



Press Release
For Immediate Release

PSP Investments and Loral Agree
To Acquire Telesat Canada

MONTREAL, December 18, 2006 – Public Sector Pension Investment Board (“PSP Investments”) today announced that it and Loral Space & Communications Inc. (“Loral”) (NASDAQ: LORL) have entered into a definitive agreement with BCE Inc. (“BCE”) (TSX/NYSE: BCE) to acquire 100% of the stock of Telesat from BCE for CAD \$3.25 billion plus the assumption of CAD \$172 million of debt, under a newly formed joint venture between PSP Investments and Loral.

In connection with this transaction, the new Canadian holding company will be known as Telesat and will be based in Ottawa, Canada. The combined assets of this new entity will make it one of the world’s largest operators of telecommunications satellites. Loral will transfer its fixed satellite services and network services assets, and, together with Telesat assets, the joint venture will hold a fleet of eleven satellites and four additional satellites to be launched over the next three years. The new company will have combined trailing 12 months revenue for the period ended September 30, 2006 of approximately CAD \$658 million and CAD \$5.6 billion of backlog, generating combined trailing 12 months Adjusted EBITDA for the period ended September 30, 2006 of approximately CAD \$341 million.

The new company will feature a management team to be drawn from both Telesat and Loral Skynet and Daniel Goldberg will continue to serve as chief executive officer. Loral and PSP Investments will hold a 64 percent and 36 percent economic interest, respectively, in the new company. Loral’s total voting equity will be 33.3 percent with PSP Investments and other Canadian investors having 66.7 percent.

The boards of directors of PSP Investments, Loral and BCE have each approved the transaction, which is subject to customary closing conditions, including approvals of the relevant Canadian and U.S. government authorities. The transaction is expected to close by mid-2007.

Gordon J. Fyfe, PSP Investments’ President & CEO, stated, “The combination of Telesat, with its strong Canadian presence, and Loral Skynet with its overseas coverage creates a great long-term growth asset for PSPIB. This joint venture supports both Telesat and Loral’s current customers (including BCE) and presents an opportunity to build a Canadian presence in this global industry. We look forward to this exciting venture and would like to express our appreciation to MHR Fund Management LLC, Loral’s largest shareholder, for introducing us to the transaction and to Loral team for their support and assistance.”

Paul Cantor, Chair of the Board at PSP Investments said: "The Board of Directors of PSP Investments fully supports this transaction which is consistent with our long-term investment horizon and strategic direction."

Evercore were financial advisors to PSP Investments for this transaction.

The Public Sector Pension Investment Board is a Canadian crown corporation established by Parliament by the Public Sector Pension Investment Board Act (September 1999). The mandate of PSP Investments is to manage employer and employee contributions made after April 1, 2000 to the federal Public Service, the Canadian Forces and the Royal Canadian Mounted Police pension funds. PSP has approximately a total of CAD \$30 billion under management. The Head office of PSP Investments is located in Ottawa. Its principal business office is Montreal.

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