEXT and support ongoing business;
- our ability to maintain the health, capacity, control and level of service of our existing satellite network until and during the transition to Iridium NEXT;
- changes in general economic, business and industry conditions;
- our reliance on a single primary gateway and a primary satellite network operations center;
- competition from other mobile satellite service providers and, to a lesser extent, from the expansion of terrestrial-based cellular phone systems and related pricing pressures;
- our ability to maintain our relationship with U.S. government customers, particularly the DoD;
- rapid and significant technological changes in the telecommunications industry;
- reliance on our wholesale distribution network to market and sell our products, services and applications effectively;
- reliance on single source suppliers for some of the components required in the manufacture of our end-user subscriber equipment and our ability to purchase parts that are periodically subject to shortages resulting from surges in demand, natural disasters or other events; and
- reliance on a few significant customers for a substantial portion of our revenues, where the loss or decline in business with any of these customers may negatively impact our revenue.

Comparison of Our Results of Operations for the Three Months Ended June 30, 2011 and 2010

Revenue

Total revenue increased by 14.2% to $95.9 million for the three months ended June 30, 2011 from $84.0 million for the three months ended June 30, 2010, due principally to growth in billable subscribers, which drove growth in both commercial and government services revenue as well as increased sales of subscriber equipment. Billable subscribers at June 30, 2011 increased by approximately 24.8% from June 30, 2010 to approximately 478,000, primarily due to growth in our distribution network and new product offerings.

Service Revenue

	Service Revenue								
	Three Months Ended June 30,						Quarter over Quarter Change		
	2011			2010					
	(Revenue in millions and subscribers in thousands)								
	Revenue	Billable Subscribers (1)	ARPU (2)	Revenue	Billable Subscribers (1)	ARPU (2)	Revenue	Billable Subscribers	ARPU
Commercial voice	$ 41.9	294.8	$ 49	$ 38.9	262.4	$ 51	$ 3.0	32.4	(2)
Commercial M2M data	7.1	135.7	18	6.0	83.4	25	1.1	52.3	(7)
Total	49.0	430.5		44.9	345.8		4.1	84.7	
Government voice	15.5	37.2	140	13.9	31.8	149	1.6	5.4	(9)
Government M2M data	0.6	10.0	22	0.3	5.7	22	0.3	4.3	—
Total	16.1	47.2		14.2	37.5		1.9	9.7	
Total	$ 65.1	477.7		$ 59.1	383.3		$ 6.0	94.4	

(1) Billable subscriber numbers shown are at the end of the respective period.

(2) ARPU is calculated by dividing revenue in the respective period by the average of the number of billable subscribers at the beginning of the period and the number of billable subscribers at the end of the period and then dividing the result by the number of months in the period.

Service revenue increased by 10.3% to $65.1 million for the three months ended June 30, 2011 from $59.1 million for the three months ended June 30, 2010, primarily due to growth in billable subscribers in commercial and government services.

Commercial voice revenue increased principally due to billable subscriber growth, including growth related to Iridium OpenPort and an increase in prepaid usage, partially offset by a decrease in average monthly revenue per unit, or ARPU, for commercial voice. The decrease in commercial voice ARPU was due to a decline in average minutes of use per post-paid subscriber, partially offset by growth in the higher ARPU Iridium OpenPort service. Future growth in commercial voice billable subscribers and revenue may be negatively affected by reductions in non-U.S. defense spending and deployed non-U.S. troop levels in Afghanistan.

Commercial M2M data revenue growth was driven principally by an increase in the billable subscriber base, partially offset by an unfavorable impact related to the recognition of revenue in the second quarter of 2010 for services provided in prior periods to a customer that became current on its payments in the second quarter of 2010. Commercial M2M data ARPU decreased by $7 (from $25 to $18) for the three months ended June 30, 2011 compared to the three months ended June 30, 2010, primarily due to growth in subscribers using plans that generate lower revenue per unit and as a result of the previously discussed second quarter 2010 revenue adjustment. Without this adjustment, commercial M2M data ARPU would have been $22 for the second quarter of 2010. We expect to see a decrease in commercial M2M data ARPU in 2011 as we expect to continue to experience further growth in our subscriber base with many subscribers utilizing plans that generate lower revenue per unit.

Government voice revenue increased, principally due to billable subscriber growth, including growth related to Netted Iridium, a product that provides beyond-line-of-sight, push-to-talk tactical radio service for user-defined groups. Government voice ARPU decreased by $9 (from $149 to $140) for the three months ended June 30, 2011 compared to the three months ended June 30, 2010, due to a higher proportion of billable subscribers on the lower priced Netted Iridium plan. The increase in government M2M data revenue was driven primarily by billable subscriber growth. Government M2M data ARPU had no change to the comparable period in 2010. We expect government voice ARPU to be lower in 2011 compared to 2010 as usage of Netted Iridium continues to grow as a percentage of overall government voice subscribers. Future growth in government voice and M2M data billable subscribers and revenue may also be negatively affected by reductions in U.S. defense spending and deployed troop levels, and a corresponding decrease in subscribers under our agreements with the U.S. government, which account for a majority of our government services revenue and are subject to annual renewals.

Subscriber Equipment Revenue

Subscriber equipment revenue increased by 8.1% to $21.9 million for the three months ended June 30, 2011 from $20.3 million for the three months ended June 30, 2010. The increase in subscriber equipment revenue was primarily due to

increased volume in handset and M2M data device sales as well as a favorable impact created by lower sales in the second quarter of 2010 related to a component parts shortage that we and other device manufacturers experienced in 2010. These increases were partially offset by decreases in handset unit prices and the lower selling price of Iridium 9602, a full-duplex short-burst data transceiver introduced in May 2010, as compared to Iridium 9601, the predecessor which it replaced. We intend to continue our strategy of pricing equipment to incent subscriber growth, aimed at increasing recurring service revenues that produce higher gross margins. Subscriber equipment sales to the U.S. government through non-government distributors, may be negatively affected by reductions in U.S. defense spending and deployed troop levels. We expect a decrease in subscriber equipment revenue in the second half of 2011 compared to the second half of 2010 given the reduced pricing which we implemented to incent subscriber growth and growth in recurring service revenues.

Engineering and Support Service Revenue

Engineering and support service revenue increased by 90.7% to $8.8 million for the three months ended June 30, 2011 from $4.6 million for the three months ended June 30, 2010, which was primarily due to an increase in the level of effort for the gateway upgrade project for the U.S. government, partially offset by decreases in government-sponsored research and development contracts.

Operating Expenses

Total operating expenses decreased by 3.7% to $75.2 million for the three months ended June 30, 2011 from $78.0 million for the three months ended June 30, 2010. This decrease was due primarily to a decrease in the research and development costs, slightly offset by an increase in cost of services (exclusive of depreciation and amortization) and depreciation and amortization.

Cost of Subscriber Equipment Sales

Cost of subscriber equipment sales includes the direct costs of equipment sold, which consist of manufacturing costs, allocation of overhead, warranty costs and royalties paid for the subscriber equipment intellectual property.

Cost of subscriber equipment sales increased by 3.0% to $12.1 million for the three months ended June 30, 2011 from $11.7 million for the three months ended June 30, 2010, primarily due to increased sales volume in M2M data devices and handsets, partially offset by lower unit manufacturing costs. Lower handset sales volume in the second quarter of 2010 was a result of the component part shortage discussed above.

Cost of Services (exclusive of depreciation and amortization)

Cost of services (exclusive of depreciation and amortization) includes the cost of network engineering and operations staff, including contractors, software maintenance, product support services and cost of services for government and commercial engineering and support service revenue.

Cost of services (exclusive of depreciation and amortization) increased by 3.9% to $19.7 million for three months ended June 30, 2011 from $19.0 million for the three months ended June 30, 2010, primarily due to the increase in the level of effort for the gateway upgrade project for the U.S. government, discussed above, partially offset by a favorable contract renegotiation with The Boeing Company, or Boeing, in July 2010 that resulted in lower operations and maintenance expenses in the second quarter of 2011.

Research and Development

Research and development expense decreased by 58.4% to $3.4 million for the three months ended June 30, 2011 from $8.1 million for the three months ended June 30, 2010. Research and development expenses in the three months ended June 30, 2011 included decreased expenses related to a new M2M device that was completed in 2010 and decreased expenses related to Iridium NEXT projects as they transitioned out of the research and development stage. These decreases were offset in part by increases in new product development projects. The second quarter of 2010 included expenses related to the achievement of milestone payments to potential prime contractors for Iridium NEXT.

Selling, General and Administrative

Selling, general and administrative expenses include sales and marketing costs as well as legal, finance, IT, facilities, billing and customer care expenses.

Selling, general and administrative expenses decreased by 2.4% to $16.3 million for the three months ended June 30, 2011 from $16.7 million for the three months ended June 30, 2010, primarily due to lower corporate headquarters and overhead

expenses, partially offset by a favorable adjustment to our allowance for doubtful accounts in the second quarter of 2010, which we did not have in the comparable 2011 period. Additionally, we had an increase in employee related costs, in part due to an increase in employee headcount.

Depreciation and Amortization

Depreciation and amortization expenses increased by 5.4% to $23.7 million for the three months ended June 30, 2011 from $22.5 million for the three months ended June 30, 2010, primarily due to depreciation on assets placed in service and additional amortization associated with certain intellectual property assets acquired in late 2010.

Other (Expense) Income

Interest Income (Expense), Net of Capitalized Interest

Interest income, net, was flat at $0.2 million for both the three months ended June 30, 2011 and the three months ended June 30, 2010. We have capitalized interest costs related to the Credit Facility for the three months ended June 30, 2011. We expect our interest costs going forward to increase as we continue to draw under the Credit Facility, but we expect most of these costs will be capitalized as a part of the Iridium NEXT project during its construction period.

Other (Expense) Income, Net

Other (expense) income, net was $(3.1) million for the three months ended June 30, 2011 and approximately $(22,000) for the three months ended June 30, 2010. This change was primarily due to the commitment fee on the undrawn portion of the Credit Facility, which we did not have in the three months ended June 30, 2010 as the Credit Facility did not exist at such time. We expect this expense to be higher in the last half of 2011 compared to the comparative period of 2010, but this expense will drop over time as the undrawn balance on the Credit Facility decreases as we make additional drawdowns.

Provision for Income Taxes

For the three months ended June 30, 2011, our income tax provision was $6.1 million compared to $3.0 million for the three months ended June 30, 2010. Our 2011 estimated annual effective tax rate was approximately 36.7%, excluding discrete items, compared to 43.7% in the equivalent period in 2010. As of December 31, 2010, our foreign corporation with effectively connected U.S. income was domesticated. As a result of the domestication, the additional U.S. taxes on the foreign corporation are no longer applicable. Our second quarter 2011 estimated annual effective tax rate differs from the statutory U.S. federal income tax rate of 35% due primarily to state income taxes, foreign withholding taxes, U.S. tax on foreign undistributed earnings and permanent differences. The second quarter 2010 estimated annual effective tax rate differs from the statutory U.S. federal income tax rate of 35% due to state income taxes and additional U.S. taxes on foreign corporations.

In February 2011, Arizona enacted a corporate income tax rate reduction from 6.98% to 4.90%. This reduction is phased in over four years, commencing in 2014. This resulted in a decrease to our year-to-date income tax expense by $0.8 million reflecting the impact of the change on our December 31, 2010 deferred tax assets and liabilities. In addition, the 2011 estimated annual effective tax rate includes the impact of this reduction on the deferred tax assets and liabilities expected to be generated during the year. As our current estimates may change in future periods, the impact on the deferred tax assets and liabilities may change correspondingly.

Comparison of Our Results of Operations for the Six Months Ended June 30, 2011 and 2010

Revenue

Total revenue increased by 13.0% to $187.2 million for the six months ended June 30, 2011 from $165.7 million for the six months ended June 30, 2010, due principally to growth in billable subscribers, which drove growth in both commercial and government services revenue, as well as increased sales of subscriber equipment.

Service Revenue

	Service Revenue								
	Six Months Ended June 30,						Year over Year Change		
	2011			2010					
	(Revenue in millions and subscribers in thousands)								
	Revenue	Billable Subscribers (1)	ARPU (2)	Revenue	Billable Subscribers (1)	ARPU (2)	Revenue	Billable Subscribers	ARPU
Commercial voice	$ 80.8	294.8	$ 48	$ 75.5	262.4	$ 50	$ 5.3	32.4	(2)
Commercial M2M data	13.5	135.7	18	10.1	83.4	22	3.4	52.3	(4)
Total	94.3	430.5		85.6	345.8		8.7	84.7	
Government voice	30.9	37.2	140	27.3	31.8	149	3.6	5.4	(9)
Government M2M data	1.1	10.0	22	0.6	5.7	20	0.5	4.3	2
Total	32.0	47.2		27.9	37.5		4.1	9.7	
Total	$126.3	477.7		$113.5	383.3		$ 12.8	94.4	

(1) Billable subscriber numbers shown are at the end of the respective period.

(2) ARPU is calculated by dividing revenue in the respective period by the average of the number of billable subscribers at the beginning of the period and the number of billable subscribers at the end of the period and then dividing the result by the number of months in the period.

Service revenue increased by 11.3% to $126.3 million for the six months ended June 30, 2011 from $113.5 million for the six months ended June 30, 2010, primarily due to growth in billable subscribers in commercial and government services.

Commercial voice revenue increased principally due to billable subscriber growth, including growth related to Iridium OpenPort and an increase in prepaid usage, partially offset by a decrease in ARPU, for commercial voice. The decrease in commercial voice ARPU was due to a decline in average minutes of use per post-paid subscriber, partially offset by growth in the higher ARPU Iridium OpenPort service. Commercial M2M data revenue growth was driven principally by an increase in the billable subscriber base. Commercial M2M ARPU decreased primarily due to growth in subscribers using plans that generate lower revenue per unit.

Government voice revenue increased, principally due to billable subscriber growth, including growth related to Netted Iridium. Government voice ARPU decreased by $9 ($149 to $140) for the six months ended June 30, 2011 compared to the six months ended June 30, 2010, due to a higher proportion of billable subscribers on the lower priced Netted Iridium plan. The increase in government M2M data revenue was driven primarily by billable subscriber growth. The increase in government M2M data ARPU is in part due to usage mix change on our tiered pricing plans.

Subscriber Equipment Revenue

Subscriber equipment revenue increased by 10.0% to $46.3 million for the six months ended June 30, 2011 from $42.1 million for the six months ended June 30, 2010. The increase in subscriber equipment revenue was primarily due to increased volume in handset and M2M data device sales as well as a favorable impact created by lower sales in the second quarter of 2010 related to a component parts shortage that we and other device manufacturers experienced in 2010. These increases were partially offset by decreases in handset unit prices and the lower selling price of Iridium 9602 as compared to Iridium 9601.

Engineering and Support Service Revenue

Engineering and support service revenue increased by 44.2% to $14.6 million for the six months ended June 30, 2011 from $10.1 million for the six months ended June 30, 2010, which was primarily due to an increase in the level of effort for a gateway upgrade project for the U.S. government discussed above, partially offset by decreases in government-sponsored research and development contracts.

Operating Expenses

Total operating expenses decreased by 8.6% to $150.2 million for the six months ended June 30, 2011 from $164.2 million for the six months ended June 30, 2010. This decrease was due primarily to lower cost of subscriber equipment sales for the six months ended June 30, 2011 due to the effects of acquisition accounting in the six months ended June 30, 2010, which did not exist in the 2011 period, as well as a decrease in research and development costs and cost of services (exclusive of depreciation and amortization). These decreases were slightly offset by an increase in depreciation and amortization and selling, general and administrative expenses.

Cost of Subscriber Equipment Sales

Cost of subscriber equipment sales decreased by 28.0% to $25.1 million for the six months ended June 30, 2011 from $34.8 million for the six months ended June 30, 2010, primarily due to the lower inventory value for the equipment sold in the six months ended June 30, 2011 compared to the equipment sold in the six months ended June 30, 2010, which included a $10.9 million increase to the inventory basis due to the effects of acquisition accounting. We also experienced increased costs in the first half of 2011 due to increased sales volumes in M2M data devices and handsets, partially offset by lower unit manufacturing costs.

Cost of Services (exclusive of depreciation and amortization)

Cost of services (exclusive of depreciation and amortization) decreased by 6.8% to $36.7 million for the six months ended June 30, 2011 from $39.4 million for the six months ended June 30, 2010, primarily due to the result of a favorable contract renegotiation with Boeing in July 2010 that resulted in lower operations and maintenance expenses in the first half of 2011, which was partially offset by an increase in the level of effort for a gateway upgrade project for the U.S. government.

Research and Development

Research and development expense decreased by 38.3% to $7.7 million for the six months ended June 30, 2011 from $12.4 million for the six months ended June 30, 2010. Research and development expenses in the six months ended June 30, 2011 included decreased expenses related to a new M2M device that was completed in 2010 and decreased expenses related to Iridium NEXT projects as they transitioned out of the research and development stage. These decreases were offset by increases in new product development projects. The second quarter of 2010 included expenses related to the achievement of milestone payments to potential prime contractors for Iridium NEXT.

Selling, General and Administrative

Selling, general and administrative expenses increased by 3.3% to $33.7 million for the six months ended June 30, 2011 from $32.6 million for the six months ended June 30, 2010, primarily due to a favorable adjustment to our allowance for doubtful accounts in the 2010 period, which we did not have in the 2011 period, and an increase in employee related costs in the 2011 period, in part due to an increase in employee headcount. The increases were partially offset by lower corporate headquarters expenses and professional fees.

Depreciation and Amortization

Depreciation and amortization expenses increased by 4.5% to $47.0 million for the six months ended June 30, 2011 from $45.0 million for the six months ended June 30, 2010, primarily due to depreciation on assets placed in service and additional amortization associated with certain intellectual property assets acquired in late 2010.

Other (Expense) Income

Interest Income (Expense), Net of Capitalized Interest

Interest income, net, increased to $0.5 million for the six months ended June 30, 2011 compared to $0.3 million for the six months ended June 30, 2010. We have capitalized interest costs related to the Credit Facility for the six months ended June 30, 2011.

Other (Expense) Income, Net

Other (expense) income, net was $(7.5) million for the six months ended June 30, 2011 and $0.1 million for the six months ended June 30, 2010. This change from income to expense was primarily due to the commitment fee on the undrawn portion of the Credit Facility, which we did not have in the six months ended June 30, 2010 as we had not entered into the Credit Facility.

Provision for Income Taxes

For the six months ended June 30, 2011, our income tax provision was $10.0 million compared to approximately $34,000 for the six months ended June 30, 2010. Our 2011 estimated annual effective tax rate was approximately 36.7%, excluding discrete items, compared to 43.7% in the equivalent period in 2010. As of December 31, 2010, our foreign corporation with

effectively connected U.S. income was domesticated. As a result of the domestication, the additional U.S. taxes on the foreign corporation are no longer applicable. Our second quarter 2011 estimated annual effective tax rate differs from the statutory U.S. federal income tax rate of 35% due primarily to state income taxes, foreign withholding taxes, U.S. tax on undistributed foreign earnings and permanent differences. The second quarter 2010 estimated annual effective tax rate differs from the statutory U.S. federal income tax rate of 35% due to state income taxes and additional taxes on foreign corporations.

