

## Satmex Discussing Ways to Restructure Debt, CEO Says

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By Crayton Harrison

June 4 (Bloomberg) -- Satelites Mexicanos SA, the satellite provider of video and data services in North and South America, is seeking to restructure its debt, Chief Executive Officer Patricio Northland said.

The company is talking to debt and equity holders and exploring “a huge range of alternatives,” Northland said today on a conference call with investors. He declined to give specifics.

Satmex, as the Mexico City-based company is known, aims to raise money for a new satellite launch and the expansion of services such as Internet access. Revenue rose 15 percent last quarter to \$30.8 million on sales of network capacity to customers, including Telefonos de Mexico SAB's unit in Peru.

Satmex must address the concerns of senior secured debt holders, said Manuel Asensio, a money manager at New York-based Mill Rock LLC. The firm holds about \$3 million in Satmex bonds due in 2011, he said.

The bondholders are entitled to prepayments when the company's cash balance exceeds \$5 million, according to a predetermined formula. The calculation of that formula is under dispute, Asensio said.

“We are unaware of any huge range of alternatives available to the company,” Asensio said today in a phone interview. “Any attempt by the company to use cash to create some sort of solution or huge alternatives is not going to be acceptable to the secured holders, who are 100 percent entitled to that cash.”

Satmex hasn't yet begun formal discussions of its options and will talk with the senior bondholders as soon as possible, Chief Financial Officer Luis Stein said today in a phone interview. The company has been unsuccessful in its attempts to resolve disagreements with Mill Rock, he said.

--Editors: Nick Turner, Lisa Wolfson