

LORAL SPACE & COMMUNICATIONS LTD
STATEMENTS OF OPERATIONS
(In millions, except per share data)

	Three Months Ended March 31,	
	2002	2001
Segment Revenues:		
Fixed satellite services:		
Skynet	\$ 93.7	\$ 93.7
Affiliates	27.1	35.5
Total fixed satellite services	<u>120.8</u>	<u>129.2</u>
Satellite manufacturing and technology	242.6	201.1
Data services	<u>20.4</u>	<u>28.7</u>
Operating segment revenues	383.8	359.0
Intercompany and affiliate eliminations	<u>(75.6)</u>	<u>(97.9)</u>
OPERATING REVENUES AS REPORTED	<u><u>\$ 308.2</u></u>	<u><u>\$ 261.1</u></u>
Segment EBITDA:		
Fixed satellite services:		
Skynet	\$ 65.8	\$ 64.9
Affiliates	<u>11.6</u>	<u>19.0</u>
Total fixed satellite services	77.4	83.9
Satellite manufacturing and technology	10.8	19.2
Data services	-	(10.0)
Corporate expenses	<u>(8.7)</u>	<u>(9.4)</u>
Segment EBITDA before eliminations	79.5	83.7
Intercompany and affiliate eliminations	<u>(17.7)</u>	<u>(25.5)</u>
EBITDA AS REPORTED	<u>61.8</u>	<u>58.2</u>
Depreciation and amortization	<u>(47.1)</u>	<u>(54.3)</u>
Operating income	14.7	3.9
Interest and investment expense, net	<u>(13.2)</u>	<u>(42.0)</u>
PRETAX INCOME (LOSS)	<u>1.5</u>	<u>(38.1)</u>
Income tax (expense) benefit	<u>(5.5)</u>	<u>1.9</u>
LOSS AFTER TAXES	<u>(4.0)</u>	<u>(36.2)</u>
Equity in affiliate losses and other	(15.8)	(21.1)
Cumulative effect of change in accounting principle, relating to goodwill in 2002, net of taxes	<u>(846.9)</u>	<u>(1.7)</u>
Net loss	(866.7)	(59.0)
Preferred dividends	<u>(12.0)</u>	<u>(16.1)</u>
NET LOSS - COMMON SHAREHOLDERS	<u>\$ (878.7)</u>	<u>\$ (75.1)</u>
Less cumulative effect of change in accounting principle, relating to goodwill in 2002, net of taxes	<u>846.9</u>	<u>1.7</u>
NET LOSS - COMMON SHAREHOLDERS BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, relating to goodwill in 2002, net of taxes	<u><u>\$ (31.8)</u></u>	<u><u>\$ (73.4)</u></u>
Weighted shares outstanding - Basic and Diluted	<u>337.1</u>	<u>298.7</u>
Loss per share - Basic and Diluted	<u><u>\$ (2.61)</u></u>	<u><u>\$ (0.25)</u></u>
LOSS PER SHARE - BASIC AND DILUTED BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE, relating to goodwill in 2002, net of taxes	<u><u>\$ (0.09)</u></u>	<u><u>\$ (0.25)</u></u>