In February 2011, Arizona enacted a corporate income tax rate reduction from 6.98% to 4.90%. This reduction is phased in over four years, commencing in 2014. This resulted in a decrease to our year-to-date income tax expense by $0.8 million for the impact of the change on our December 31, 2010 deferred tax assets and liabilities. In addition, the 2011 estimated annual effective tax rate includes the impact of this reduction on the deferred tax assets and liabilities expected to be generated during the year. As our current estimates may change in future periods, the impact on the deferred tax assets and liabilities may change correspondingly.

Liquidity and Capital Resources

As of June 30, 2011, our total cash and cash equivalents were $103.8 million. Our principal sources of liquidity are existing cash, internally generated cash flows and the Credit Facility. Our principal liquidity requirements are to meet capital expenditure needs, including the design, build and launch of Iridium NEXT, working capital and research and development expenses.

We expect to fund $1.8 billion of the costs of Iridium NEXT with the Credit Facility, with the remainder to be funded from internally generated cash flows, including cash flows from hosted payloads on our Iridium NEXT satellites. We also have outstanding stock purchase warrants that could serve as a source of additional liquidity upon exercise. As of June 30, 2011, the warrants that were “in the money,” meaning they had an exercise price less than the closing price of our common stock on that date, would provide us with approximately $93.6 million, net of transaction costs, if exercised in full.

The Credit Facility contains borrowing restrictions, including financial performance covenants and covenants relating to hosted payloads, and there can be no assurance that we will be able to continue to borrow funds under the Credit Facility. There can also be no assurance that our internally generated cash flows, including those from hosted payloads on our Iridium NEXT satellites, will meet our current expectations, that our in-the-money warrants will remain in the money, or that they will be exercised. If we do not have access to those expected sources of liquidity, or if the cost of implementing Iridium NEXT or the other elements of our business plan is higher than anticipated, we will require even more external funding than planned. Our ability to obtain additional funding may be adversely affected by a number of factors, including the global economic downturn and related tightening of the credit markets, and we cannot assure you that we will be able to obtain such funding on reasonable terms, or at all. If we are not able to secure such funding in a timely manner, our ability to maintain our network; to design, build and launch Iridium NEXT and related ground infrastructure, products and services; and to pursue additional growth opportunities will be impaired, and we would likely need to delay some elements of our Iridium NEXT development. Our liquidity and our ability to fund our liquidity requirements are also dependent on our future financial performance, which is subject to general economic, financial, regulatory and other factors that are beyond our control.

As of June 30, 2011, we had borrowed a total of $265.3 million under the Credit Facility. The unused portion of the Credit Facility as of June 30, 2011 was approximately $1.5 billion. In addition, we are required to maintain a minimum cash reserve for debt service of $13.5 million as of June 30, 2011, which is classified in other assets in the accompanying unaudited condensed consolidated balance sheet as of June 30, 2011. This minimum cash reserve requirement will increase over the term of the Credit Facility to approximately $189.0 million at the beginning of the repayment period, which is expected to begin in 2017. We believe that our liquidity sources will provide sufficient funds for us to meet our liquidity requirements for at least the next 12 months.

Cash and Indebtedness

At June 30, 2011, our total cash and cash equivalents were $103.8 million, and we had an aggregate of $265.3 million of indebtedness related to borrowings under the Credit Facility.

Cash Flows

The following section highlights our cash flows for the six months ended June 30, 2011 and 2010:

Cash Flows from Operating Activities

Net cash provided by operating activities for the six months ended June 30, 2011 increased to $84.1 million from $33.2 million for the six months ended June 30, 2010. This increase of $50.9 million was attributable to a $29.7 million decrease in working capital and a $21.2 million increase in income from operations after adjusting for non-cash items. The change in working capital was primarily due to a $19.0 million launch services contract deposit we paid in the six months ended June 30, 2010 that later in 2010 was re-classified to property and equipment upon the effectiveness of the contract. In addition, there was favorability related to timing of payments to vendors, a $5.0 million deposit received from a customer for a potential purchase of hosted payloads, and federal and state tax refunds received and expected to be received upon filing the Company's 2010 tax returns. This increase was partially offset by higher bonus incentive payments to employees as compared to the same period in 2010. The change in income from operations was driven by higher operating income resulting from revenue growth and operating expense savings, partially offset by the commitment fee on the undrawn portion of the Credit Facility as compared to the six months ended June 30, 2010.

Cash Flows from Investing Activities

Net cash used in investing activities for the six months ended June 30, 2011 increased to $170.9 million from $52.8 million for the six months ended June 30, 2010. This increase was primarily due to higher capital expenditures related to Iridium NEXT, including payments related to the purchase of equipment and software for our satellite, network and gateway operations. In addition, we also had higher capital expenditures related to IT systems, partially offset by $4.6 million paid to certain former members of Iridium Holdings in the six months ended June 30, 2010 for tax benefits they received as a result of the Acquisition.

Cash Flows from Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2011 was $70.6 million, resulting from cash borrowed under the Credit Facility. Cash provided by financing activities was partially offset by payments of financing fees to secure the Credit Facility, payment in full of our promissory note to Motorola Solutions, Inc., formerly known as Motorola, Inc., and cash payments for the debt service reserve required by the Credit Facility. Net cash used in financing activities for the six months ended June 30, 2010 was $6.9 million resulting from deferred financing fees incurred in conjunction with obtaining debt financing for the design, build and launch of Iridium NEXT.

Off-Balance Sheet Arrangements

We do not currently have, nor have we had in the last three years, any relationships with unconsolidated entities or financial partnerships, such as entities referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Seasonality

Our results of operations have been subject to seasonal usage changes for commercial customers, and our results will be affected by similar seasonality going forward. April through October are typically the peak months for commercial voice services revenue and related subscriber equipment sales. U.S. government revenue and commercial M2M revenue have been less subject to seasonal usage changes.

Accounting Developments

None.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Interest income earned on our cash and cash equivalents balances are subject to interest rate fluctuations. For the quarter ended June 30, 2011, a one-half percentage point increase or decrease in interest rates would not have had a material effect on our interest income.

We entered into the Credit Facility in October 2010 and had borrowed $265.3 million under the Credit Facility as of June 30, 2011. A portion of the draws we make under the Credit Facility bear interest at a floating rate equal to the London Interbank Offered Rate ("LIBOR") plus 1.95% and will, accordingly, subject us to interest rate fluctuations in future periods. Had the currently outstanding borrowings under the Credit Facility been outstanding throughout the quarter ended June 30, 2011, a one-half percentage point increase or decrease in the LIBOR would not have had a material effect on our interest cost.

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents, receivables and payables. We maintain our cash and cash equivalents with financial institutions with high credit ratings and at times maintain the balance of our deposits in excess of federally insured (FDIC) limits. The majority of our cash is swept nightly into a money market fund invested in U.S. treasuries. Accounts receivable are due from both domestic and international customers. We perform credit evaluations of our customers' financial condition and record reserves to provide for estimated credit losses. Accounts payable are owed to both domestic and international vendors.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer, who is our principal executive officer, and our chief financial officer, who is our principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of the end of the period covered by this report. In evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Based on this evaluation, our chief executive officer and our chief financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms, and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

During the quarter ended June 30, 2011, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II.

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Neither we nor any of our subsidiaries are currently subject to any material legal proceeding, nor, to our knowledge, is any material legal proceeding threatened against us or any of our subsidiaries.

ITEM 1A. RISK FACTORS.

Our business is subject to risks and events that, if they occur, could adversely affect our financial condition and results of operations and the trading price of our securities. In addition to the other information set forth in this quarterly report on Form 10-Q, you should carefully consider the factors discussed in "Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, as filed with the Securities and Exchange Commission on March 7, 2011.

Our business plan depends on increased demand for mobile satellite services and demand for hosted payloads, among other factors.

Our business plan is predicated on growth in demand for mobile satellite services and the demand for hosted payloads on our next-generation satellite constellation, Iridium NEXT. Demand for mobile satellite services may not grow, or may even contract, either generally or in particular geographic markets, for particular types of services or during particular time periods, and demand for hosted payloads may not materialize or may be priced lower than our expectations. A lack of demand could impair our ability to sell products and services, develop and successfully market new products and services

and could exert downward pressure on prices. Any decline in prices would decrease our revenues and profitability and negatively affect our ability to generate cash for investments and other working capital needs. Further, although we do not expect to begin launching our satellites until early 2015, we need to arrange for hosted payloads well in advance of launch in order to include them in the construction of the satellites. Accordingly, we have a limited time in which to identify hosted payload customers and negotiate and execute agreements with them. If we are unable to do so, our ability to execute our business plan will be negatively impacted.

Our ability to successfully implement our business plan will also depend on a number of other factors, including:

- our ability to maintain the health, capacity and control of our existing satellite constellation;
- our ability to complete the design, build and launch of Iridium NEXT and related ground infrastructure, products and services, and, once launched, our ability to maintain the health, capacity and control of such satellite constellation;
- the level of market acceptance and demand for our products and services;
- our ability to introduce innovative new products and services that satisfy market demand, including new service offerings on Iridium NEXT;
- our ability to obtain additional business using our existing spectrum resources both in the United States and internationally;
- our ability to sell our products and services in additional countries;
- our ability to maintain our relationship with U.S. government customers, particularly the Department of Defense;
- the ability of our distributors to market and distribute our products, services and applications effectively and their continued development of innovative and improved solutions and applications for our products and services;
- the effectiveness of our competitors in developing and offering similar services and products; and
- our ability to maintain competitive prices for our products and services and control costs.

We may need additional capital to design, build and launch Iridium NEXT and related ground infrastructure, products and services, and pursue additional growth opportunities. If we fail to maintain access to sufficient capital, we will not be able to successfully implement our business plan.

Our business plan calls for the development of Iridium NEXT, the development of new product and service offerings, upgrades to our current services, hardware and software upgrades to maintain our ground infrastructure and upgrades to our business systems. We estimate the costs associated with the design, build and launch of Iridium NEXT and related infrastructure upgrades through early 2017 will be approximately $3 billion. While we expect to fund these costs with borrowings under our $1.8 billion loan facility, or the Credit Facility, together with internally generated cash flows, including potential revenues from hosted payloads, it is possible that these sources will not be sufficient to fully fund Iridium NEXT. For example, we have a limited time in which to identify hosted payload customers and negotiate and execute agreements with them, and our inability to do so would jeopardize our ability to generate our expected cash flows. If we fail to generate our expected cash flows from hosted payloads or other sources, we might need to finance the remaining cost by raising additional debt or equity financing. In addition, we may need additional capital to design and launch new products and services on Iridium NEXT. Such additional financing may not be available on favorable terms, or at all.

Our ability to make ongoing draws under the Credit Facility will depend upon our satisfaction of various borrowing conditions from time to time, some of which will be outside of our control. In addition, there can be no assurance that our internally generated cash flows will meet our current expectations or that we will not encounter increased costs. Among other factors leading to the uncertainty over our internally generated cash flows, demand for hosted payloads may not materialize or may be priced lower than our expectations. If available funds from the Credit Facility and internally generated cash flows are less than we expect, our ability to maintain our network, design, build and launch Iridium NEXT and related ground infrastructure, develop new products and services, and pursue additional growth opportunities will be impaired, which would significantly limit the development of our business and impair our ability to provide a commercially acceptable level of service. We expect to experience overall liquidity levels lower than our recent liquidity levels. Inadequate liquidity could compromise our ability to pursue our business plans and growth opportunities and make borrowings under the Credit Facility, delay the ultimate deployment of Iridium NEXT, and otherwise impair our business and financial position.

If we fail to satisfy the ongoing borrowing conditions of the Credit Facility, we may be unable to fund Iridium NEXT.

We plan to use borrowings under the Credit Facility to partially fund the construction of our Iridium NEXT satellites, including borrowing to capitalize interest otherwise due under the Credit Facility. Our ability to continue to draw funds under the Credit Facility over time will be dependent on the satisfaction of borrowing conditions, including:

- compliance with the covenants under the Credit Facility, including financial covenants and covenants relating to hosted payloads;
- accuracy of the representations we make under the Credit Facility;
- compliance with the other terms of the Credit Facility, including the absence of events of default; and
- maintenance of the insurance policy with Compagnie Française d'Assurance pour le Commerce Extérieur, or COFACE, the French export credit agency.

Some of these borrowing conditions may be outside of our control or otherwise difficult to satisfy. If we do not continue to satisfy the borrowing conditions under the Credit Facility and cannot obtain a waiver from the lenders, we would need to find other sources of financing. We would have to seek the permission of the lenders under the Credit Facility in order to obtain any alternative source of financing, and there can be no assurance that we would have access to other sources of financing on acceptable terms, or at all.

If we default under the Credit Facility, the lenders may require immediate repayment in full of amounts borrowed or foreclose on our assets.

The Credit Facility contains events of default, including:

- non-compliance with the covenants under the Credit Facility, including financial covenants and covenants relating to hosted payloads;
- cross-default with other indebtedness;
- insolvency of any obligor under the Credit Facility;
- revocation of the COFACE policy;
- failure to maintain our current satellite constellation or complete Iridium NEXT by a specified time; and
- a determination by the lenders that we have experienced a material adverse change in our business.

Some of these events of default are outside of our control or otherwise difficult to satisfy. If we experience an event of default, the lenders may require repayment in full of all principal and interest outstanding under the Credit Facility. It is unlikely we would have adequate funds to repay such amounts prior to the scheduled maturity of the Credit Facility. If we fail to repay such amounts, the lenders may foreclose on the assets we have pledged under the Credit Facility, which includes substantially all of our assets and those of our domestic subsidiaries.

Our satellites have a limited life and may fail prematurely, which would cause our network to be compromised and materially and adversely affect our business, prospects and profitability.

Since we introduced commercial services in 2001, we have experienced eight satellite losses, most recently in August of 2011. Seven of our satellites have failed in orbit, which has resulted in either the complete loss of the affected satellites or the loss of the ability of the satellite to carry traffic on the network, and one satellite was lost as a result of a collision with a non-operational Russian satellite. Also, our satellites have already exceeded their original design lives. While actual useful life typically exceeds original design life, the useful lives of our satellites may be shorter than we expect, and additional satellites may fail or collide with space debris or other satellites in the future. Although to date we have had an in-orbit spare available to replace each lost satellite, we cannot assure you that our in-orbit spare satellites will be sufficient to replace all future lost satellites, that we will be able to replace them in a timely manner, or that the spare satellite will provide the same level of performance as the lost satellite. As a result, while we expect our current constellation to provide a commercially acceptable level of service through the transition to Iridium NEXT, we cannot guarantee it will be able to do so.

In-orbit failure may result from various causes, including component failure, loss of power or fuel, inability to control positioning of the satellite, solar or other astronomical events, including solar radiation and flares, and space debris. Other factors that could affect the useful lives of our satellites include the quality of construction, gradual degradation of solar panels and the durability of components. Radiation-induced failure of satellite components may result in damage to or loss of a satellite before the end of its expected life. As our constellation has aged, some of our satellites have experienced individual component failures affecting their coverage or transmission capacity and other satellites may experience such failures in the future, which could adversely affect the reliability of their service or result in total failure of the satellite. As a result, fewer

than 66 of our in-orbit satellites will be fully functioning at any time. Although we do not incur any direct cash costs related to the failure of a satellite, if a satellite fails, we record an impairment charge in our statement of operations reflecting the remaining net book value of that satellite, which could significantly depress our net income for the period in which the failure occurs.

From time to time, we are advised by our customers and end-users of temporary intermittent losses of signal cutting off calls in progress, preventing completions of calls when made or disrupting the transmission of data. If the magnitude or frequency of such problems increase and we are no longer able to provide a commercially acceptable level of service, our business and financial results and our reputation would be hurt and our ability to pursue our business plan would be compromised.

We may be required in the future to make further changes to our constellation to maintain or improve its performance. Any such changes may require prior Federal Communications Commission, or FCC, approval, and the FCC may subject the approval to other conditions that could be unfavorable to our business. In addition, from time to time we may reposition our satellites within the constellation in order to optimize our service, which could result in degraded service during the repositioning period. Although we have some ability to remedy certain types of problems affecting the performance of our satellites remotely from the ground, the physical repair of our satellites in space is not feasible.

We rely on a limited number of key vendors for supply of equipment and services.

Celestica is the manufacturer of all of our current devices, including our mobile handsets, L-Band transceivers and short-burst data modems. Celestica may choose to terminate its business relationship with us when its current contractual obligations are completed on January 1, 2012, or at such earlier time as contemplated by our current agreement with Celestica. If Celestica terminates this relationship, we may not be able to find a replacement supplier in a timely manner, at an acceptable price, or at all. We are very dependent on Celestica's performance as our sole supplier. We also utilize sole source suppliers for certain component parts of our devices.

These manufacturers and suppliers may become capacity constrained as a result of a surge in demand, a natural disaster or other event, resulting in a shortage or interruption in supplies or an inability to meet increased demand. For example, some of our suppliers, including Celestica, use parts or components manufactured in Japan, the supply of which may be affected by the recent earthquake and tsunami. Although we may replace Celestica or other sole source suppliers, there could be a substantial period of time in which our products are not available; any new relationship may involve higher costs and delays in development and delivery, and we may encounter technical challenges in successfully replicating the manufacturing processes. If our manufacturers or suppliers terminate their relationships with us, fail to provide equipment or services to us on a timely basis or fail to meet our performance expectations, we may be unable to provide products or services to our customers in a competitive manner, which could in turn negatively impact our financial results and our reputation.

In addition, we depend on Boeing to provide operations and maintenance services with respect to our satellite network, including engineering, systems analysis and operations and maintenance services, from our technical support center in Chandler, Arizona and our satellite network operations center in Leesburg, Virginia. Boeing provides these services pursuant to the Amended and Restated O&M Agreement, whose term is concurrent with the expected useful life of our current constellation. Technological competence is critical to our business and depends, to a significant degree, on the work of technically skilled personnel, such as our Boeing contractors. If Boeing's performance falls below expected levels or if Boeing has difficulties retaining the personnel servicing our network, the operations of our satellite network could be compromised. In addition, if Boeing terminates its agreement with us, we may not be able to find a replacement provider on favorable terms or at all, which could impair the operations and performance of our network. Replacing Boeing as the operator of our satellite system could also trigger de-orbit rights held by the U.S. government, which, if exercised, would eliminate our ability to offer satellite communications services altogether.

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ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Issuer Purchases of Equity Securities

Period	(a) Total number of $11.50 Warrants [1] purchased	(b) Average price paid per $11.50 Warrant	(c) Total number of $11.50 Warrants purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of $11.50 Warrants that may yet be purchased under the plans or programs
April 1 – April 30	5,113,603[2]	0.19 share of Common Stock	—	—
May 1 – May 31	3,053,938[2]	0.22 share of Common Stock	—	—
June 1 – June 30	5,923,963[3]	0.22 share of Common Stock	5,923,963[3]	—
Total	14,091,504	0.209 share of Common Stock	5,923,963	—

(1) Each $11.50 Warrant entitles the holder to purchase one share of the registrant's common stock, $0.001 par value per share, or the Common Stock, at a price of $11.50 per share.
(2) Repurchased pursuant to privately negotiated exchanges pursuant to Rule 3(a)(9) of the Securities Act of 1933, as amended.
(3) Repurchased pursuant to a public tender offer for up to 6,200,984 $11.50 Warrants that was announced on May 10, 2011, commenced on May 17, 2011 and expired on June 22, 2011.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. [REMOVED AND RESERVED.]

ITEM 5. OTHER INFORMATION.

Not applicable.

ITEM 6. EXHIBITS.

See the exhibit index.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IRIDIUM COMMUNICATIONS INC.

