

Space Business Review

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

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GLOBAL EAGLE TO ACQUIRE EMC

On May 9, In-Flight Entertainment Connectivity (IFEC) provider **Global Eagle Entertainment Inc.** (Global Eagle) announced a definitive agreement to acquire **Emerging Markets Communications LLC** (EMC), a leading satellite communications services provider to maritime and other mobility markets, for approximately \$550m. EMC shareholders will receive the purchase price in the form of \$30m in cash and 6.6m in Global Eagle shares, each at closing, as well as \$25m, in 2017, in cash or stock at Global Eagle's election. The acquisition advances Global Eagle's strategic objectives of expanding its addressable market and diversifying its revenue base and also promotes certain network and operational efficiencies. Together, these benefits are expected to position the combined business as a leader in global satellite-based communications and media content services to the aviation and maritime markets and select land-based markets, with revenues of \$660-690m expected in 2016. As a result of the transaction, **ABRY Partners, LLC**, the current majority owner of EMC, will acquire an equity interest in Global Eagle, as well as the right to nominate a member of Global Eagle's Board of Directors.

SES TO ACQUIRE REMAINING O3b SHARES

On May 26, **SES S.A.** (SES) announced an approximately \$710m capital raising to fund its acquisition of the remaining 49.5% of **O3b Networks, Ltd.** (O3b) not already owned by SES, exercising a call option with O3b minority shareholders that SES obtained in connection with an agreement, announced in April, to increase its ownership interest in O3b from 49.1% to 50.5%. The capital raising will involve 39.86m new FDRs (fiduciary depositary receipts) and 19.93m new Class B shares. O3b currently operates 12 HTS satellites in Medium Earth Orbit (MEO) for the provision of low latency connectivity services worldwide. It has procured another 8 satellites scheduled for launch beginning in 2018.

SIRIUS XM PRICES \$1B NOTES OFFERING

On May 18, **Sirius XM Holdings Inc.** announced that its subsidiary, **Sirius XM Radio Inc.**, priced an offering of \$1b of Senior Notes due 2026 with an annual interest rate of 5.375%. The company intends to use the net proceeds from the offering to repay all outstanding debt under its revolving credit facility for general corporate purposes.

SPACEX LAUNCHES JCSAT-14, THAICOM 8

On May 6, **Space Exploration Technologies Corp.** (SpaceX) successfully launched the **JCSAT-14** satellite for **SKY Perfect JSAT Corporation** on a **Falcon 9** launch vehicle. Manufactured by **Space Systems Loral** based on its **SSL 1300** platform, **JCSAT-14** is equipped with both Ku- and C-band transponders and will replace the **JCSAT-2A** satellite at the 154°E orbital location to serve mobility markets across the Asia Pacific region. On May 27, SpaceX successfully launched the **THAICOM 8** satellite for **Thaicom PLC** on a **Falcon 9**. **THAICOM 8** was manufactured by **Orbital ATK Inc.** based on the **GEOSTAR-2** platform. Equipped with 24 Ku-band transponders, it will offer communications services to customers in Thailand, India and Africa from the 78.5°E orbital position. Following stage separation in both launches, SpaceX successfully landed the Falcon 9's first stages on the **Of Course I Still Love You** droneship in the Atlantic Ocean, marking its second and third successful first stage recoveries at sea, and third and fourth overall.

PLANETARY RESOURCES RAISES \$21.1M

On May 26, asteroid mining company **Planetary Resources, Inc.** announced that it raised \$21.1m in Series A funding, which it intends to use for deployment and operation of its planned 10-satellite Earth observation system, **Ceres**. With the first commercial infrared and hyperspectral sensor platform, Ceres is designed to advance understanding and management of natural resources by delivering actionable data with higher spectral resolutions through the measurement of thermographic properties and the detection of surface material compositions. The funding round was led by Bryan Johnson and the OS Fund and included Idea Bulb Ventures, Tencent, Vast Ventures, Grishin Robotics, Conversion Capital, The Seraph Group, Space Angels Network and Larry Page.

SSL SELECTED FOR INTELSAT 39

On May 12, **Space Systems Loral** announced that it was selected by **Intelsat S.A.** to manufacture the **Intelsat 39** satellite based on the **SSL 1300** platform. Intelsat 39 will feature an all-electric propulsion system for on-orbit maneuvers and will replace the **Intelsat 902** satellite at the 62°E orbital location to provide users in Africa, Europe, the Middle East and Asia with C- and Ku-band capacity for broadband networking and video distribution services.