

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

DigitalGlobe and GeoEye Agree to Merge

On July 23, **DigitalGlobe, Inc.** (DigitalGlobe) and **GeoEye, Inc.** (GeoEye) announced that the board of directors of both companies unanimously approved a merger of the companies by means of a stock and cash transaction valued at approximately \$900m. Pursuant to the underlying agreement, GeoEye shareholders may choose whether to receive consideration in the form of shares and cash (1.137 shares and \$4.10), cash only (\$20.27) or shares only (1.425 shares) for each share of GeoEye stock they own. Following consummation of the transaction, expected to occur in Q4 2012 or Q1 2013, DigitalGlobe and GeoEye shareholders will own approximately 64% and 36%, respectively, of the combined company, which will operate under the DigitalGlobe name. Benefits of the merger are likely to include greater revenue certainty, less dependence on revenue from the U.S. government, lower capital expenditures and operational cost savings.

July Launch Services

July 5 – **Arianespace S.A.** successfully launched the **EchoStar XVII** and **MSG-3** satellites on an **Ariane 5** launch vehicle. EchoStar XVII was manufactured for **Hughes Network Systems, LLC** by **Space Systems/Loral, Inc.** based on its **SS/L 1300** platform and will operate in the Ka-band at 101.7°W to provide broadband Internet services to customers in North America. MSG-3 was manufactured for the **European Organisation for the Exploitation of Meteorological Satellites** (EUMETSAT) by a consortium led by **Thales Alenia Space** and will provide imagery of Europe, Africa and the North Atlantic for use by meteorologists.

July 10 – **International Launch Services** successfully launched the **SES-5** satellite for **SES S.A.** on an **ILS Proton Breeze M** launcher. Built by **Space Systems/Loral, Inc.** based on its **SS/L 1300** platform, SES-5 is equipped with 36 Ku- and 24 C-band transponders and two Ku- and two C-band beams and will operate at 5°E to provide a variety of services, including DTH and broadband, in Europe, Africa and the Middle East. SES-5 also carries an L-band hosted payload developed for the **European Commission** to support the **European Geostationary Navigation Overlay Service**.

US Ex-Im Guarantees \$922m Loan to MexSat

On July 31, the **Export-Import Bank of the United States** guaranteed a \$922m loan from **JPMorgan Chase & Co.** to Mexico's **Ministry of Communications and Transportation** to fund the manufacture, launch and operation of the **MexSat** constellation, including costs for telemetry and ground systems, which will support national security, civil and humanitarian efforts. Pursuant to a \$1b contract, **Boeing Space and Intelligence Systems** will deliver a turnkey satellite system consisting of 2 L-band MSS satellites, **Centenario** (formerly designated as **MexSat 1**) and **Morelos 3** (formerly designated as **MexSat 2**), and one C- and Ku-band FSS satellite, **Bicentenario** (formerly designated as **MexSat 3**), to be manufactured by **Orbital Sciences Corporation** under a subcontract.

GenCorp to Acquire Rocketdyne

On July 23, **GenCorp Inc.** announced that it will purchase **Pratt & Whitney Rocketdyne, Inc.** from **United Technologies Corp.** for approximately \$550m to supplement the business of its subsidiary **Aerojet-General Corporation**. Expected to close in the first half of 2013, the transaction would reduce the number of major competitors in the U.S. propulsion industry to two and leave only one U.S. vendor of liquid-rocket engines.

Virgin Galactic Developing Launch Vehicle

On July 10, **Virgin Galactic LLC** (Virgin) announced that it is developing a two-stage launch vehicle dubbed **LauncherOne** for launching small satellites into low Earth orbit for less than \$10m. Beginning in 2016, Virgin will offer launch services for satellite payloads weighing between 100 and 225 kg. Several startup operators, including **Skybox Imaging, Inc.** and **Planetary Resources, Inc.**, have placed deposits of undisclosed amounts with Virgin to reserve flights on LauncherOne.

July Launch Services Orders

On July 10, **Arianespace S.A.** and **Eutelsat Communications** (Eutelsat) announced a contract for the launch of a Eutelsat satellite on an **Ariane 5** launch vehicle. The launch service will be assigned to a designated satellite at a later date, affording Eutelsat both assurance and flexibility for its in-orbit expansion involving six satellites to be launched by the end of 2014.