By: /s/ Thomas J. Fitzpatrick
Thomas J. Fitzpatrick
Chief Financial Officer

Date: August 8, 2011

EXHIBIT INDEX

Exhibit	Description
10.1*	Contract for Launch Services No. IS-11-032 between Iridium Satellite LLC and International Space Company Kosmotras, dated as of June 14, 2011.
10.2*	Amendment No. 4 to the Full Scale System Development Contract No. IS-10-021 between Iridium Satellite LLC and Thales Alenia Space France for the Iridium NEXT System, dated as of April 29, 2011.
10.3*	Amendment Letter No. 1, dated June 20, 2011, to COFACE Facility Agreement among Iridium Satellite LLC, the Registrant, Iridium Holdings LLC, SE Licensing LLC, Iridium Carrier Holdings LLC, Iridium Carrier Services LLC, Syncom-Iridium Holdings Corp., Iridium Constellation LLC and Iridium Government Services LLC; Deutsche Bank AG (Paris Branch), Banco Santander SA, Société Générale, Natixis, Mediobanca International (Luxembourg) S.A., BNP Paribas, Crédit Industriel et Commercial, Intesa Sanpaolo S.p.A. (Paris Branch) and Unicredit Bank Austria AG; Deutsche Bank Trust Company Americas as the security agent and U.S. collateral agent; and Société Générale as the COFACE agent, dated as of October 4, 2010.
31.1	Certification of Chief Executive Officer pursuant to section 302 of The Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to section 302 of The Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to section 906 of The Sarbanes-Oxley Act of 2002.
101	The following financial information from the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, filed with the Securities and Exchange Commission on August 8, 2011, formatted in XBRL (eXtensible Business Reporting Language): (i) Unaudited Condensed Consolidated Balance Sheets at June 30, 2011 and December 31, 2010, (ii) Unaudited Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2011 and 2010, (iii) Unaudited Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2011 and 2010 and (iv) Notes to Unaudited Condensed Consolidated Financial Statements.**

* Confidential treatment has been requested for certain portions omitted from this exhibit pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended. Confidential portions of this exhibit have been separately filed with the Securities and Exchange Commission.

** Furnished electronically herewith.

Exhibit 10.1

CONTRACT FOR LAUNCH SERVICES

No. IS-11-032

Between

Iridium Satellite LLC

and

International Space Company Kosmotras

The attached Contract and information contained therein is confidential and proprietary to Iridium Satellite LLC and its Affiliates and shall not be published or disclosed to any third party except as permitted by the terms and conditions of this Contract.

Iridium Confidential and Proprietary

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CONTRACT FOR LAUNCH SERVICES

This CONTRACT FOR LAUNCH SERVICES (hereinafter "this Contract") is made and entered into as of the 14 th day of June, 2011 ("EDC") by and between **Iridium Satellite LLC** , a limited liability company organized and existing under the laws of Delaware, having its office at 1750 Tysons Boulevard, Suite 1400, McLean, Virginia 22102 ("Customer") and **International Space Company Kosmotras** , a Russian company, having its office at 7, Sergey Makeev St., bld. 2, Moscow 123100, Russian Federation ("Contractor").

ARTICLE 1
DEFINITIONS

1.1 Capitalized terms used and not otherwise defined herein shall have the following meanings:

Additional Launch(es) shall have the meaning set forth in Section 2.2 (Additional Launches).

Affiliate means, with respect to an entity, any other entity, directly or indirectly, Controlling or Controlled by or under common Control with such first named entity.

Associate Contractor(s) means the contractor(s) designated by the Customer from time to time associated with the development, delivery, operation and maintenance of the Satellites to be launched by Contractor pursuant to the terms of this Contract or, in the case of Contractor, the contractor(s) designated by Contractor from time to time associated with the Launch Services.

Associate Contractor(s) Actual Costs means the relevant Associate Contractor's direct and actual costs as determined in accordance with its standard accounting principles, including any indirect costs, but excluding any profit, margin, mark-up, or other fees.

Background Contractor Intellectual Property means Intellectual Property, and all Intellectual Property Rights therein, owned or Controlled by Contractor prior to the EDC or developed by Contractor outside the scope of this Contract after the EDC, together with any derivatives, improvements or modifications made by Contractor, Customer or any Related Third Parties to the foregoing as limited by the following distinction. Background Contractor Intellectual Property specifically excludes the following, which are outside the scope of this Contract: composite material properties, analytical and modeling techniques and, except as expressly set forth or described in the Dispenser drawing package, manufacturing techniques, assembly and bonding techniques, Third Party data that Contractor is contractually or legally precluded from disclosing, or manufacturing process instructions.

Background Customer Intellectual Property mean Intellectual Property, and all Intellectual Property Rights therein, owned or Controlled by Customer and provided to Contractor pursuant to this Contract (before or after the EDC), and any derivatives, improvements or modifications made by Customer, Contractor or any other Related Third Parties to the foregoing.

Bank Holiday means any Day on which United States national banks located in Washington, D.C. or Russian Federation banks located in Moscow are authorized to be closed.

Business Day means any Day other than Saturday, Sunday, or a Bank Holiday.

Constructive Total Loss for purposes of Customer's policy of Launch and In-Orbit Insurance only, shall have the meaning assigned to such term in Customer's policy of Launch and In-Orbit Insurance, if any, in place at the time of a Launch to be performed under this Contract.

Contract Price shall have the meaning set forth in Section 3.2 (Contract Price).

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Control and its derivatives mean, with respect to an entity: (i) the legal, beneficial, or equitable ownership, directly or indirectly, of fifty percent (50%) or more of the capital stock (or other ownership interest if not a corporation) of such entity ordinarily having voting rights; or (ii) the power to direct, directly or indirectly, the management policies of such entity, whether through the ownership of voting stock, by contract, or otherwise.

Contractor's Actual Costs means Contractor's direct and actual costs as determined in accordance with its standard accounting principles, including any indirect costs, but excluding any profit, margin, mark-up, or other fees.

Customer's Actual Costs means Customer's direct and actual costs as determined in accordance with U.S. Generally Accepted Accounting Principles including any indirect costs, but excluding any profit, margin, mark-up, or other fees.

Day means a calendar day unless otherwise indicated.

Disclosing Party shall have the meaning set forth in Section 19.2 (Definition of Proprietary Information).

Dispenser(s) shall mean the hardware to be incorporated with the Launch Vehicle (including all embedded firmware and software and related Intellectual Property) to interface with, separate and deploy the Satellites into their designated orbit(s), as specified in the SOW.

Dispenser Foreground Intellectual Property shall have the meaning set forth in Section 20.3.3.

Documentation means any and all documentation to be supplied by Contractor to Customer pursuant to this Contract, including as required by the SOW.

Effective Date of Contract or EDC means the date first set forth above evidencing the date of signature of this Contract by an authorized representative of Contractor and Customer.

Exploit means, with regard to a Party's use of Intellectual Property, to reproduce, prepare derivative works of, modify, distribute, perform publicly, display, make, have made, use, manufacture, import, offer to sell and sell products, materials and services that embody any Intellectual Property Rights in such Intellectual Property and otherwise fully use, practice and exploit such Intellectual Property, and Intellectual Property Rights therein, or to have any Third Party exploit such Intellectual Property, and Intellectual Property Rights therein, on such Party's behalf or for such Party's benefit.

Firm Launch(es) means the Optional Launch(es) converted by Customer in accordance with Section 2.1 (Optional Launches).

Foreground Intellectual Property means all Intellectual Property, and all Intellectual Property Rights therein, created by Contractor, or jointly by Customer and Contractor, in the course of Contractor's performance of this Contract, that are not Background Customer Intellectual Property or Background Contractor Intellectual Property.

Foreign Person shall be as defined in the U.S. International Traffic in Arms Regulations, 22 C.F.R § 120.16.

Force Majeure means any event beyond a Party's reasonable control and not due to the negligence of such Party, including acts of God, acts of government (in a sovereign and not contractual capacity however excluding any ordinary course licensing, permitting and similar ministerial activities), acts or threat of terrorism, riot, revolution, hijacking, earthquakes, flood, fire, strike (other than a strike involving

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the employees of Contractor or Customer), embargo, sabotage, or interruption of essential services or supplies.

Gross Negligence means (i) the failure to perform a duty in reckless disregard of the consequences thereof, including injury, death or property damage of others; or (ii) other actions (or failures to act) of an aggravated nature that closely approach intentional or willful wrongdoing.

Intellectual Property means all designs, works of authorship, techniques, analyses, methods, concepts, formulae, layouts, software (including Software), inventions (whether or not patented or patentable), discoveries, improvements, processes, ideas, technical data and documentation (including Documentation), technical information, engineering, manufacturing and other drawings, specifications, performances, and semiconductor topographies, regardless of whether any of the foregoing has been reduced to writing or practice.

Intellectual Property Claim has the meaning set forth in Section 14.4.1 (Indemnification).

Intellectual Property Right(s) means all common law and statutory proprietary rights with respect to Intellectual Property, including patents, patent applications, copyrights, industrial designs, database rights, design rights (whether registered or not), trade secrets, mask work rights, data rights, moral rights, and similar rights existing from time to time under the intellectual property laws of the United States, any state or foreign jurisdiction, or international treaty regime, regardless of whether such rights exist as of EDC or arise or are acquired at any time in the future.

Intentional Ignition means, with respect to the Launch Vehicle, the time during the launch countdown sequence when the command signal is initiated causing activation of the black powder gas propulsion unit of the launch container.

Launch means Intentional Ignition of the Launch Vehicle followed by either: (i) the sequence of events occurring to the Launch Vehicle from Intentional Ignition to the Separation of Satellites from the Launch Vehicle; and/or (ii) total loss or destruction of the Launch Vehicle or any or all of the Satellites.

Launch Activities means the activities carried out by either Party or the Related Third Parties of either Party which include all Launch Services, any Launch Vehicle and pre-launch activities beginning with the arrival of Satellites at the Launch Site and ending with departure of all property and personnel of Customer and its Related Third Parties from the Launch Site and Post Launch Services.

Launch and In-Orbit Insurance means insurance procured by Customer covering the risks of Launch and/or the risks of in-orbit failures with respect to Partial Loss, Constructive Total Loss and Total Loss of a Satellite.

Launch Date means the Day within the Launch Slot established for a Launch pursuant to this Contract.

Launch Failure means a Total Launch Failure or a Partial Launch Failure.

Launch Manifest means the Contractor's listing of contracted and scheduled launch services for commercial, civil and military customers, as reported from time-to-time to Customer in accordance with Section 5.4 (Contractor Provision of Manifest-Related Information).

Launch Mission means the parameters and analyses required to perform the Launch Services for the Satellites, as contemplated by this Contract.

Launch Program Manager shall have the meaning set forth in Section 8.2 (Launch Program Managers).

Launch Opportunity means the availability of a time period in which the Launch Site is available and Contractor is able to perform the Launch (es) of the Satellites, based upon these criteria: (i) adequate time

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period during which Contractor can make the necessary preparations for the Launch; (ii) the requirements and interests of the Customer; (iii) Contractor's existing customer commitments; and (iv) the Launch Site's existing commitments outside of the Contractor's scope, including civil and military launches and scheduled maintenance.

Launch Service(s) means the services to be provided under Article 2 (Services To Be Provided).

Launch Service Price shall have the meaning set forth in Section 3.1.1(A) (Launch Service Price).

Launch Site means either the Yasny launch base located in the Orenburg Region, Russian Federation or the Baikonur Cosmodrome, located in the Republic of Kazakhstan, as determined in accordance with Section 2.4 (Primary and Alternate Launch Site), including the associated installations, equipment and services used or provided by Contractor in connection with the Launch Services as provided for in the SOW.

Launch Slot means a [***] Day period of time during which a Launch Service will occur.

Launch Success shall mean, with respect to each Launch Service, compliance with the specifications and requirements of the SOW for the following: [***].

Launch Vehicle means the Dnepr expendable launch vehicle and the Dispenser (unless otherwise indicated in this Contract), utilized by Contractor to perform the Launch of two (2) Satellites.

Launch Window means a time period established by the Customer within the Launch Date during which the Launch may take place.

Material Change shall have the meaning set forth in Section 11.2 (Notification of Material Change).

Milestone means the performance by the Contractor of a portion of the Launch Services upon completion of which in accordance with the Milestone completion criteria set forth in this Contract, including the SOW, a payment is to be made in accordance with Exhibit C (Milestone Payment Schedule).

Milestone Payment shall have the meaning set forth in Section 4.1.1 (Milestone Payments).

NEXT shall have the meaning set forth in Section 1.1 of the Statement of Work.

Non-Recurring Price shall mean the portion of the Contract Price identified as such in Table C.1 of Exhibit C (Milestone Payment Schedule).

Non-Recurring Launch Service Milestone shall mean the Milestone Payments associated with any portion of the Non-Recurring Price for a Launch Service.

Optional Launch means the Launch Services ordered by Customer from Contractor as of EDC which may be converted by Customer into a Firm Launch in accordance with the terms herein.

Partial Launch Failure means that the conditions for a Launch Success have not been met by any particular Satellite, but not for all Satellites, launched by the same Launch Vehicle.

Partial Loss for purposes of Customer's policy of Launch and In-Orbit Insurance only (and not for any other purpose hereunder), shall have the meaning assigned to such term in Customer's policy of Launch and In-Orbit Insurance, if any, in place at the time of a Launch to be performed under this Contract.

Party or Parties means Contractor or Customer or both depending on the context.

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Post-Launch Services means all services as defined in the SOW that are to be provided by Contractor to Customer after Launch.

Proprietary Information shall have the meaning set forth in Section 19.2 (Definition of Proprietary Information).

Receiving Party shall have the meaning set forth in Section 19.2 (Definition of Proprietary Information).

Related Third Party(ies) means any of the following parties, but in each case only if such party is involved in Launch Activities:

- Employees, directors, officers or agents of Contractor and Customer, including their affiliates, parents or partner entities;
- Customers of Contractor and the employees of those customers;
- Associate Contractors and subcontractors at any tier of Contractor or Customer and the employees of those Associate Contractors and subcontractors; and
- Any party, including lenders or a lending syndicate agent, with a financial interest in Contractor, Customer, the Launch Vehicle, or the Satellites.

Release means intentional activation of the pyrotechnic separation system to release a Satellite from its holding position on the Dispenser.

Reliability Factor means the reliability factor calculated for the Dnepr launch vehicle in accordance with [***], based on launch statistics derived from [***] launches of RS-20 intercontinental ballistic missiles, including [***] launches of the Dnepr-variant launch vehicle.

Satellite means any Satellite supplied by Customer for Launch by Contractor pursuant to this Contract.

Separation means the physical separation of a Satellite from the Launch Vehicle following Release.

Software means computer software programs and software systems, whether in source code or object code form (including firmware, files, databases, interfaces, documentation and other materials related thereto, and any Third Party Software sublicensed by Contractor hereunder), as such Software is revised, upgraded, updated, corrected, modified, and enhanced from time to time.

Statement of Work or " SOW " means Exhibit A and any other attached document or additional document which has been referenced or incorporated into the SOW (including by Contract amendment) and which reflects the scope of work to be performed by the Contractor under this Contract, and which specifies each Party's programmatic and technical performance requirements and obligations, under this Contract.

Termination Fee shall have the meaning set forth in Section 17.1 (Termination by Customer for Convenience).

Third Party means any individual or legal entity other than the Parties or Related Third Parties.

Total Launch Failure means that the conditions for a Launch Success are not met for any Satellites launched by the same Launch Vehicle.

Total Loss shall mean the loss, destruction or failure of a Satellite that is mated with the Launch Vehicle, provided, however, that for purposes of Customer's policy of Launch and In-Orbit Insurance only, the meaning assigned to the term "Total Loss" in Customer's policy of Launch and In-Orbit Insurance, if any, in place at the time of a Launch, shall take precedence over this definition. Customer shall promptly

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provide a copy of such definition to Contractor after the issuance of such policy of Launch and In-Orbit Insurance, if any.

Willful Misconduct means conduct that is committed with an intentional or reckless disregard for the safety of others or with an intentional disregard of an apparent or obvious duty necessary to the safety of another's health or property, including a failure, after knowledge of an impending danger, to exercise ordinary care to prevent it or a failure to discover the danger due to recklessness or carelessness when it could have been discovered by the exercise of ordinary care.

1.2 Interpretation . In this Contract, unless the contrary intention appears:

- the singular includes the plural and vice versa and words importing a gender include other genders;
- other grammatical forms of defined words or expressions have corresponding meanings;
- a reference to Article means an article of this Contract;
- a reference to Section means a section of an Article of this Contract;
- a reference to Exhibit means the exhibit(s) identified in Section 1.3 (Order of Precedence) and attached hereto and incorporated herein, as may be amended from time to time in accordance with the terms hereof;
- any terms capitalized but not defined herein shall have the definition ascribed thereto in the SOW;
- each Party shall perform its obligations under the Contract at all times in good faith and consistent with the implied covenant of good faith and fair dealing as interpreted by the laws of the State of New York;
- a reference to a document or agreement, including the Contract and any Exhibits hereto, includes a reference to that document or agreement as amended, assigned, altered or replaced from time to time;
- a reference to a Party includes its executors, administrators, successors and permitted assigns and persons to whom it assigns and novates the Contract in accordance with Section 23.4 (Assignment General);
- words and expressions importing natural persons include partnerships, bodies corporate, associations, governments and governmental and local authorities and agencies;
- the word "including" and words of similar import when used in this Contract shall mean "including without limitation," unless otherwise specified; and
- titles and headings to Articles, paragraphs and tables in this Contract are provided for convenience of reference only and shall not affect the meaning or interpretation of this Contract.

1.3 Contract, Exhibits and Order of Precedence . This Contract includes the exhibits listed below, which are attached hereto and made a part hereof. In the event of any conflict among the various portions of this Contract, including the exhibits listed below, the following order of precedence shall prevail:

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1. Articles 1 through 23
2. Exhibit A: Statement of Work
3. Exhibit B: Launch Schedule
4. Exhibit C: Milestone Payment Schedule
5. Exhibit D: Additional Launch Price

ARTICLE 2
SERVICES TO BE PROVIDED

2.1 Optional Launches . Subject to the terms of Article 5, Contractor shall provide to Customer: (i) Launch Services for up to six (6) dedicated Launches, each carrying two (2) Satellites, if converted to Firm Launch(es) by Customer, in accordance with the Statement of Work.

2.2 Additional Launches . Customer may procure up to six (6) additional Launch(es) ("Additional Launches"), that may be exercised at any time through [***] subject to the availability of Launch Vehicles, that at the time of such exercise are assigned a Launch Slot ending no later than [***] (subject to available Launch Opportunities). The Launch Service Price, Milestones and Milestone Payments for such Additional Launch(es) under this Section 2.2 shall be the same as set forth in Exhibit D.

2.3 Launch Mission and Satellite Dispenser Design, Development and Qualification . Contractor shall: (i) design, develop and qualify the NEXT Launch Mission and the Dispenser, which shall be considered an integral part of the Launch Vehicle and Launch Service and which shall be capable of performing all interface, Release, Separation and deployment functions in accordance with the SOW; (ii) deliver models, data, software, hardware, and test/support equipment to Customer's Associate Contractor as required by the SOW; (iii) manufacture, test and qualify the Dispenser; and (iv) provide management, Launch Mission integration and analyses and Satellite qualification support in accordance with the SOW.

2.4 Primary and Alternate Launch Site . The primary Launch Site for all Launch Services shall be the Yasny launch base located in the Orenburg Region, Russian Federation ("Yasny"). The Baikonur Cosmodrome, located in the Republic of Kazakhstan ("Baikonur"), is designated as the alternate Launch Site in the event Yasny is not available for a particular Launch Service as provided for in this Section 2.4.

