

Exhibit 1 :

Statement Relating to Facts for Question #35

On December 8, 1989, Loral Corporation ("Loral") entered a plea of guilty to a three-count criminal information filed in the United States District Court for the Eastern District of Virginia. The charges arose from an investigation of defense procurement activities at two Loral divisions, Loral Electronic Systems and Loral Defense Systems-Akron. The three counts charged conspiracy, conversion of government information, and making a false certification to the Air Force. The information was filed as part of a settlement agreement between Loral and the United States Attorney, who advised the court that the company had cooperated fully with the government in its investigation. Loral was not debarred or suspended from any Department of Defense activities as a result of the matters settled. As part of the settlement agreement, Loral continued its revised and improved ethics program, suspended two non-office employees (one who has subsequently pled guilty to a related felony) and disciplined two others, and implemented additional internal controls to ensure that no similar activity occurs in the future.

Effective May 5, 1995, Loral acquired the Defense Systems operations of Unisys Corporation ("Unisys"). Several years prior to the acquisition, on September 6, 1991, Unisys and Sperry Corporation, its corporate predecessor, plead guilty to eight criminal counts in connection with charges stemming from the U.S. Government's "Ill Wind" investigation, including charges of conspiracy to defraud and commit offenses against the government, conversion of government property, filing a false statement and filing false claims. As part of its guilty plea, Unisys entered into a global Settlement Agreement with the U.S. Government. The Settlement Agreement did not include suspension, debarment or any other administrative action. Although during an initial phase of the Government's investigation, three Unisys divisions (one of which is the predecessor of what is now the Loral Defense Systems-East division of Loral Corporation) were suspended briefly by the U.S. Navy in 1989, the Navy lifted the suspension three months later after Unisys agreed to maintain a corporate ethics program, among other things, and reimburse the government for the cost of monitoring compliance over five years. At the time of the Ill Wind settlement, the Department of Defense again confirmed that Unisys was a responsible contractor. Also, as part of the Settlement Agreement, the U.S. Attorney stated that Unisys "cooperated fully" in the investigation. Neither Loral Corporation nor any of its affiliates was in any way involved with this matter at the time it occurred.