

Space Business Review

A monthly round-up of space industry developments for the information of our clients and friends.

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SES TO TAKE CONTROL OF O3b

On April 29, **SES S.A.** (SES) announced that it agreed to increase its ownership interest in **O3b Networks, Ltd.** (O3b) from 49.1% to 50.5% at a cost of \$20m. The transaction will give SES a controlling stake in O3b and bring to \$323m its aggregate equity investment in the company. With 12 HTS satellites providing low latency connectivity services from Medium Earth Orbit (MEO), O3b is expected to generate revenue of more than \$100m in 2016. O3b has procured an additional 8 satellites to meet increasing demand, with the first 4 expected to be launched in 2018 and the other 4 expected to follow in 2019. In connection with the transaction, O3b's board agreed to evaluate an IPO process for the remaining 49.5% of O3b shares not held or acquired by SES; unless O3b launches an IPO before, commencing April 29, SES has a call option to acquire all such remaining O3b shares, and from October 1, 2017, the other shareholders of O3b will have a put option to require SES to acquire all such remaining shares, in either case for a baseline sum of \$710m.

TELESAT SELECTS SSL FOR 2 LEO BIRDS

On April 27, **Telesat Canada** (Telesat) announced that it signed contracts with manufacturers for the procurement of two distinct prototype Ka-band satellites, one from each of **Space Systems Loral** and **Airbus Defence and Space** affiliate **Surrey Satellite Technology Limited**. Telesat plans to deploy the satellites in Low Earth Orbit (LEO) as part of a test and validation phase for an advanced, global LEO constellation that Telesat is currently designing for the provision of high capacity broadband services to government, mobility and rural and remote users worldwide. The satellites are expected to be launched in mid-to-late 2017.

SPACE X WINS USAF BID, LANDS FALCON

On April 28, the **U.S. Air Force** awarded **Space Exploration Technologies Corp.** (SpaceX) a \$82.7m contract to launch a **GPS-3** satellite on a **Falcon 9** launch vehicle in May 2018. The contract further diversifies SpaceX's customer base and represents its first award under the Evolved Expendable Launch Vehicle (EELV) program; until May 2015, **United Launch Alliance** was the only certified provider for EELV services. Earlier on April 11, SpaceX successfully launched a Falcon 9 on a Commercial Resupply Services 8 (CRS-8) mission for **NASA** and returned the first stage onto a drone ship at sea.

ONEWEB ANNOUNCES FLORIDA FACTORY

On April 19, **OneWeb Ltd.** (OneWeb) announced Florida's Exploration Park near the Kennedy Space Center as the site of a new facility where **OneWeb Satellites LLC** (OneWeb Satellites) will manufacture, beginning in 2017, hundreds of satellites for OneWeb's planned Low Earth Orbit (LEO) constellation, which will provide low latency, high-speed Internet services worldwide. The \$85m, 100k sq. ft. facility will be the satellite industry's first factory designed for cost effective, mass production of spacecraft using automated assembly and test capabilities. OneWeb Satellites was established in January as an equally-owned joint venture between OneWeb and **Airbus Defence and Space**.

APRIL STRATEGIC AND M&A ROUND-UP

April 7 – **CANAL+ Group**, through subsidiary **THEMA**, agreed to acquire **AlternaTV**, a Miami-based content distribution company, from **Eutelsat Americas** for an undisclosed sum, and contracted for long-term capacity on **EUTELSAT 113 West A** and **EUTELSAT 117 West A**.

April 8 – **Inmarsat plc** (Inmarsat) entered into a Heads of Terms agreement with **Beijing Marine Communications and Navigation Co., Ltd.** to form a JV to provide aircraft connectivity solutions for China's commercial aviation sector using Inmarsat's **Global Xpress Aviation** and **SwiftBroadband-Safety** services.

April 14 – **Space-Communication Ltd.** and **Encompass Digital Media, Inc.** announced a joint new European TV distribution platform for the EMEA region using the Ku Pan-European beam on the **AMOS-6** satellite scheduled for launch in the third quarter of 2016.

April 19 – **Beijing Marine Communications and Navigation Co., Ltd.** (MCN) and **SpeedCast International Limited** (SpeedCast) signed an MOU to integrate MCN's Asia-Pacific VSAT network and SpeedCast's global VSAT networks to provide global connectivity to maritime users.

INTELSAT, ORBITAL MEV SERVICING

On April 13, **Orbital ATK Inc.** (Orbital) announced that **Intelsat S.A.** (Intelsat) will be the first customer for its Commercial Servicing Vehicle (CSV), the **Mission Extension Vehicle-1** (MEV-1), to extend the life of a currently unspecified Intelsat satellite by 5 years. Manufactured by Orbital based on its **GEOStar** satellite platform and scheduled for launch by Orbital in 2018, MEV-1 is expected to begin its mission extension service for Intelsat in 2019.