2.4.1 Change of Launch Site Not Attributable to Contractor. No later than [***] months (or such shorter period that Customer may reasonably agree to in writing) prior to any scheduled Launch, Contractor shall notify Customer in writing if Yasny is not available for such Launch Services due to Launch Site unavailability for reasons not primarily attributable to Contractor (and notwithstanding Contractor's reasonable efforts to maintain or preserve Customer's scheduled Launch Date or Launch Slot) and include in such notification: (i) the reasons for Launch Site unavailability; (ii) the duration of such Launch Site unavailability; and (iii) the next available Launch Opportunity at Yasny (to the best knowledge of Contractor at that time) and at Baikonur. Within [***] Days of receipt of Contractor's notice, Customer shall notify Contractor of its election for the Launch Services to be performed at Yasny, subject to available Launch Opportunities, or during the next available Launch Opportunity at Baikonur. If Customer elects to proceed with the Launch Services at the next available Launch Opportunity at Yasny or Baikonur, then the Adjustment Fee associated with any Launch schedule adjustments as provided for in Article 6 shall not apply to either Contractor or Customer. Notwithstanding the foregoing,

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in the event of a Launch Site unavailability within [***] months prior to any scheduled Launch Date for any Launch Services under this Contract that results in or is reasonably likely to result in a delay to or displacement of a Customer Launch Slot, Contractor and Customer will abide by the provisions of this Section 2.4.1 in connection with the selection of a Launch Site for the affected Launch Service.

2.4.2 Change of Launch Site Attributable to Contractor. No later than [***] months (or such shorter period that Customer may reasonably agree to in writing) prior to any scheduled Launch, Contractor shall notify Customer in writing if Yasny is not available for such Launch Services due to Launch Site unavailability for reasons primarily attributable to Contractor and include in such notification: (i) the reasons for Launch Site unavailability; (ii) the duration of such Launch Site unavailability; and (iii) the next available Launch Opportunity at Yasny (to the best knowledge of Contractor at that time) and at Baikonur. Within [***] Days of receipt of Contractor's notice, Customer shall notify Contractor of its election for the Launch Services to be performed at Yasny, subject to available Launch Opportunities, or during the next available Launch Opportunity at Baikonur. If Customer elects to proceed with the Launch Services at the next available Launch Opportunity at Yasny, then the Adjustment Fee associated with any Launch schedule adjustments as provided for in Section 6.2 shall apply to Contractor. Notwithstanding the foregoing, in the event of a Launch Site unavailability within [***] months prior to any scheduled Launch Date for any Launch Services under this Contract that results in or is reasonably likely to result in a delay to or displacement of a Customer Launch Slot, Contractor and Customer will abide by the provisions of this Section 2.4.2 in connection with the selection of a Launch Site for the affected Launch Service.

ARTICLE 3
CONTRACT PRICE

3.1 Launch Service Price .

3.1.1 Firm Launch Price.

(A) The firm fixed price for each Firm Launch is set forth in Table C.2 (Launch Service Milestone Payments) in Exhibit C (Milestone Payment Schedule) ("Launch Service Price"). The Launch Price shall include all of the Launch Services specified in the SOW.

(B) If Customer converts less than [***] Optional Launches to Firm Launches, the Launch Service Price for each Firm Launch set forth in Table C.2 (Launch Service Milestone Payments) in Exhibit C (Milestone Payment Schedule) shall be [***] United States Dollars (US$[***]), plus an additional non-recurring sum of [***] United States Dollars (US$[***]), in the aggregate, to be applied evenly across the number of Optional Launches actually converted into Firm Launches by Customer.

3.1.2 Launch Mission and Satellite Dispenser Design, Development and Qualification Price. The firm fixed price for design, development and qualification of the Launch Mission and Dispenser is set forth in Table C.1 (Non-Recurring Launch Service Milestones) in Exhibit C (Milestone Payment Schedule) ("Launch Mission and Satellite Dispenser Design, Development and Qualification Price").

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3.2 Contract Price . The aggregate price for all the Firm Launches and related services to be provided by Contractor under this Contract, including the Non-Recurring Price, is set forth in Exhibit C (Milestone Payment Schedule) ("Contract Price"). The Contract Price shall include all of the services specified in the SOW.

3.3 Taxes . The prices referred to Sections 3.1 and 3.2 include, and the Contractor shall remit when due, all taxes, duties and other levies imposed by any authority in the Russian Federation, Ukraine or Kazakhstan Government and any political subdivision thereof, regardless of whether required by law to be paid by the Contractor in full as part of its performance of this Contract ("Taxes"). Contractor shall also be responsible for all Taxes associated with transportation and handling in Russia, Ukraine and Kazakhstan that may be imposed on the Customer with respect to the Satellites or any Customer-furnished items including but not limited to its support equipment after customs clearance. In addition, the Contractor shall assure that each of its subcontractors doing business in the United States shall be responsible for and shall remit when due, all taxes, duties and other levies imposed by the United States Government and any political subdivisions thereof. Should any of these Taxes (including taxes to be borne by subcontractors) become an obligation of Customer for any reason associated with this Contract, Contractor shall indemnify and hold harmless Customer from such obligation and shall reimburse Customer within thirty (30) days of Customer's invoice for payment of such amounts. The Parties agree and acknowledge that Customer shall be responsible for any Taxes imposed by the United States Government and any political subdivisions thereof associated with the Satellites and any Satellite-related ground equipment. Should any of the Taxes referred to in the immediately prior sentence become an obligation of Contractor for any reason associated with this Contract, Customer shall indemnify and hold harmless Contractor from such obligation and shall reimburse Contractor within thirty (30) days of Contractor's invoice for payment of such amounts. Customer may, in accordance with Article 22 (Option for Transportation and Customs Clearance Services), direct Contractor to provide transportation and customs clearance services for the Satellites, related Ground Support Equipment (GSE) and Satellite propellant to be imported into the Russian Federation or the Republic of Kazakhstan.

3.4 Suspension or Revocation of Intergovernmental Agreement . If the Intergovernmental Agreement between the United States and the Russian Federation exempting Customer's liability with respect to any Taxes associated with the temporary importation of the Satellites to the Russian Federation (the "Treaty") is suspended or revoked, and Contractor is otherwise unable, on a best efforts basis, to promptly obtain for Customer an equivalent waiver or exemption for the application of such Taxes, then the Parties shall investigate and consult with each other as to potential means to address the Tax liability. If a mutually agreeable solution is not determined within [***] Days or such longer period that is agreed to in writing by the Parties, then Customer shall have the right to terminate any of the Launch Services in accordance with Section 17.1 (without application of Section 17.5).

ARTICLE 4
PAYMENT

4.1 Timing of Payments . Payments under this Contract shall be made in U.S. Dollars as follows:

4.1.1 Milestone Payments. Upon the successful completion, and acceptance by Customer, of a Non-Recurring Launch Service Milestone or a Firm Launch Milestone in accordance with the Milestone completion criteria set forth in the SOW (each a "Milestone Payment") and identified in Exhibit C (Milestone Payment Schedule), Customer shall pay the applicable invoice issued by Contractor in accordance with Section 4.4 below.

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4.1.2 Payment Dates. If a payment due date falls on a day other than a Business Day, then payment shall be due on the following day that is a Business Day.

4.2 Down Payment Adjustment . The Firm Launch Milestone Payments amounts identified as Milestone Payment #1 and Milestone Payment #2 in Table C.2 of Exhibit C (Launch Service Milestone Payments) will be applied evenly across the number of Optional Launches that Customer actually converts to Firm Launches, and the remaining Firm Launch Milestone Payment amounts identified in Table C.2 of Exhibit C (Launch Service Milestone Payments) will be adjusted accordingly to reflect the distribution of the Milestone Payment #1 and Milestone Payment #2 payments across the Firm Launches.

4.3 Price Adjustments for Launch Failures . Notwithstanding the other provisions of Article 4, in the event that any Launch Service performed pursuant to the terms of this Contract results in a Launch Failure, the [***].

4.4 Wire Transfer Instructions . All payments made to Contractor hereunder shall be in U.S. currency and shall be made by electronic funds transfer to the following account:

Intermediary Bank:	[***]
Intermediary Bank Address:	[***]
Intermediary SWIFT Code:	[***]
Beneficiary's Bank:	[***]
Beneficiary's Bank Address:	[***]
SWIFT Code:	[***]
Account Number:	[***]
Beneficiary:	International Space Company Kosmotras

or such other account or accounts as Contractor may specify in writing to Customer.

To the extent any payments are made to Customer hereunder, all such payments shall be in U.S. currency and shall be made by electronic funds transfer to the following account:

Bank Name:	[***]
Account Number:	[***]
ABA Number:	[***]
SWIFT Code:	[***]
Beneficiary:	Iridium Satellite LLC

or such other account or accounts as Customer may specify in writing to Contractor.

4.5 Invoices .

4.5.1 For each Milestone Payment, Contractor shall submit to Customer an invoice for payment after completion and Customer acceptance of the applicable Milestone on or after the corresponding Milestone Payment due date listed in Exhibit C.

4.5.2 All invoices delivered under this Contract shall: (i) be complete and reasonably detailed in order to provide the recipient with sufficient information to ascertain the nature and scope of the charges included therein; (ii) indicate, as applicable, the Milestone Payment to which they correspond; and (iii) include Contractor's certification and Customer's counter-signature indicating Customer approval that the applicable Milestone completion criteria have been met in accordance with the requirements of the SOW.

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4.5.3 For the avoidance of doubt, no invoice for a Milestone Payment may be submitted by Contractor until all of the requirements of the applicable Milestone have been met and, in any case, not prior to the applicable Milestone Payment due date.

4.5.4 Payment shall be made by Customer to Contractor for any Milestone Payment within thirty (30) Days of submission of an invoice accepted by the Customer in accordance with the requirements of this Section 4.5. Payments shall be deemed made when credit for the payable amount is established in Contractor's designated bank account.

4.5.5 To the extent that any activities or work related to the completion of a Milestone are subsequently rendered incomplete as a result of corrective work or activity required to be completed by Contractor (for example, a stand-down of the Launch Vehicle due to a design flaw or manufacturing process anomaly), Contractor shall within [***] Days of such determination [***]. If requested by Customer in its reasonable discretion in connection with the calculation of credit under this Section 4.5.5, Contractor shall within [***] Business Days of such request submit to Customer a good faith estimate of the costs required to complete any Milestone (or portion thereof) that has been rendered incomplete.

4.6 Disputed Payments . If a Milestone has not been completed in accordance with the requirements of this Contract and the SOW, Customer shall so notify Contractor in writing within [***] Days of receipt of the applicable invoice, and within [***] Days thereafter provide in reasonable detail the Contract requirements associated with the applicable Milestone that have not been met. In the event Contractor disputes Customer's contention that the applicable Milestone has not been completed in accordance with the requirements of this Contract and the SOW, the Parties shall attempt to resolve such dispute in accordance with the procedures provided for in Section 18.1, during which Contractor and Customer shall each continue to perform all of their undisputed obligations under this Contract in a timely manner. If the Parties are unable to resolve such dispute in accordance with the procedures set forth in Section 18.1, then either Party may immediately begin legal proceedings in accordance with Section 18.4.

4.7 Accelerated Payments . In the event that a Launch Service is accelerated by Customer in accordance with the terms of Article 6 (Launch Schedule Adjustments), the remaining Milestone Payment due dates shall be accelerated on a day-for-day basis for such Launch Service. If, as a result of such acceleration and the early completion of an applicable Launch Service Milestone by Contractor, a Milestone Payment that should already have been made due in accordance with Section 4.1.1, such Milestone Payment shall be immediately invoiced by Contractor and paid by Customer within [***] Days of receipt of the corresponding invoice by Customer. Notwithstanding the foregoing, no accelerated payment shall be provided for a Milestone that is completed earlier than the corresponding Milestone Payment due date specified in Exhibit C unless the due date has been accelerated (as described above) or Customer has provided a written notification to Contractor indicating approval of an earlier completion date for such Milestone.

4.8 Audit Rights and Procedures . The Parties shall keep complete, true and accurate books of account and records pursuant to their applicable standard accounting system for the purpose of showing the derivation of all Actual Costs provided for in Articles 6.2.2 and 13.2, where any payments to be made by a Party are based on Actual Costs. Each Party will keep such books and records at its principal place of business for at least [***] and make them available at all reasonable times for audit by a reputable and industry recognized independent certified accounting firm reasonably acceptable to both Parties. Either Party (as applicable, the "Requesting Party") may direct an audit of any Actual Costs claimed by the other Party pursuant to Article 6.2.2 and 13.2 of this Contract. Any such audits will be at the expense of the Requesting Party, as applicable, unless the audit shows that the other Party has overcharged amounts due hereunder during the audited period by more than [***]. [***]. Either Contractor or

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Customer, as applicable, will promptly pay the other Party the full amount of any overpayment, from the date such payment was to have been made. The independent auditor will be directed to report reasons for its findings, and the independent auditor's findings will be binding upon Customer and Contractor.

ARTICLE 5
LAUNCH SCHEDULE

5.1 Launch Slots and Dates . As of EDC, the Parties have scheduled the Launch Slots and Launch Dates for the six (6) Optional Launches in accordance with Exhibit B (Launch Schedule).

5.2 Confirmation of Launch Services .

5.2.1 No later than [***], Customer shall provide Contractor a written notice: (i) confirming to Contractor that the first (1st) Launch Service is to be performed in accordance with the Launch Schedule set forth in Exhibit B; or alternatively, (ii) requesting a Launch Date for the first (1st) Launch Service, subject to the provisions of Article 6.

5.2.2 No later than [***], Customer shall provide Contractor a written notice: (i) confirming to Contractor that the remaining five (5) Optional Launches will be converted to Firm Launches to be performed in accordance with the Launch Schedule set forth in Exhibit B; or (ii) defining the number of Optional Launches to be converted to Firm Launches and the corresponding Launch Dates subject to the provisions of Article 6.

5.3 Launch Manifest Policy . Contractor shall comply with the following launch manifest policy with respect to any Customer Launch Service:

5.3.1 Contractor shall commit to providing the Launch Slots in accordance with Exhibit B (Launch Schedule), including making available Launch Opportunities and the Launch Site to support such Launch frequency.

5.3.2 Customer's Launch Services will not be displaced from the Launch Slot or Launch Date by any other customer of Contractor once such Launch Slot or Launch Date is established.

5.3.3 In the event of an adjustment of a Launch Slot or Launch Date by either Customer or Contractor, Contractor will schedule Customer's Firm Launches in the first available Launch Opportunity that is closest in time to the original Launch Slot or Launch Date, and if such Launch Slot or Launch Date is not acceptable to Customer, Contractor shall then provide the next subsequent Launch Opportunity that is closest in time to the original Launch Slot or Launch Date, and this process shall be repeated until a new Launch Slot or Launch Date is accepted by Customer.

5.4 Contractor Provision of Manifest-Related Information . Contractor, in accordance with the requirements of the SOW, shall regularly provide Customer with a schedule of current contracted launches and Launch Opportunities extending through [***] months following the end of the last Firm Launch ("Launch Manifest"). Such Launch Manifest will not be required to reflect the names of Contractor's customers or any other Proprietary Information of Contractor not applicable to Customer. The Launch Manifest, shall be considered Proprietary Information pursuant to Article 19 (Confidentiality) herein and will be used by Customer only for the purpose of managing Customer's rights and obligations under this Contract. If Contractor becomes aware of any event, development or circumstance that could impact the scheduling of a Customer Launch Slot or Launch Date, Contractor shall immediately notify Customer in writing of such potential event,

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development or circumstance and Contractor's plan to resolve or mitigate the impact thereof on the scheduling of Customer's applicable Launch Slot or Launch Date.

ARTICLE 6
LAUNCH SCHEDULE ADJUSTMENTS

6.1 Customer Launch Schedule Adjustments .

6.1.1 Customer No-Cost Adjustments . Customer shall have the right to adjust any scheduled Launch Slot or Launch Date, at no increase to the Contract Price as follows:

(A) Advance the scheduled Launch Slot for any Firm Launch subject to the mutual agreement of the Parties.

(B) After [***] and up to [***] months prior to the Launch Date for a Launch Service, postpone the commencement of the Launch Slot or Launch Date for such Launch Service to any date within calendar year [***] or up to and including the [***] of [***]. Any Customer request for a Launch Service with a Launch Slot or Launch Date in the [***] of [***] shall be subject to the mutual agreement of the Parties.

(C) Within [***] months prior to the Launch Date for a Launch Service, postpone the Launch Date for up [***] Days (cumulative or in the aggregate).

(D) Postpone the Launch Date within the applicable Launch Slot. If a Launch Date within a Launch Slot beginning in [***] and extending into [***] is moved within such Launch Slot from a date in [***] to a date in [***], the applicable Launch Price shall remain unchanged and will not be increased as set forth in Section 6.1.2(A)(i) provided that the Launch Vehicle remains operationally certified by Contractor (or its Associate Contractor).

6.1.2 Customer Cost-Based Adjustments . Customer shall have the right to adjust any scheduled Launch Date that does not meet the criteria provided for in Section 6.1.1, subject to adjustment to the Launch Service Price as set forth below:

(A) Postpone the applicable Launch Date:

(i) to a new Launch Date in [***], with the Launch Service Price for each such adjusted Launch Service increased to [***] United States Dollars (US$[***]) ("[***] Launch Service Price"); or

(ii) to a new Launch Date in [***] or beyond, with the [***] Launch Services Price increased by [***] per calendar year for each such adjusted Launch Service; or

(iii) Within [***] months prior to the Launch Date for a Launch Service, postpone the Launch Date, within the applicable Launch Slot by, more than [***] Days (cumulative or in the aggregate), subject to: (i) discussion and negotiation by the Parties; and (ii) indemnification of Contractor's Actual Costs directly associated with the launch campaign operations at the Launch Site not to exceed [***] United States Dollars (US$[***]).

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6.1.3 Conditions Associated With Customer Launch Schedule Adjustments .

(A) The scheduling of a new Launch Date pursuant to a Customer request under Sections 6.1.1 or 6.1.2 shall be subject to available Launch Opportunities.

(B) Any delay in the scheduling of a new Launch Date in excess of the delay requested by Customer shall not be deemed either a Customer or Contractor delay for purposes of Article 6.

(C) If Customer provides Contractor at least [***] months advance notice of postponement of a Launch Slot or Launch Date, then Customer's remaining Milestone Payments for the affected Launch Services will be postponed on a Day-for-Day basis.

6.2 (D) If Customer provides Contractor less than [***] months advance notice of postponement of a Launch Slot or Launch Date, then Customer's remaining Milestone Payments (with the exception of payments associated with the Launch and Post Flight Report Complete Milestones identified in Exhibit (C)) for the affected Launch Services will be due and payable in accordance with the existing Milestone Payment schedule prior to giving effect to Customer's requested postponement.

(E) For the avoidance of doubt, provided that a Third Party customer of Contractor is not displaced from their launch slot, if Customer has delivered the Satellite(s) for any Launch Service to the Launch Site and the Parties are in imminent preparations for Launch, Contractor shall diligently proceed with the Launch Services irrespective of whether the Launch Date extends beyond the scheduled Launch Slot for that particular Launch Service.

(F) If a new Launch Date is outside of the original Launch Slot as a result of a Launch schedule adjustment pursuant to this Section 6.1, the newly established Launch Date shall represent the first Day of the new corresponding Launch Slot.

6.3 Contractor Launch Schedule Adjustments .

6.3.1 Contractor No-Cost Adjustments. Contractor shall have the right to adjust the Launch Date for any Launch Service, without application of an adjustment fee (the "Adjustment Fee"), for a cumulative period of up to [***] Days.

6.3.2 Contractor Cost-Based Adjustments. Contractor shall have the right to postpone any scheduled Launch Date for a cumulative period of more than [***] Days, subject to: (i) available Launch Opportunities: (ii) the manifest policy set forth in Section 5.4; and (iii) application of an Adjustment Fee and pursuant to the conditions set forth below:

(A) Subject to Customer not exercising its termination for default right provided for under Section 17.2, from [***] Days and up to [***] Days in the aggregate for an Adjustment Fee that equal to Customer's Actual Costs incurred as a direct result of the postponement of the Launch Date by Related Third Parties engaged by Customer.

(B) Subject to Customer not exercising its termination for default right provided for under Section 17.2, more than [***] Days in the aggregate for an Adjustment Fee of [***] United States Dollars (US$[***]) per day.

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(C) Within [***] months prior to the Launch Date for a Launch Service, postpone the Launch Date, within the applicable Launch Slot by, more than [***] Days (cumulative or in the aggregate), subject to: (i) discussion and negotiation by the Parties; and (ii) indemnification of Customer's Actual Costs directly associated with the launch campaign operations at the Launch Site not to exceed [***] United States Dollars (US$[***]).

6.3.3 Conditions Associated With Contractor Launch Schedule Adjustments .

(A) The scheduling of a new Launch Date pursuant to a Contractor request under Sections 6.2.1 and 6.2.2 shall be subject to the availability of Satellites and Customer mission critical resources.

(B) For any Launch Services postponed by Contractor pursuant to Section 6.2, the remaining Milestones for such Launch Service will be delayed on a Day-for-Day basis and Customer shall pay such Milestones in accordance with the revised Milestone Payment schedule (taking into account the Day-for-Day adjustments) for such Launch Service.

(C) Any delay in the scheduling of a new Launch Date in excess of the delay requested by Contractor shall not be deemed either a Contractor or Customer delay for purposes of Article 6.

(D) If a new Launch Date outside of the original Launch Slot is established as a result of a Launch schedule adjustment pursuant to this Section 6.2, the newly-established Launch Date shall represent the first Day of the new corresponding Launch Slot.

(E) The aggregate sum of any Adjustment Fees due by Contractor to Customer resulting from adjustments to any particular Launch Service pursuant to Section 6.2.2 shall not exceed: (i) [***] United States Dollars (US$[***]) for postponement(s) pursuant to Section 6.2.2(A); and (ii) [***] United States Dollars (US$[***]) for postponement(s) pursuant to 6.2.2(B). With respect to any Additional Launches, the aggregate sum of Adjustment Fees owed by Contractor to Customer shall be [***] United States Dollars (US$[***]) for each Additional Launch Service.

(F) Any Adjustment Fees incurred by Contractor pursuant to Section 6.2 shall be paid to Customer within [***] Days after the month in which such Adjustment Fees are incurred.

(G) If Contractor postpones any Launch Service to [***] for reasons not attributable to Customer, the Launch Service Price for such postponed Launch Service shall remain unchanged.

6.4 Notice of Requests and Determination of Launch Opportunities . All Customer and Contractor requests for adjustment of the Launch Slot or Launch Date shall be made by giving written notice to the other Party in accordance with Section 8.3 (Notices). The Parties will cooperate in good faith to adjust the Launch Slot or Launch Date, as applicable. In the event that the Parties cannot mutually agree as to the relevant adjustment of the Launch Slot or Launch Date within [***] Days (or such shorter time period as may be necessary in light of the proximity to the Launch), the Parties shall determine a new Launch Slot or Launch Date, as applicable, on the basis of: (i) available Launch Opportunities as reported by Contractor to Customer at the time pursuant to Section 5.4 (Contractor Provision of Manifest-Related Information); and (ii) the requirements and

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interests of Customer. The then-current Launch Schedule shall remain in effect until a new Launch Slot or Launch Date is selected in accordance with this Section 6.3.

6.5 Obligation to Give Prompt Notice . Contractor and Customer acknowledge and agree that it is in the best interests of both Parties to promote certainty in launch schedule decisions and minimize disruption to other customers of Contractor. Therefore, the Parties agree to give prompt notice of any need for a schedule change under this Article 6 or any actual or potential delay that might impact the launch schedule, with such notification to occur pursuant to Section 6.3.

6.6 Characterization of Adjustment Fees . Customer and Contractor agree that the Adjustment Fees provided for in this Article 6 do not constitute a penalty or estimate of future damages, but represent reasonable fees associated with the adjustment of the affected Launch Service and Contractor or Customer's associated obligations under this Contract at various points in time.

ARTICLE 7
REPRESENTATIONS, WARRANTIES & COVENANTS

The Contractor makes the representations, warranties and covenants contained in this Article 7.

7.1 Contractor's Performance . Contractor's performance of its obligations under this Contract shall at all times be conducted in a skillful and workmanlike manner in accordance with the standards, practices, methods, and procedures ordinarily expected from a skilled and experienced launch services provider and shall conform in all material respects to the requirements of the SOW.

7.2 Litigation . As of EDC of this Contract, there are no facts, actions, suits, litigation, arbitration or administrative proceedings pending or, to Contractor's best knowledge, threatened, against the Contractor which would materially adversely affect the Contractor, its financial condition, results of operations and cash flows or otherwise prevent the Contractor from performing under this Contract.

ARTICLE 8
COORDINATION AND COMMUNICATION BETWEEN CUSTOMER AND CONTRACTOR

8.1 Contractor Cooperation . Contractor shall cooperate in good faith with and support the Customer in the following areas:

- Coordination of the Launch Services and associated planning activities with Customer's Satellite manufacturing contractor;
- Preparation and presentation of technical briefings associated with Customer's procurement of Launch and In-Orbit Insurance, including any claims pursued by Customer thereunder;
- Registration of the Satellites in accordance with the United Nations Convention on Registration of Objects Launched into Outer Space; and
- Debt or equity financing activities associated with the cost of the Launch Services.

8.2 Launch Program Managers . Each Party shall designate a launch program manager ("Launch Program Manager") no later than one (1) month after EDC. The task of each of the Launch Program Managers shall be to supervise and coordinate the respective Satellite integration and

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mission analysis activities between the Parties. Neither Launch Program Manager is authorized to direct work contrary to the requirements of this Contract or to make modifications to this Contract. Contractor may replace its Launch Program Manager provided the Customer has received notification of such action and consents to the Contractor's replacement Launch Program Manager in writing. Customer may request a change in the Contractor personnel assigned as the Contractor Launch Program Manager.

8.3 Notices . All notices that are required or permitted to be given under this Contract shall be in writing and shall be delivered in person or sent by facsimile, certified mail (return receipt requested) or air courier service to the representative and address set forth below, or to such other representative or address specified in a notice to the other Party. Ordinary course communications under this Contract may be given via electronic mail (message delivery or receipt confirmation requested). Notices shall be effective upon delivery in person or upon confirmation of receipt in the case of facsimile, certified mail or air courier.

Notices to Contractor:

[***]
ISC Kosmotras
7 Sergey Makeev St., Bld 2
Moscow 123100
Russian Federation
Telephone: [***]
Fax: [***]
E-mail: [***]

With a copy to:

[***]
ISC Kosmotras
7 Sergey Makeev St., Bld 2
Moscow 123100
Russian Federation
Telephone: [***]
Fax: [***]
E-mail: [***]

Notices to Customer:

[***]
Iridium Satellite LLC
2030 East ASU Circle
Tempe, AZ 85284

Telephone: [***]
Fax: [***]
Email: [***]

With a copy to:

[***]
Iridium Satellite LLC
2030 East ASU Circle
Tempe, AZ 85284

Telephone: [***]
Fax: [***]
Email: [***]

and

[***]
Iridium Satellite LLC
1750 Tysons Boulevard
Suite 1400
McLean, VA 22102
Telephone: [***]
Fax: [***]
Email: [***]

Either Party may from time to time change its notice address or the persons to be notified by giving the other Party written notice (as provided above) of such new information and the date upon which such change shall become effective.

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8.4 Communications in English . All documentation, notices, reports and correspondence under this Contract shall be submitted and maintained in the English language.

ARTICLE 9
ADDITIONAL CONTRACTOR AND CUSTOMER OBLIGATIONS PRIOR TO LAUNCH

9.1 Obligation to Provide Information . Contractor shall provide to Customer and Customer shall provide to Contractor the data, hardware and services identified in the SOW according to the schedules provided therein. The data, hardware and services will be received in a condition suitable for their intended use as defined by the requirements of the SOW.

9.2 Notification of Non-Compliance . Customer shall promptly, and in any event within [***] Business Days, notify the Contractor in accordance with Section 8.3 (Notices) in the event that any data, hardware or services provided pursuant to the terms of this Contract are not consistent with the requirements contained in the SOW, or are not suitable for their intended purpose. The notification shall contain a statement of the discrepancy. Contractor shall promptly remedy the non-compliance or discrepancy identified by Customer pursuant to this Section 9.2 with no increase to the Contract Price.

9.3 Errors . Each Party [***].

9.4 Late Data and Hardware Deliveries . Each Party [***].

ARTICLE 10
CUSTOMER ACCESS

10.1 Factory and Launch Site Access . Customer, its Related Third Parties and designated Affiliates shall have access to: (i) Contractor's mission hardware final assembly factory to witness Contractor's mission hardware final acceptance activities; (ii) the Launch Site; and (iii) the launch complex and Satellite encapsulation area to witness major Customer-related mission tests and to attend regular coordination meetings. Contractor shall provide Customer, and with prior Customer approval, Customer's Related Third Parties and designated Affiliates, with access at the Launch Site, launch complex and Satellite encapsulation area in accordance with the security plan agreed to by the Parties. In each case, the access rights of Customer, its Related Third Parties and designated Affiliates shall be subject to applicable export control, regulatory, confidentiality, security and/or safety limitations of the Russian Federation, Ukraine and the Republic of Kazakhstan and, at the same time, consistent with requirements of Section 12.8 of this Contract (in particular, Customer's requirements to comply with the United States Department of State International Traffic in Arms Regulations ("ITAR")).

10.2 Access to Information . Subject to applicable export, regulatory, confidentiality and security limitations of the Russian Federation, Ukraine, and the Republic of Kazakhstan, Customer, its Related Third Parties and designated Affiliates shall have access to: (i) for ordinary course activities under the Contract; (ii) information required to be provided or made available under the SOW; (iii) in connection with the Dispenser, all designs, parts, processes, test plans and results, procedures and all other data related to failures or defects and related documentation; and (iv) if there is failure or non-conformance specifically related to a Launch Service, information related to any failure or non-conformance, including failure determination, remediation and resolution and associated documentation.

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ARTICLE 11
LAUNCH VEHICLE TECHNICAL COMPLIANCE

11.1 Compliant Launch Vehicle . The following criteria shall apply to the Launch Vehicle used by Contractor to perform the Launch Services:

(A) [***]

(B) [***]

(C) [***]

(D) [***]

11.2 Notification of Material Change . Contractor shall notify Customer of any proposed material change to: (i) mission-specific designs, parts, processes, failures, defects and documentation; (ii) any configuration of the Launch Vehicle (irrespective of whether it includes a Dispenser or not), Dispenser and/or the demonstrated flight environments; and (iii) ground or Launch Site elements (each a "Material Change"), within [***] Days of the decision to implement the change or as soon as practicable, but in no instance after the change itself has been implemented. Customer must approve any Material Change(s) in writing, such approval not to be unreasonably withheld or delayed. Should Customer so request, Contractor shall provide Customer a briefing during which Contractor shall describe the Material Change, provide the basis for the Material Change, outline the testing/qualification plan for the Material Change, and describe the impact to Customer's Launch Vehicle due to the Material Change. For the avoidance of doubt, any approval by the Customer of a Material Change shall not waive Contractor's obligations to otherwise perform the Launch Services in accordance with the requirements of this Contract and the SOW.

11.3 Failure Review Board . If any configuration of the Launch Vehicle (with or without the Dispenser) experiences a launch failure or underperformance (including a Total Launch Failure), then Contractor shall only be allowed to perform the Launch Service under this Contract after the most probable cause of the launch failure or underperformance has been identified and corrective actions have been implemented to the satisfaction of the applicable failure review board (the "Failure Review Board") convened by a relevant State Party of the Russian Federation with participation of the Ukraine. The Failure Review Board shall consist of those technical disciplines necessary to assess the failure, its cause and necessary correction action, if any, required for future launches. Contractor shall present to Customer the results, acceptable to Customer and the insurers, of the final investigation by the Failure Review Board including documentary evidence which sets forth the probable cause of failure, corrective action and any impact on Customer's Launch. Customer may determine, at its sole discretion and based on the documentary evidence, when Contractor may perform the Launch Service under this Contract following any launch failure or underperformance. Any Launch delay(s) that may result from the resolution of any Failure Review Board finding shall not be deemed to be a delay by Customer.

ARTICLE 12
GOVERNMENTAL APPROVALS, LICENSES, CLEARANCES, PERMITS AND COMPLIANCE WITH REQUIREMENTS

12.1 Launch Vehicle Registration . Contractor shall be responsible for registering the Launch Vehicle with the appropriate launching state or states as required by the 1975 Convention on Registration of Objects Launched into Outer Space.

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12.2 Satellite Registration . Customer shall be responsible for registering the Satellites with the appropriate launching states or states as required by the 1975 Convention on Registration of Objects Launched into Outer Space.

12.3 Parties Respective Obligations . Each Party is responsible for obtaining all governmental approvals, including any licenses, clearances, permits or governmental authorizations from any governmental authority that has jurisdiction or authority to require such licenses, clearances, permits or authorizations necessary to carry out such Party's respective obligations in accordance with this Contract.

12.4 Mutual Assistance . The Parties shall cooperate and provide each other upon reasonable request and without cost to the other Party all reasonable and necessary assistance in obtaining and maintaining any and all governmental licenses, permits, approvals, and authorizations that they may respectively be required to obtain to fulfill their obligations under this Contract.

12.5 Launch Vehicle and Launch Site Approvals . Contractor, at its sole expense, shall obtain and maintain all governmental licenses, permits, approvals, and authorizations, including approvals for drop zone(s), necessary for its performance under this Contract. Contractor shall provide to Customer reasonable notice (in writing) of the requirements specific to access to and operations at the Launch Site.

12.6 Satellite Approvals . Customer, at its sole expense, shall make reasonable efforts to obtain U.S. Government export licenses, permits, technical assistance agreements, and approvals for the Satellites, ancillary equipment, and exchanges of technical data and information necessary for performance of the Launch Services; provided, however, that without limitation, Customer shall have the right to terminate any affected Launch Services or this Contract in accordance with Section 17.1 (Termination by Customer for Convenience), if, for any reason: (a) Customer, despite using all reasonable efforts, is unable within six (6) months of execution of this Contract to obtain all such export licenses, permits, technical assistance agreements, and approvals for the Launch Services; or (b) once granted, any such export licenses, permits, technical assistance agreements, or approvals are canceled, revoked, withdrawn, or suspended at any time for the Launch Service(s).

12.7 Safeguarding U.S.-Licensed Satellites . Contractor and Company shall abide by and require its Related Third Parties, as applicable to abide by all United States and Russian Federation security rules and regulations pertaining to the safeguarding of U.S.-licensed satellites in connection with the performance of this Contract.

12.8 Government Trade Compliance Regulations .

12.8.1 Each Party shall be responsible for compliance with applicable United States, Russian Federation or Republic of Kazakhstan regulations relating to the transfer of technical data of the other Party or to Third Parties. Contractor and Customer agree that all export, import/re-export of goods, defense services and technical data made pursuant to this Contract shall be in strict compliance with all laws, rules and regulations of the United States, including the ITAR and the Export Administration Regulations ("EAR") of the United States Department of Commerce. Additionally, it is understood that Contractor and Customer are subject to the applicable laws and regulations of the Russian Federation and/or and the Republic of Kazakhstan, as applicable.

12.8.2 Contractor shall at no time seek any technology associated with the Satellites or any ancillary equipment. Contractor shall strictly comply with all United States export laws, regulations, and license conditions imposed on Customer in connection with this Contract or the Launch Service and the provisions of any agreement on satellite and/or launch

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vehicle technology safeguards among the Governments of the United States and Russian Federation, as they may be amended from time to time. Contractor shall provide U.S. government personnel with such access to Contractor facilities and the Launch Site as is necessary for compliance with United States export laws, regulations, and license conditions. Upon arrival of the Satellites at the port of entry in the Russian Federation or the Republic of Kazakhstan, Contractor shall use its best efforts to provide, or to procure through other competent organizations, reasonable security measures, including without limitation the following:

(A) Contractor will assist Customer in obtaining exemption for the Satellites and ancillary equipment, to the maximum extent possible, from examination by customs authorities when any Satellites and ancillary equipment enter the territory of the Russian Federation or the Republic of Kazakhstan, as applicable, provided Customer or its Associate Contractor provides written assurances or other documentation that the Satellites and ancillary equipment comply with all relevant requirements of the customs authorities.

(B) Customer will be permitted to dispatch personnel to oversee and protect the Satellites after their entry into the Russian Federation or the Republic of Kazakhstan, as applicable, during their transport to the Launch Site, and while they are present at the Launch Site. If requested by Customer, Contractor will assign personnel to assist in such supervision and protection.

(C) The testing and processing of the Satellites at the Launch Site will be conducted entirely by Customer's and/or its Associate Contractor's technical personnel at suitable facilities provided by the Contractor. If requested, Contractor will assist with such testing and processing.

(D) In the event any Satellites or ancillary equipment are transported out of the Russian Federation or the Republic of Kazakhstan, as applicable, Contractor shall assist with any governmental approvals required for export and assign personnel to assist in overseeing and protecting such Satellites and ancillary equipment.

(E) Contractor will provide assistance to Customer, its Related Third Parties and Associate Contractors with the administrative arrangements necessary in connection with the transportation of the Satellites and related equipment or supplies from their entry into the Russian Federation or the Republic of Kazakhstan, as applicable, to the Launch Site, the secure storage of the Satellites and/or related support equipment (if required) and their possible return, and the entry, exit and stay of Customer, its Related Third Party and Associate Contractor personnel in the Russian Federation or the Republic of Kazakhstan, as applicable, during the performance of this Contract. Such assistance to Customer, its Related Third Parties and Associate Contractors shall include assisting in obtaining on behalf of Customer, its Related Third Parties and Associate Contractors, as applicable, necessary consents and authorizations from the relevant governmental authorities for the entry and temporary stay in the Russian Federation or the Republic of Kazakhstan, as the case may be, of such personnel, Satellites and related equipment or supplies.

12.9 Each Party shall defend, hold harmless, and indemnify the other Party from any and all damages, liabilities, penalties, fines, claims, settlements, suits, remedial actions and costs and expenses incidental thereto (including court costs and costs of defense, settlement, and reasonable attorneys' fees), imposed or sought to be imposed upon the other Party as a result of the first

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Party's failure or neglect to comply effectively in accordance with Sections 12.1 through 12.8 above.

ARTICLE 13
CHANGES

13.1 Changes Generally . Customer may, at any time during the performance of this Contract, direct a change within the general scope of this Contract ("Change Order").

13.2 Change Order Process . Prior to initiating a Change Order, Customer may issue a request to Contractor for a proposal. Within [***] Days of Customer's request (or such longer period requested by Contractor and reasonably granted by Customer), Contractor shall provide Customer a written proposal for implementation of the requested Change Order, including as relevant any adjustment to the Launch Price, Launch Slot or Launch Date for the relevant Launch Service, the Milestones, the SOW or other affected terms and conditions of the Contract. Contractor's proposal shall be on a firm fixed price basis and include a detailed basis of estimate (*e.g.* , labor, category, hours, material, subcontracts, etc.). Customer shall evaluate Contractor's proposal, and as appropriate, negotiate the terms thereof with Contractor.

13.3 Contract Amendment . If Contractor's proposal submitted pursuant to Section 13.2 (as may be modified based on negotiations between the Parties) is approved by Customer in writing, Contractor shall immediately proceed with the Change Order and the Parties shall execute any necessary amendment to this Contract in accordance with Section 23.1 (Amendment) within [***] Days after approval of the Change Order by Customer.

ARTICLE 14
INDEMNITY, EXCLUSION OF WARRANTY, WAIVER OF LIABILITY AND ALLOCATION OF CERTAIN RISKS

14.1 NO REPRESENTATIONS OR WARRANTIES. EXCEPT AS SET FORTH IN ARTICLE 7 (REPRESENTATIONS AND WARRANTIES), CONTRACTOR HAS NOT MADE NOR DOES IT MAKE ANY REPRESENTATION OR WARRANTY, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF DESIGN, OPERATION, CONDITION, QUALITY, SUITABILITY OR MERCHANTABILITY OR OF FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, WITH REGARD TO THE SUCCESS OF ANY LAUNCH OR OTHER PERFORMANCE OF ANY LAUNCH SERVICE HEREUNDER.

14.2 Waiver of Liability .

14.2.1 Contractor and Customer hereby agree to a reciprocal waiver of liability pursuant to which each Party agrees not to bring a claim or sue the other Party, the United States Government, the Government of the Russian Federation, and its contractors and subcontractors at every tier or Related Third Parties of the other Party for any property loss or damage it sustains including, but not limited to, in the case of Customer, loss of or damage to the Satellites, or any other property loss or damage, personal injury or bodily injury, including death, sustained by any of its directors, officers, agents and employees, arising in any manner in connection with the performance of or activities carried out pursuant to this Contract, or other activities in or around the Launch Site or Satellite processing area, or the operation or performance of the Launch Vehicle or the Satellites.

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Such waiver of liability applies to all damages of any sort or nature, including but not limited to any direct, indirect, special, incidental or consequential damages or other loss of revenue or business injury or loss such as costs of effecting cover, lost profits, lost revenues, or costs of recovering a payload or the Satellites, from damages to the Satellites before, during or after Launch or from the failure of the Satellites to reach their planned orbit or operate properly.

14.2.2 Claims of liability are waived and released regardless of whether loss, damage or injury arises from the acts or omissions, negligent or otherwise, of either Party or its Related Third Parties. This waiver of liability shall extend to all theories of recovery, including in contract for property loss or damage, tort, product liability and strict liability. In no event shall this waiver of liability prevent or encumber enforcement of the Parties' contractual rights and obligations to each other as specifically provided in this Contract.

14.2.3 Contractor and Customer shall each extend the waiver and release of claims of liability as provided in Sections 14.2.1 and 14.2.2 to its Related Third Parties (other than employees, directors and officers) by requiring them to waive and release all claims of liability they may have against the other Party, its Related Third Parties, the United States Government and its contractors and subcontractors at every tier, the Government of the Russian Federation and its contractors and subcontractors at every tier, and to agree to be responsible for any property loss or damage, personal injury or bodily injury, including death, sustained by them arising in any manner in connection with the performance of or activities carried out pursuant to this Contract, or other related activities in or around the Launch Site or Satellite processing area, or the operation or performance of the Launch Vehicle or the Satellites.

14.2.4 The waiver and release by each Party and its Related Third Parties of claims of liability against the other Party and the Related Third Parties of the other Party extends to the successors and assigns, whether by subrogation or otherwise, of the Party and its Related Third Parties. Each Party shall obtain a waiver of subrogation and release of any right of recovery against the other Party and its Related Third Parties from any insurer providing coverage for the risks of loss for which the Party hereby waives claims of liability against the other Party and its Related Third Parties.

14.2.5 In the event of any inconsistency between the provisions of this Section 14.2 and any other provisions of this Contract, the provisions of this Section 14.2 shall take precedence.

14.3 Indemnification - Property Loss and Damage and Bodily Injury .

14.3.1 To the extent that claims of liability by Related Third Parties are not covered by an insurance policy of either Contractor or Customer, Contractor and Customer each agree to defend, hold harmless and indemnify the other Party and its Related Third Parties, for any liabilities, costs and expenses (including attorneys' fees, costs and expenses), arising as a result of claims brought by Related Third Parties of the indemnifying Party, for property loss or damage, personal injury or bodily injury, including death, sustained by such Related Third Parties, arising in any manner in connection with the activities carried out pursuant to this Contract, other activities in and around the Launch Site or the Satellite processing area, or the operation or performance of the Launch Vehicle or the Satellites. Such indemnification applies to any claim for direct, indirect, special, incidental or consequential damages or other loss of revenue or business injury or loss, including but not limited to costs of effecting cover, lost profits or lost revenues, resulting from any loss of or damage to the Satellites before, during, or after Launch or from the failure of the Satellites to reach their planned orbit or operate properly.

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14.3.1 To the extent that claims of liability by Third Parties are not covered by the third party liability insurance referred to in Section 15.1 (Third Party Liability Insurance) or an insurance policy of either Contractor or Customer, Contractor will defend, hold harmless and indemnify Customer and its Related Third Parties from: (i) any and all claims of Third Parties, for property loss or damage, personal injury or bodily injury, including death, and (ii) any and all claims of Third Parties for direct, indirect, special, incidental or consequential damages or other loss of revenue or business injury or loss including, but not limited to costs of effecting cover, lost profits or lost revenues (other than claims of Third Parties for which Customer has an obligation to defend, hold harmless and indemnify the Contractor and its Related Third Parties under Section 14.3.3. below) in each case arising in any manner from the processing, operation, testing or performance of the Launch Vehicle.

14.3.2 To the extent that claims of liability by Third Parties are not covered by the third party liability insurance referred to in Section 15.1 (Third Party Liability Insurance) or an insurance policy of either Contractor or Customer, Customer will defend, hold harmless and indemnify Contractor and its Related Third Parties for any and all claims of Third Parties, for property loss or damage, personal injury or bodily injury, including death, arising in any manner from the processing, testing, operation or performance of the Satellites or loss resulting from any loss of or damage to the Satellites before or after Launch or from the failure of the Satellites to reach their planned orbit or operate properly.

14.3.3 Notwithstanding Sections 14.3.2 and 14.3.3 above, Contractor shall not be obligated to defend, hold harmless or indemnify Customer for any claim brought by a Third Party against Customer resulting from any damage to or loss of the Satellites, whether sustained before or after Launch and whether due to the operation, performance, non-performance or failure of the Launch Vehicle or due to any other causes. Customer shall defend, hold harmless and indemnify Contractor for any claims brought by Third Parties against Contractor for damage to or loss of the Satellites, whether sustained before or after Launch or whether due to the operation, performance, non-performance or failure of the Launch Vehicle or due to other causes.

14.3.4 The indemnification for property loss or damage, personal injury or bodily injury provided by this Section 14.3 shall be available regardless of whether such loss, damage or injury arises from the acts or omissions of the Party entitled to indemnification, or its Related Third Parties, as the case may be, unless if due to Gross Negligence or Willful Misconduct.

14.3.5 The right of either Party or Related Third Parties to indemnification under this Article is not subject to subrogation or assignment and either Party's obligation set forth herein to indemnify the other Party or Related Third Parties extends only to that Party or those Related Third Parties and not to others who may claim through them by subrogation, assignment or otherwise.

14.4 Indemnification - Intellectual Property Infringement .

14.4.1 Indemnification . Contractor shall indemnify, defend and hold harmless Customer, its Related Third Parties, subsidiaries and Affiliates, its subcontractors (if any), their respective officers, employees, agents, servants and assignees, from and against all losses, damages, liabilities, settlements, penalties, fines, costs and expenses (including reasonable attorneys' fees and expenses) arising out of or resulting from any claim, suit or other action or threat by a third party arising out of an allegation that: (i) Contractor's performance under this Contract hereunder; (ii) the design, manufacture or operation of

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the Launch Vehicle, Dispenser or Contractor's provision of Launch Services; or (iii) Customer's Exploitation of the Background Contractor Intellectual Property or the Foreground Intellectual Property, infringes any third party's Intellectual Property Rights ("Intellectual Property Claim").

14.4.2 Infringing Equipment . If Contractor's performance under this Contract, the design, manufacture or operation of the Launch Vehicle, Dispenser or Contractor's provision of Launch Services, or any part thereof is enjoined or otherwise prohibited as a result of an Intellectual Property Claim, Contractor shall, at its option and expense, (i) resolve the matter so that the injunction or prohibition no longer pertains, (ii) procure for Customer the right to use the infringing item, and/or (iii) modify the infringing item so that it becomes non-infringing while remaining in compliance with the requirements of this Contract. Customer shall, at Contractor's expense, reasonably cooperate with Contractor to mitigate or remove any infringement. If Contractor is unable to accomplish (i), (ii) or (iii) as stated above, Customer shall have the right to terminate any or all of the Launch Services yet to be performed under this Contract and receive a refund of all payments made by Customer relating to such terminated Launch Services, as well as all excess re-procurement costs directly associated with replacing any Launch Service with a substantially similar launch service, procured on substantially similar terms and conditions on commercially competitive terms and conditions, including price).

14.4.3 Combinations and Modifications . Contractor shall have no liability under Section 14.4.1 or Section 14.4.2 for any Intellectual Property Claim to the extent arising from (i) use of any Deliverable Item in combination with other items not provided, contemplated, recommended, or approved by Contractor, (ii) modifications of any Deliverable Item after Delivery by a person or entity other than Contractor unless authorized by written directive or instructions furnished by Contractor to Customer under this Contract or (iii) the compliance of any Deliverable Item with specific designs, specifications or instructions of Customer.

14.4.4 Customer shall defend, hold harmless and indemnify Contractor and its Related Third Parties and Affiliates, its subcontractors (if any), their respective officers, employees, agents, servants and assignees for any and all Intellectual Property Claims resulting from the infringement, or claims of infringement, of the Intellectual Property Rights of a Third Party, that may arise from the design, manufacture, or operation of Customer's Satellites or an Intellectual Property Claim alleging that the Contractor aided or enabled infringement in the design, manufacture, or operation of Customer's Satellites by the furnishing of Launch Services.

14.5 Rights and Obligations . The rights and obligations specified in Sections 14.3 and 14.4 shall be subject to the following conditions:

14.5.1 The Party seeking indemnification shall promptly advise the other Party in writing of the filing of any suit, or of any written or oral claim alleging an infringement of any Related Third Party's or any Third Party's rights, upon receipt thereof, and shall provide the Party required to indemnify, at such Party's request and expense, with copies of all relevant documentation.

14.5.2 The Party seeking indemnification shall not make any admission nor shall it reach a compromise or settlement without the prior written approval of the other Party, which approval shall not be unreasonably withheld, conditioned or delayed.

14.5.3 The Party required to indemnify, defend and hold the other harmless shall assist in and shall have the right to assume, when not contrary to the governing rules of procedure, the

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defense of any claim or suit or settlement thereof, and shall pay all reasonable litigation and administrative costs and expenses, including attorney's fees, incurred in connection with the defense of any such suit, shall satisfy any judgments rendered by a court of competent jurisdiction in such suits, and shall make all settlement payments.

14.5.4 The Party seeking indemnification may participate in any defense at its own expense, using counsel reasonably acceptable to the Party required to indemnify, provided that there is no conflict of interest and that such participation does not otherwise adversely affect the conduct of the proceedings.

14.6 Authority to Destroy Launch Vehicle . The range safety officer or equivalent is hereby authorized to destroy, without liability or indemnity to Customer or Customer's Related Third Parties, the Launch Vehicle and the Satellites in the event that such action is determined in such range safety officer's or equivalent's sole discretion to be necessary to avoid damage to persons or property. Any operation of the Launch Vehicle automatic destruct system that causes the destruction of the Launch Vehicle or Satellites shall also be without liability to Customer or Customer's Related Third Parties.

14.7 Limitation of Liability . EXCEPT FOR GROSS NEGLIGENCE AND WILLFUL MISCONDUCT OR EXCEPT AS AWARDED AS PART OF AN AWARD FOR WHICH A PARTY PROVIDES INDEMNIFICATION, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER OR IN CONNECTION WITH THIS CONTRACT UNDER ANY LEGAL OR EQUITABLE THEORY FOR DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES, OR INDEMNITIES, EXCEPT AS EXPRESSLY PROVIDED IN THIS CONTRACT. THIS LIMITATION OF LIABILITY DOES NOT APPLY TO CLAIMS BASED ON FRAUD, WILLFUL MISREPRESENTATION OR WILLFUL MISCONDUCT. CONSISTENT WITH THIS LIMITATION OF LIABILITY, EACH PARTY SHALL USE REASONABLE EFFORTS TO ENSURE THAT ITS INSURER(S) WAIVE ALL RIGHTS OF SUBROGATION AGAINST THE OTHER PARTY.

ARTICLE 15
INSURANCE

15.1 Third Party Liability Insurance . Contractor shall procure and maintain in effect insurance for third party liability to provide for the payment of claims resulting from property loss or damage or bodily injury, including death, sustained by Third Parties caused by an occurrence resulting from insured Launch Activities. The insurance shall have limits of One Hundred Thirty Million United States Dollars (US$130,000,000) per occurrence and in the aggregate and shall be subject to standard industry exclusions and/or limitations, including, but not limited to, exclusions and/or limitations with regard to terrorism. Coverage for damage, loss or injury sustained by Third Parties arising in any manner in connection with insured Launch Activities shall attach upon arrival of the Satellites at the Launch Site or the Satellite processing facility (wherever located), whichever occurs first, and will terminate upon the earlier to occur of the return of all parts of the Launch Vehicle to earth or [***] months following the date of Launch, unless the Satellites are removed from the Satellite processing facility other than for the purpose of transportation to the Launch Site or are removed from the Launch Site other than by Launch, in which case, coverage shall extend only until such removal. Such insurance shall not cover loss of or damage to the Satellites even if such claim is brought by any Third Party or Related Third Parties. The cost of such insurance is included within the Launch Price.

15.2 Property Insurance . Contractor shall provide such insurance as may be required by applicable law or governmental authority within the Russian Federation having jurisdiction over the Launch Site. The cost of such insurance is included in the Launch Price.

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15.3 Miscellaneous Requirements . The third party liability insurance required to be obtained by Contractor pursuant to Section 15.1 shall name as named insured Contractor and as additional insured Customer and the respective Related Third Parties of the Parties identified by each Party, and such other persons as Contractor may determine. Such insurance shall provide that the insurers shall waive all rights of subrogation that may arise by contract or at law against the named insured or any additional insured. The insurance described in this Article 15 shall be obtained from an insurance carrier and/or underwriter recognized by the commercial space industry.

15.4 Launch and In-Orbit Insurance . Contractor shall provide customary support to assist Customer in obtaining Launch and In-Orbit Insurance, including: (i) supporting Customer with all necessary presentations (oral, written or otherwise), including attendance and participation in such presentations where requested by Customer; (ii) providing on a timely basis all reasonable and appropriate technical information, data and documentation; and (iii) providing documentation and answers to insurer and underwriter inquiries. In addition, Contractor shall provide any other certifications, confirmations or other information with respect to the Launch Vehicle as reasonably required by Customer's Launch and In-Orbit Insurance insurers and underwriters and shall take any other action reasonably requested by Customer or any such insurers or underwriters that is necessary or advisable in order for Customer to obtain and maintain Launch and In-Orbit Insurance on reasonable and customary terms. For the avoidance of doubt, Contractor shall not bind any first party launch and in-orbit risk insurance for any of the Launch Services to be provided for under this Contract without the prior written approval of the Customer, which shall not be unreasonably withheld.

15.5 Cooperation with Regard to Insurance . Each Party agrees to cooperate with the other Party in obtaining relevant reports and other information in connection with the presentation by either Party of any claim under insurance required by this Article 15. A Party seeking indemnification under this Article 15 shall: (i) promptly advise the indemnitor of any damage or injury incurred, or the filing of any suit or any written or oral claim against it; (ii) provide the indemnitor with copies of all relevant documentation; and (iii) cooperate with the indemnitor and its insurers in every reasonable manner in making or defending against such claim. A Party seeking indemnification shall not make any admission nor shall it reach a compromise or settlement without the prior written approval of the indemnitor.

15.6 Assistance with Claims for Insurance Recovery . Contractor shall cooperate with and provide reasonable support to Customer in making and perfecting claims for insurance recovery and as to any legal proceeding associated with any claim for insurance recovery. Such support shall include: (i) providing on-site inspections as required by Customer's insurers and underwriters; (ii) participating in review sessions with a competent representative selected by the insurers and underwriters to discuss any continuing issue relating to such occurrence, including information conveyed to either Party; (iii) using commercially reasonable efforts to secure access for the insurers and underwriters to all information used in or resulting from any investigation or review of the cause or effects of such occurrence; (iv) making available for inspection and copying all information reasonably available to Contractor that is necessary to establish the basis of a claim; and (v) supporting Customer in establishing the basis of any Total Loss, Constructive Total Loss or Partial Loss. The cooperation and support provided for in this Section 15.6 is included within the Launch Price.

15.7 Evidence of Insurance . For any of the insurance policies or waivers required under this Contract, each Party shall provide the other Party with a certificate evidencing such insurance or waiver within thirty (30) Days of a written request by the other Party and require its insurer(s) to provide the other Party written notice no later than thirty (30) Days before cancellation or a material change in policy coverage or waiver.

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ARTICLE 16
FORCE MAJEURE

16.1 Neither Party shall be liable for any delay in the performance of its obligations under this Contract, or a delay or failure of performance of its first-tier contractor(s), if such delay or failure to perform is due to a Force Majeure event and provided that the affected Party seeking to invoke this Article 16 notifies the other Party in writing within five (5) Business Days after the occurrence of a Force Majeure event (or the date the affected Party reasonably became or should have become aware of the Force Majeure event), including a detailed description of the causes thereof and such Parties' reasonable efforts to avoid the Force Majeure event or mitigate the impact thereof, such as establishment of work-around plans, alternate sources, extended operations or other means, including use of alternate viable subcontractors.

16.2 If a Force Majeure event impacts a Launch Slot for any Launch Service to be performed under this Contract the affected Party seeking to invoke this Article 16 shall notify the other Party immediately, and, as soon as possible thereafter, provide the information detailed in Section 16.1.

16.3 With respect to any Force Majeure event lasting up to [***] months (as applied to independent Force Majeure events in the aggregate or a specific Force Majeure event that temporarily ceases and subsequently re-occurs due to the original circumstances causing such Force Majeure event), the period of performance under this Contract with respect to the affected Launch Service(s) shall be extended without penalty by the duration of the Force Majeure event and Customer's obligation to make payments hereunder with respect to Launch Services due during the period of a Force Majeure event shall be extended for a period equal to the duration of the Force Majeure event without penalty.

16.4 With respect to any Force Majeure event lasting more than [***] months (as applied to independent Force Majeure events in the aggregate or a specific Force Majeure event that temporarily ceases and subsequently re-occurs due to the original circumstances causing such Force Majeure event), Customer, upon written notice to Contractor, may terminate any affected Launch Service(s) not yet performed under this Contract in accordance with the provisions of Section 17.1 (without application of Section 17.5).

16.5 The Parties agree and acknowledge that if Contractor timely obtains the "drop zone authorization" provided for in Table C.1 (Non-Recurring Launch Service Milestones) in Exhibit C (Milestone Payment Schedule), [***].

ARTICLE 17
TERMINATION

17.1 Termination by Customer for Convenience .

17.1.1 If Customer does not convert any Optional Launch to a Firm Launch by [***], Customer shall pay to Contractor (or Contractor may retain, as the case may be) the sum of: (i) [***]; (ii) [***]; (iii) [***]; (iv) [***]; (v) [***]; and (vi) [***]. In the event that the aggregate Milestone Payments received by Contractor under this Contract as of [***] exceed the sum of items (i) – (vi) provided for in this Section 17.1.1, Contractor shall, within thirty (30) Days, refund to Customer any such excess payments.

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17.1.2 Once Customer converts [***] Optional Launch(es) to Firm Launch(es), Customer may terminate this Contract, or any Firm Launch Service(s) under this Contract, for any reason. In the event that Customer exercises its right of termination pursuant to this Section 17.1, Contractor will be entitled to retain the amount specified in Table 17-1 below as of the date of such termination(s) of an applicable Launch Service. If Customer elects to terminate the entire Contract pursuant to this Section 17.1, the amount set forth in Table 17-1 that Contractor is entitled to retain shall be equal to the cumulative amount associated with the termination of each Launch Service and the applicable Non-Recurring Price under this Contract. Within thirty (30) Days of the date of the termination, Contractor will refund the balance, if any, of payments received by Contractor for the terminated Launch Service(s) which are in excess of the applicable amount reflected in the table below. In the event that payments received by Contractor as of the date of Customer termination hereunder are less than the amount reflected in Table 17-1 below, Customer shall, within thirty (30) Days, remit to Contractor any balance owed.

The applicable amount set forth in Table 17-1 for a termination is the fee charged to excuse Customer's performance. Customer and Contractor agree that the applicable amount set forth below does not constitute a penalty or estimate of future damages, but is a reasonable fee for Contractor excusing Customer performance at various points in time ("Termination Fee").

TABLE 17-1

DATE OF TERMINATION BY CUSTOMER	TERMINATION FEE AS A PERCENTAGE OF THE APPLICABLE LAUNCH SERVICE(S) PRICE (RECURRING)	TERMINATION FEE AS A PERCENTAGE OF THE APPLICABLE LAUNCH SERVICE(S) PRICE (NON-RECURRING)
Confirmation of Firm Launch Service to [***] months	[***] at confirmation of Firm Launch Service linearly increasing to [***] at [***] months	Termination at any time will result in a Fee Equal to Amounts Paid with respect to Non-Recurring Launch Service Milestones. Customer will not receive any refund.
[***] months to [***] months	[***] at [***] months linearly increasing to [***] at [***] months	
[***] months to [***] months	[***] at [***] months linearly increasing to [***] at [***] months	
[***] months to Launch Date	[***] at [***] months linearly increasing to [***] at Launch Date	

Where "[***]" is the Launch Date for the applicable Launch Service(s) as of the date of Customer's termination notice.

17.2 Termination by Customer for Contractor Default . Customer may terminate any or all of the Launch Service(s) not yet performed under this Contract as a result of a Contractor default set forth in Table 17-2 below. If Customer terminates any Launch Service(s), Contractor shall within thirty (30) Days refund Customer all Milestone Payments associated with such terminated Launch Service(s). [***].

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TABLE 17-2

CONTRACTOR DEFAULT	APPLICABLE CONTRACT PROVISION(S)
Material Breach (Generally) : Failure to perform any material obligation under this Contract	1 – 23 (entire Contract and SOW)
Excessive Launch Postponements : Postponement of a Launch Service, including any notice of postponement of a Launch Service, of more than twelve (12) months in the aggregate	6 (Launch Schedule Adjustments) 11 (Launch Vehicle Technical Compliance)
Launch Vehicle Qualification Failure : Failure to achieve or maintain Launch Vehicle qualification requirements, including associated Customer remedies	11 (Launch Vehicle Technical Compliance)
Governmental License, Permit, Approval or Authorization : • Failure to timely obtain the "drop zone authorization" provided for in Table C.1 of Exhibit C (Milestone Payment Schedule) • Failure to obtain or maintain all other applicable governmental licenses, permits, approvals or authorizations necessary for Contractor's performance under this Contract	12 (Governmental Approvals, Licenses, Clearances, Permits and Compliance with Requirements)
Contractor Performance Risk : • A change in Control or ownership of the Contractor that, in the sole and reasonable judgment of the Customer, results in the Contractor maintaining insufficient financial, managerial and/or technical resources to perform its obligations under this Contract	7 (Representations & Warranties) 9 (Additional Contractor and Customer Obligations Prior to Launch)

17.3 Residual Materials . Customer, or its designated Related Third Party, may take possession of Dispenser(s) resulting from termination pursuant to Section 17.2 and all related work-in progress, documentation, materials, parts, tools, dies, jigs and fixtures specifically produced or acquired for purposes of this Contract.

17.4 Termination by Contractor for Customer Payment Failure . In the event of Customer's failure to make a payment to Contractor when due, except as provided for under Section 4.6 and which has not been cured as provided for under Section 17.5 below, Contractor may terminate this Contract or any Launch Service(s) not yet provided under this Contract and will be entitled to retain, as liquidated damages and not as a penalty, [***].

17.5 Right to Cure . Any termination under this Article 17 must be preceded by a [***] Day written notification that specifies the default or breach and, if relevant, the right to terminate immediately in the event that the specified default or breach is not or cannot reasonably be cured within [***] Days of such written notice to cure.

17.6 Nature of Termination Fees . Both Customer and Contractor agree that the amounts set forth in this Article 17 represent: (i) liquidated damages, and not a penalty; (ii) that actual damages are not adequately ascertainable and that the sums noted represent a reasonable estimate of the

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damages that would be owed in the event of a material breach or termination for cause; (iii) account for the circumstances existing at the time of this Contract; and (iv) a knowing and considered allocation of risks and fair compensation therefor which may arise in the event of a material breach or termination for cause. Contractor hereby expressly waives, to the extent permitted by applicable law, any defense as to the reasonableness, amount or validity of any Customer remedy provided for this in Contract, including pursuant to this Article 17, on the grounds that such liquidated damages are void as penalties.

ARTICLE 18
DISPUTE RESOLUTION

18.1 Dispute Resolution . Any dispute arising under or relating to this Contract or the breach thereof, including any dispute concerning the validity, scope or enforceability of this provision, that is not promptly resolved directly by the Parties shall be resolved through negotiation or arbitration as set forth in this Article 18.

18.2 Negotiation . Any dispute arising hereunder that is not promptly resolved by the individuals identified in Article 8 (Coordination and Communication between Customer and Contractor) shall be referred to the senior management of Contractor and Customer designated by the Parties. If such senior management cannot satisfactorily resolve the dispute in a timely fashion, as determined by either Party, the dispute will be resolved through the arbitration proceedings provided for in this Article 18.

18.3 Arbitration . All disputes, claims or controversies arising under or in connection with the Contract and its interpretation or performance, including the validity, scope and enforceability of this provision, and which are not otherwise settled by the negotiation procedures provided for in Section 18.2, shall be solely and finally settled by arbitration proceedings as follows:

18.3.1 The arbitration shall be held in Washington, D.C., U.S.A. and will be conducted in accordance with the American Arbitration Association (AAA) Commercial Arbitration Rules and the Supplementary Procedures for Large, Complex Disputes in effect on the date that such notice is given, except as otherwise specified herein, by a panel of arbitrators appointed in accordance with said rules.

18.3.2 The arbitration shall be conducted by a panel of three (3) arbitrators, one of whom shall be named by each Party. The third arbitrator who shall act as Chairman shall be appointed by the two arbitrators named by each Party. In the event the arbitrators named by each Party fail to appoint a third arbitrator within [***] days of written notice by any of the Parties to appoint the arbitrator, the Parties agree to allow the AAA to select the third arbitrator.

18.3.3 The arbitrators shall decide each issue presented to them in writing and by a majority vote. Their decisions shall be final and conclusive. The arbitrators shall have no authority to award punitive damages or any other damages except as authorized under the express terms and conditions of this Agreement. In no event shall any award to Customer exceed Contractor's limitation of liability as set forth in Section 14.7. In no event shall any award to Contractor exceed Customer's limitation of liability as set forth in Section 14.7.

18.3.4 All information relating to or disclosed by any Party in connection with the arbitration of any dispute relating to this Contract shall be treated by the Parties, the representative of the Parties, and the arbitration panel as Proprietary Information and no disclosure of such

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information shall be made by either Party or the arbitration panel without the prior written authorization of the Party furnishing such information in connection with the arbitration proceedings.

18.3.5 The parties shall evenly divide the costs of the arbitrators. Each Party shall bear the burden of its own costs and counsel fees and expenses incurred in connection with arbitration proceedings under this Contract.

18.3.6 In the event either Party fails to comply with the decision of the Arbitrators, judgment upon the award returned by the arbitrators may be entered in any court having jurisdiction over the Parties or their assets or application may be made to such court for judicial acceptance of the award and an order of enforcement, as the case may be.

18.4 Injunctive Relief . Notwithstanding the terms of Sections 18.2 and 18.3 herein, either Party may seek preliminary or temporary injunctive relief, including specific performance, or relief in and of arbitration at any time from a court of competent jurisdiction where immediate irreparable harm to that Party is threatened by the other Party's acts or omissions; provided, however, that requests for permanent injunctive relief shall be arbitrated pursuant to Section 18.3.

18.5 Language . Negotiations, arbitration or court proceedings in connection with this Contract shall be conducted in the English language, provided that at the request and expense of the requesting Party, documents and testimony shall be translated into any language specified by the requesting Party.

ARTICLE 19
CONFIDENTIALITY

19.1 Contract Provisions . Neither Contractor nor its Affiliates, subcontractors, employees, agents or consultants, shall release items of publicity of any kind, including without limitation news releases, articles, brochures, advertisements, prepared speeches, company reports or other information concerning this Contract or Proprietary Information of the Customer, including the confirmation or denial of its negotiation, issuance, award or performance, without the prior express consent of the Customer.

19.1.1 Exceptions . The obligations set forth in Section 19.1 shall not apply to (i) information that is publicly available from any governmental agency or that is or otherwise becomes publicly available without breach of this Contract; and (ii) disclosure required by applicable law or regulation, including without limitation, disclosure required by the Securities and Exchange Commission or any securities exchange on which the securities of a Party or its Affiliate is then trading.

19.2 Definition of Proprietary Information . "Proprietary Information" means all confidential and proprietary information in whatever form transmitted, that is disclosed or made available directly or indirectly by such Party (hereinafter referred to as the "Disclosing Party") to the other Party hereto (hereinafter referred to as the "Receiving Party") and: (i) is identified as proprietary by means of a written legend thereon, disclosed orally as proprietary or is identified as proprietary at the time of initial disclosure and then summarized in a written document; or (ii) is information which the Receiving Party should understand from the nature of the information is confidential to the Disclosing Party. Notes and memoranda prepared by the Receiving Party (but not the Receiving Party's attorneys) that include the Disclosing Party's Proprietary Information shall be considered the Disclosing Party's Proprietary Information for all purposes of this Article. Proprietary Information shall not include any information disclosed by a Party that (i) is already known to the Receiving Party at the time of its disclosure, as evidenced by written records of the Receiving Party, without an obligation of confidentiality at the time of disclosure; (ii) is or becomes

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publicly known through no wrongful act of the Receiving Party; (iii) is independently developed by the Receiving Party as evidenced by written records of the Receiving Party; or (iv) is rightfully obtained by the Receiving Party from any Third Party without restriction and without breach of any confidentiality obligation by such Third Party.

19.3 Terms for Handling and Use of Proprietary Information . Subject to Section 19.2, for a period of [***] years after receipt of any Proprietary Information, the Receiving Party shall not disclose Proprietary Information that it obtains from the Disclosing Party to any person or entity except its employees, Affiliates (who are not direct competitors of the Disclosing Party), attorneys, agents, financing entities, potential and actual joint venture partners, insurance brokers or underwriters and consultants (who, in all cases, are not direct competitors of the Disclosing Party) who have a need to know, who have been informed of and have agreed in writing (or are otherwise subject to confidentiality obligations consistent with the obligations set forth herein) to abide by the Receiving Party's obligations under this Article 19, and who are authorized pursuant to applicable U.S. export control laws and licenses or other approvals to receive such information. The Receiving Party shall use not less than the same degree of care to avoid disclosure of such Proprietary Information as it uses for its own Proprietary Information of like importance; but in no event less than a reasonable degree of care. Proprietary Information shall be used only for the purpose of performing the obligations under this Contract, or as the Disclosing Party otherwise authorizes in writing.

19.4 Legally Required Disclosures . Notwithstanding the foregoing, in the event that the Receiving Party becomes legally compelled to disclose Proprietary Information of the Disclosing Party (including disclosures necessary or in good faith determined to be reasonably necessary under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended), the Receiving Party shall, to the extent practicable under the circumstances, provide the Disclosing Party with written notice thereof so that the Disclosing Party may seek a protective order or other appropriate remedy, or to allow the Disclosing Party to redact such portions of the Proprietary Information as the Disclosing Party deems appropriate. In any such event, the Receiving Party will disclose only such information as is legally required, and will cooperate with the Disclosing Party (at the Disclosing Party's expense) to obtain proprietary treatment for any Proprietary Information being disclosed.

19.5 Return of Confidential Information . Upon the request of the Party having proprietary rights to Proprietary Information, the other Party in possession of such Proprietary Information shall promptly return such Proprietary Information (and any copies, extracts, and summaries thereof) to the requesting Party, or, with the requesting Party's written consent, shall promptly destroy such materials (and any copies, extracts, and summaries thereof), except for one (1) copy which may be retained for legal archive purposes, and shall further provide the requesting Party with written confirmation of same; provided, however, where both Parties have proprietary rights in the same Proprietary Information, a Party shall not be required to return such information to the other Party. Nothing in this Section 19.5 shall require a Party to return or destroy computer files or records containing Proprietary Information but only if and to the extent such files or records were created in the ordinary course of business pursuant to such Party's automatic archiving and back-up procedures for computerized or word-processed records. The rights and obligations of the Parties under this Article shall survive any return or destruction of Proprietary Information.

19.6 No License . Except as expressly provided in this Contract, nothing in this Contract shall be construed as granting the Receiving Party whether by implication, estoppel, or otherwise, any license or any right to use any Proprietary Information received from the Disclosing Party, or use any patent, trademark, or copyright now or hereafter owned or controlled by the Disclosing Party.

19.7 Injunctive Relief . The Parties agree that, in addition to any other rights and remedies that exist under this Contract, in the event of a breach or threatened breach of this Article, the Disclosing

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Party shall be entitled to seek an injunction prohibiting any such breach. The Parties acknowledge that Proprietary Information is valuable and unique and that disclosure in breach of this Article may result in irreparable injury to the Disclosing Party.

ARTICLE 20
INTELLECTUAL PROPERTY

20.1 Background Customer Intellectual Property Ownership and License .

20.1.1 Customer or its licensors shall retain all right, title and interest in and to the Background Customer Intellectual Property. Customer shall be solely responsible for all activities relating to the Background Customer Intellectual Property, including registration, prosecution, maintenance, enforcement and defense of the Background Customer Intellectual Property, including all costs associated therewith.

20.1.2 Customer hereby grants to Contractor a limited, fully paid-up, royalty-free, non-exclusive, irrevocable (except as set forth herein), world-wide and non-transferable (except as part of a sale of the business or by operation of law) license (with right to sublicense to Subcontractors) to Exploit all Background Customer Intellectual Property solely to perform Contractor's obligations under this Contract.

20.2 Background Contractor Intellectual Property Ownership and License .

20.2.1 Contractor or its licensors shall retain all right, title and interest in and to the Background Contractor Intellectual Property. Contractor shall be solely responsible for all activities relating to the Background Contractor Intellectual Property, including registration, maintenance, enforcement and defense of the Background Contractor Intellectual Property, including all costs associated therewith.

20.2.2 Subject to the right of first refusal set forth in Article 20.3.4(B), Contractor hereby grants to Customer a fully-paid up, royalty-free, non-exclusive, perpetual, irrevocable, worldwide right and license (with the right to grant sublicenses under the Background Contractor Intellectual Property) to Exploit all Background Contractor Intellectual Property in order to exercise Customer's rights with respect to the Foreground Intellectual Property.

20.3 Foreground Intellectual Property .

20.3.1 Customer shall have and retain complete ownership and control over the use of all Foreground Intellectual Property relating in any way to the Satellites, including their interfaces with the Launch Vehicle, or the NEXT system.

20.3.2 Contractor shall have and retain complete ownership and control over the use of all Foreground Intellectual Property relating exclusively to the Launch Vehicle.

20.3.3 Notwithstanding Section 20.3.1 and 20.3.2 above, Customer and Contractor shall jointly own the entire right, title and interest in all Foreground Intellectual Property developed in performance of this Contract for the Dispenser ("Dispenser Foreground Intellectual Property"), where patentable or unpatentable, and may use Dispenser Foreground Intellectual Property for any purpose except as limited by the mutual agreement of the Parties as set forth in Section 20.3.4.

20.3.4 Limitations of Usage.

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(A) Contractor Restrictions: Contractor shall not use Dispenser Foreground Intellectual Property for any mobile satellite service provider that is a competitor of Customer.

(B) Customer Restrictions: Customer may use Dispenser Foreground Intellectual Property for NEXT and successor systems thereof but not any Third Party satellite systems (such rights, "Dispenser Rights"), subject to first providing Contractor a good faith opportunity to provide follow-on dispensers. In connection with procurement of any follow-on dispensers, Customer shall issue to Contractor a request for proposal and Contractor shall respond to Customer's request within thirty (30) days. Thereafter, if Contractor:

(i) does not timely respond to Customer's request for proposal, or informs Customer it shall not respond, then Customer is entitled to procure follow-on dispensers from any Third Party and using the Dispenser Rights; or

(ii) timely responds to Customer's request for proposal, the Parties shall thereafter enter into good faith negotiations for a period not to exceed thirty (30) Days. At the conclusion of the thirty (30) Day negotiation period, if in Customer's reasonable judgment, the Contractor's proposal is not competitive in terms of pricing, quality or delivery time, then Customer is entitled to procure follow-on dispensers from any Third Party and using the Dispenser Rights.

20.4 Derivative Works . If either Party or its permitted sublicensees create any derivative works of the other Party's Intellectual Property, such Party shall assign or cause its sublicensee(s) to assign all right, title, and interest in and to such derivative works to the other Party. Notwithstanding the foregoing, each Party will retain licenses to such derivative works pursuant to Sections 20.2.1 and 20.2.2.

20.5 Reservation of Rights . The licenses and rights granted in this Contract by each of the Parties hereto shall not be construed to confer any other rights to any party by implication, estoppel or otherwise as to any Intellectual Property, and the Intellectual Property Rights therein, other than the licenses and rights granted in Sections 20.3 and 20.4. All rights not specifically granted herein are reserved by the applicable Party.

20.6 Software . To the extent that any Contractor Intellectual Property consists of Software and is delivered to Customer, then, in addition to any other format in which such Software is delivered, such Software shall also be Delivered in source code format.

20.7 Protection of Intellectual Property . Each Party shall protect all Intellectual Property of the other Party to which it has a right to access such Intellectual Property pursuant to this Contract, or that is or may be otherwise disclosed by such other Party, from disclosure to Third Parties in the same manner in which such Party protects its own Intellectual Property, in accordance with and subject to Article 19.

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ARTICLE 21
RIGHT OF OWNERSHIP AND CUSTODY

21.1 Contractor Property . Customer understands and agrees that at no time does Customer obtain title to or any ownership of or any other legal or equitable right or interest in or to any part of any Launch Vehicle, or in any other property of Contractor, whether real or personal, tangible or intangible, including without limitation hardware used or furnished by Contractor in providing Launch Services under this Contract. Such property of Contractor shall be considered between the Parties to be the property of Contractor.

21.2 Customer Property . Contractor understands and agrees that at no time does Contractor obtain title to or any ownership of or any other legal or equitable right or interest in or to the Satellites or any part thereof including without limitation hardware used or furnished in performing the obligations of Customer hereunder. Such property of Customer shall be considered between the Parties to be the property of Customer.

ARTICLE 22
OPTIONS

22.1 Option for Transportation and Customs Clearance Services . Customer may, at its option to be exercised by written notice to Contractor, direct Contractor to provide transportation and customs clearance services for the Satellites, related Ground Support Equipment (GSE) and Satellite propellant to be imported into the Russian Federation or the Republic of Kazakhstan, as applicable, and subsequent customs clearance and return transportation of GSE and remaining Satellite propellant to a country designated by Customer ("Transport Option").

22.1.1 Transport Option Exercise . Customer shall, no later than [***] months prior to the Launch Date, provide a written notice to Contractor of its intent to exercise the Transport Option. Such notice shall contain a complete list of the items to be imported in the same format that they will be included into a customary commercial/shipping invoice or declaration and any additional information and documentation for the imported or exported items, including any special requirements for transportation and ITAR restrictions.

22.1.2 The Transport Option shall include the following services to be furnished (arranged and paid for) by Contractor:

(A) Transportation of Satellites and related GSE from a Customer-designated location to the nearest Launch Site airport (Orsk or Baikonur);

(B) Loading/offloading;

(C) Customs clearance upon entry into the Russian Federation or the Republic of Kazakhstan, as applicable;

(D) Customs clearance upon exit from the Russian Federation or the Republic of Kazakhstan, as applicable;

(E) Satellite propellant shipment to or within the Russian Federation or the Republic of Kazakhstan, including the fueling location, as applicable;

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(F) Return shipment of remaining Satellite propellant and GSE from the Russian Federation or the Republic of Kazakhstan, as applicable, to a Customer-designated country; and

(G) Transportation insurance.

Customs clearance upon cargo exit from/entry into the Customer's country shall be the responsibility of the Customer. All customs duties and fees imposed upon cargo exit from/entry into the Customer's country shall be the responsibility of the Customer.

22.1.3 Within [***] Days of Customer's notice (or such longer period requested by Contractor and reasonably granted by Customer), Contractor shall provide, for Customer's approval, a written proposal that shall include the route and means of transportation, location of customs clearance and firm fixed price of the Transport Option. Customer shall evaluate Contractor's proposal and, if necessary, negotiate the terms thereof with Contractor.

22.1.4 Customer shall review Contractor's proposal and communicate its decision to Contractor in writing within [***] Days of receipt of Contractor's proposal. If Contractor's proposal is approved by Customer, Contractor shall immediately proceed to perform the Transport Option work and Customer shall pay the Transport Option price in full prior to the arrival of the Satellites, the GSE or propellant to the Russian Federation or the Republic of Kazakhstan, as applicable. The Parties shall execute any necessary amendment to this Contract in accordance with Section 23.1 (Amendment) within [***] Days after Contractor's proposal receipt by Customer.

22.1.5 Any changes in cargo specifications, composition or shipment requirements after the Transport Option price is approved shall become payable by Customer only in the event such changes result in additional costs to be incurred by Contractor.

ARTICLE 23
MISCELLANEOUS

23.1 Amendment . Any amendment, modification or change to this Contract, including but not limited to launch requirements, changes in quantity or schedule adjustments, may only be made in writing by authorized representatives of Customer and Contractor.

23.2 Governing Law . This Contract shall be interpreted, construed and governed, and the rights of the Parties shall be determined, in all respects, according to the laws of the State of New York without reference to its conflicts of laws rules. The provisions of the United Nations Convention for the International Sale of Goods shall not be applicable to this Contract.

23.3 Waiver of Breach . The failure of either Party, at any time, to require performance of the other Party of any provision of this Contract shall not waive the requirement for such performance at any time thereafter.

23.4 Assignment General . This Contract may not be assigned, either in whole or in part, by either Party without the express written approval of the other Party, not to be unreasonably withheld or delayed.

23.4.1 By Customer. Notwithstanding the foregoing, Customer may assign or transfer this Contract or all its rights, duties, or obligations hereunder without Contractor's approval:

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(i) to an Affiliate, provided that such Affiliate has sufficient financial resources to fulfill Customer's obligations under this Contract and subject to any export control regulations applicable to the work performed under this Contract; (ii) to any entity which, by way of merger, consolidation, or any similar transaction involving the acquisition of substantially all the stock, equity or the entire business assets of Customer relating to the subject matter of this Contract succeeds to the interests of Customer or in connection with obtaining financing for the payment of Contractor's invoices and any and all other fees, charges or expenses payable under this Contract under any financing agreement; provided in either case the assignee, transferee, or successor to Customer has expressly assumed all the obligations of Customer and all terms and conditions applicable to Customer under this Contract; or (iii) to any designee or customer of Customer or any Affiliate thereof provided that Customer remains primarily liable to Contractor for any payment obligation hereunder.

23.4.2 By Contractor. Notwithstanding the foregoing, Contractor may assign or transfer this Contract or all of its rights, duties, or obligations hereunder to: (i) any Affiliate of Contractor that has equivalent or greater financial resources as Contractor; or (ii) any person or entity which, by way of merger, consolidation, or any similar transaction involving the acquisition of substantially all the stock, equity or the entire business assets of Contractor succeeds to the interests of Contractor and has expressly assumed all the obligations of Contractor and all terms and conditions applicable to Contractor under this Contract.

23.4.3 Security Interests. Customer, upon prior written notice to Contractor, may grant security interests in its rights hereunder to lenders that provide financing for the performance by such Party of its obligations under this Contract or for the subject matter hereof. In the event that either Party is sold to or merged into another entity, its responsibilities under this Contract shall not be altered and the successor organization shall be liable for performance of such Party's obligations under this Contract. If requested by Customer, Contractor shall provide its written consent to such assignment on terms and conditions as may be requested by Customer's lenders.

23.5 Lender Requirements . The Parties recognize that certain of Customer's Milestone Payment obligations under this Contract may be financed through external sources. Notwithstanding anything to the contrary in this Contract, and except for the restrictions and conditions set forth in Article 19, Contractor shall provide to any of Customer's lenders or financing entities any information that such lender or financing entity reasonably requires and shall reasonably cooperate with such lender or financing entity and Customer to implement such financing. Contractor agrees to negotiate in good faith and issue such documents as may be reasonably required by any Customer lender or financing entity to implement such financing, including a contingent assignment of this Contract to such lender or financing entity, under terms reasonably acceptable to Contractor, but in no event shall Contractor be obligated to agree to anything (including agreement to make modifications to this Contract, SOW or LIRD) that would impair, create a risk to, or otherwise prejudice its rights and benefits hereunder, increase its liabilities or obligations hereunder or create a security interest in any Launch Vehicle or its components (excluding the Dispenser) in favor of Customer's lenders or financing entities.

23.6 Entire Agreement . This Contract constitutes the entire agreement and understanding between the Parties. No other promises or representations, either verbal or written, with the exception of duly executed subsequent written modifications to the Contract shall have any force or effect in regard to the contractual obligations of the Parties herein.

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23.7 Severability . The invalidity, unenforceability or illegality of any provision hereto shall not affect the validity or enforceability of the other provisions of this Contract, which provisions shall remain in full force and effect.

23.8 Survival . Notwithstanding any other provision to the contrary, and in addition to any other provision in this Contract stated to survive the termination or expiration of this Contract, the provisions contained in Article 1 (Definitions), Article 3 (Contract Price), Article 4 (Payment), Article 8 (Coordination and Communication Between Customer and Contractor), Article 12 (Governmental Approvals, Licenses, Clearances, Permits And Compliance with Requirements), Article 14 (Indemnity, Exclusion of Warranty, Waiver of Liability and Allocation of Certain Risks), Article 15 (Insurance), Article 18 (Dispute Resolution), Article 19 (Confidentiality), Article 20 (Intellectual Property, except 20.3, relating to the Customer license to Contractor), and Article 23 (Miscellaneous) shall survive the termination or expiration of this Contract.

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IN WITNESS WHEREOF, the Parties hereto have executed this Contract as of the day and year first above written:

For Customer		For Contractor	
IRIDIUM SATELLITE LLC		**ISC KOSMOTRAS**	
Signature:	/s/ S. Scott Smith	Signature:	/s/ Vladimir A. Andreev
Name:	S. Scott Smith	Name:	Vladimir A. Andreev
Title:	EVP, Satellite Development & Operations	Title:	Director General
Date:	6/14/2011	Date:	14 06 11

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EXHIBIT A
STATEMENT OF WORK

[***]

Iridium Confidential and Proprietary

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EXHIBIT B
LAUNCH SCHEDULE

Launch Mission	Start Date of Launch Slot	Launch Date
First Launch (L1)	[***]	[***]
Second Launch (L2)	[***]	[***]
Third Launch (L3)	[***]	[***]
Fourth Launch (L4)	[***]	[***]
Fifth Launch (L5)	[***]	[***]
Sixth Launch (L6)	[***]	[***]

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EXHIBIT C

MILESTONE PAYMENT SCHEDULE

Table C.1 identifies the non-recurring Milestone Payments for the Launch Mission and Satellite Dispenser Design and Development Payment Milestones.

Table C.1 – Non-Recurring Launch Service Milestones

Milestone	Milestone Due Date	Milestone Payment %	Milestone Payment (US$)
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
	Total	[***]	[***]

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EXHIBIT C
MILESTONE PAYMENT SCHEDULE (CONTINUED)

Table C.2 identifies the recurring Milestone Payments for each of the six (6) Optional Launches if converted to Firm Launches by Customer.

Table C.2 Launch Service Milestone Payments

No	Payment Date	Milestone	Milestone Payment (%)	Milestone Payments (US$)
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
		Launch Service Price	[***]	[***]

[***].

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EXHIBIT D

ADDITIONAL LAUNCH PRICE

No	Payment Date	Milestone	Milestone Payment (%)
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
		Launch Service Price	100%

[***].

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Exhibit 10.2

AMENDMENT N° 4

TO THE

FULL SCALE SYSTEM DEVELOPMENT CONTRACT

No. IS-10-021

Between

IRIDIUM SATELLITE LLC

And

THALES ALENIA SPACE FRANCE

for the

IRIDIUM NEXT SYSTEM

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PREAMBLE

This Amendment N° 4 (the "Amendment") to the Full Scale System Development Contract No. IS-10-021 signed on June 1, 2010 between Iridium Satellite LLC and Thales Alenia Space France for the Iridium Next System, as amended, (the "Contract ") is entered into on this 29th day of April, 2011 by and between Thales Alenia Space France, a company organized and existing under the laws of France, having its registered office at 26 avenue Jean François Champollion 31100 Toulouse – FRANCE ("Contractor"), and Iridium Satellite LLC, a limited liability company organized under the laws of Delaware, having an office at 1750 Tysons Boulevard, Suite 1400, McLean, VA 22102—USA ("Purchaser ").

RECITALS

WHEREAS , Article 35.5(iii) of the Contact requires Contractor to provide Purchaser firm fixed pricing for the production and storage, as a kit, of key components, parts, assemblies and other materials necessary to manufacture and deliver additional Satellite(s) in accordance with the SOW ("Satellite Kitting"); and

WHEREAS , the Parties now desire to amend Article 35.5 and Exhibit D of the Contract in accordance with the terms and conditions as specified herein to incorporate firm fixed pricing for Satellite Kitting and, as applicable, Satellite completion;

NOW, THEREFORE , in consideration of the premises and for good and valuable consideration, the receipt and adequacy of which are hereby expressly acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

Article 1 : Capitalized terms used but not defined in this Amendment shall have the meanings ascribed thereto in the Contract or any amendments thereto, as the case may be.

Article 2 : Article 35.5 of the Contract is hereby deleted and replaced in its entirety by the following:

> "Purchaser may exercise CLIN 003a by providing written notice to Contractor for the production and storage, [***] in accordance with the SOW. If Purchaser exercises its Options under CLIN 002a or CLIN 002b, Delivery of any Satellite(s) thereunder for which [***] pursuant to an exercise by Purchaser of CLIN 003, shall be made within [***]. If Purchaser does not exercise CLIN 003a, Delivery of additional Satellite(s) under CLIN 002a or CLIN 002b shall be within [***]. All other terms not specified below relating to the performance of the Work associated with the Delivery of such additional Satellites shall be in accordance with the terms of this Contract, including the SOW.

(i) Option Exercise . Purchaser may exercise CLIN 003a by providing written notice to Contractor no later than [***].

(ii) Period of Performance . From the CLIN 003a option exercise date plus [***].

(iii) Price .

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(a) [***] Price . The price for CLIN 003a is set forth in Table 35.5a below, and, if CLIN 003a is exercised by Customer, the applicable price (based on the quantity of [***] selected by Customer) shall become part of the Base Contract Price.

Table 35.5a

[***] Price [***]		**[***] Price [***]**		**[***] Price [***]**	
US$ Share	€ Share	US$ Share	€ Share	US$ Share	€ Share
[***]	[***]	[***]	[***]	[***]	[***]

(b) [***] Price . If Purchaser exercises its Option under CLIN 003a, the price for [***] pursuant to CLIN 002a or CLIN 002b is set forth in Table 35.5b below.

Table 35.5b

	[***] Price					
Year Ordered	**[***] Price [***]**		**[***] Price [***]**		**[***] Price [***]**	
	US$ Share	€ Share	US$ Share	€ Share	US$ Share	€ Share
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]

(c) If Customer has exercised CLIN 003a and then exercises CLIN 002a or CLIN 002B, the resulting [***] price shall be the sum of the [***] Price and [***] Price for the applicable quantity [***] and will be paid by Customer to Contractor in lieu of the price for such quantity [***] set forth in Table 35.1 or 35.2 as the case may be.

Example of [***]:

(1) [***] price for [***] = [***] plus [***]
(2) [***] price for [***] plus [***]
(3) [***] price for [***] will be the sum of (1) and (2) = [***] plus [***]
(4) The [***] price in (3) replaces the [***] price applicable to [***] exercised under CLIN 002B = [***] plus [***].

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(iv) Payment . Milestone Payments for any [***] ordered under CLIN 003a shall be [***], and as appropriate, integrated into and made part of Exhibit D, Payment Plan.

"(v) [***]. If Purchaser exercises CLIN 003a, Contractor shall deliver to Purchaser the [***] set forth in Table 35.5c below.

Table 35.5c

Deliverable	Description	Delivery Date
[***]	[***]	[***]
[***]	[***]	[***]

Article 3 : Exhibit D, [***] Payment Plans, is hereby modified to add the following payment plans for CLIN 003a and CLIN 003b.

CLIN 003a

M/S No.	Title	Planned Date	%
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

CLIN 003b

M/S No.	Title	Planned Date	%
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

Article 4 : This Amendment may be executed and delivered (including via facsimile or other electronic means) in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

Article 5 : All other provisions of the Contract not expressly referred to in this Amendment remain in full force and effect.

IN WITNESS WHEREOF , the Parties have executed this Amendment by their duly authorized officers as of the date set forth in the Preamble.

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IRIDIUM SATELLITE LLC	**THALES ALENIA SPACE FRANCE**
/s/ Christian O'Connor	/s/ Nathalie Smirnov
Christian O'Connor	Nathalie Smirnov
VP, Deputy General Counsel	Vice-President Telecom Payloads & Systems

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Exhibit 10.3

[LETTER HEAD OF SG AS COFACE AGENT]

AMENDMENT LETTER NO. 1

To: **IRIDIUM SATELLITE LLC** (the **Borrower**)

20 June 2011

Dear Sirs,

COFACE Facility Agreement (the "Agreement") dated October 4, 2010 between (amongst others) the Borrower and Société Générale as COFACE Agent

1. Interpretation

(a) We refer to the Agreement. Capitalised terms defined in the Agreement have the same meaning when used in this letter unless otherwise defined in this letter.

(b) The provisions of clause 1.2 (Construction) of the Agreement apply to this letter as though they were set out in full in this letter except that references to the Agreement are to be construed as references to this letter.

2. Consent Request

(a) We refer to the executed consent request dated 24 May 2011 (the " **Consent Request** ") requesting that pursuant to the letter provided by the COFACE Agent dated March 21, 2011, approving JSC International Space Company Kosmotras (" **Kosmotras** ") as a back-up launch provider for the purposes of the Borrower's compliance with Schedule 22 to the Agreement, the Lenders approve an option contract between the Borrower and Kosmotras (the " **Kosmotras Agreement** ").

(b) We have received instructions from all the Lenders in this regard as set out in paragraph 3 below.

3. Lenders response

The Majority Lenders and COFACE have reviewed the Consent Request and are pleased to confirm their approval of the Kosmotras Agreement and consequently agree to replace all references to "[***]" in Schedule 22 of the Agreement by references to "[***]" (the " **Amendment** ").

4. Miscellaneous

(a) Save as expressly stipulated in this letter, all the Finance Documents remain in full force and effect without amendment.

(b) Except in respect of the Amendment made subject to and in accordance with the terms of this letter, no waiver is given by this letter, and the Lenders expressly reserve all their rights and remedies in respect of any breach of, or other Default under, the Finance Documents.

Iridium Confidential and Proprietary

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(c) This letter is designated a Finance Document.

5. Governing law

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

/s/ Benoit Tanguy

Benoit Tanguy – Managing Director

For
Société Générale
as COFACE Agent

/s/ M.T. Howard

M.T. Howard
Deputy Global Head of Export Finance

We agree to the above.

/s/ Thomas J. Fitzpatrick

For
IRIDIUM SATELLITE LLC

Iridium Confidential and Proprietary

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Exhibit 31.1

CERTIFICATION
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002

I, Matthew J. Desch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Iridium Communications Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2011

/s/ Matthew J. Desch
Matthew J. Desch
Chief Executive Officer

Exhibit 31.2

CERTIFICATION
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002

I, Thomas J. Fitzpatrick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Iridium Communications Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2011

/s/ Thomas J. Fitzpatrick
Thomas J. Fitzpatrick
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the Chief Executive Officer and the Chief Financial Officer of Iridium Communications Inc. (the "Company") each hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, to which this Certification is attached as Exhibit 32.1 (the "Quarterly Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition of the Company at the end of the period covered by the Quarterly Report and results of operations of the Company for the periods covered in the financial statements in the Quarterly Report.

Dated: August 8, 2011

/s/ Matthew J. Desch	/s/ Thomas J. Fitzpatrick
Matthew J. Desch	Thomas J. Fitzpatrick
Chief Executive Officer	Chief Financial Officer