

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

SpaceX Dragon Takes Flight, Returns Home

On May 22, **Space Exploration Technologies Corp.** (SpaceX) successfully launched its cargo-carrying **Dragon** capsule on a **Falcon 9** launcher from the **Cape Canaveral Air Force Station** and, on May 25, the Dragon successfully berthed with the **International Space Station** (ISS). As a result of the successful launch and berthing of the Dragon, SpaceX will receive the final \$15m installment of its \$396m Commercial Orbital Transportation Services agreement with **NASA** and may soon commence regular cargo deliveries to the ISS under a separate fixed-price contract with NASA valued at \$1.6b. On May 31, SpaceX achieved end-to-end mission success as the Dragon unberthed from the ISS and returned to Earth, landing off the coast of California in the Pacific Ocean. SpaceX's achievements in launching, berthing and returning the Dragon are firsts for the commercial sector and mark the dawn of a new era for space exploration.

Intelsat Files for \$1.75b Initial Public Offering

On May 21, **Intelsat** filed for an initial public offering on the **New York Stock Exchange** to raise approximately \$1.75b, which will be used to pay down a portion of its \$16.2b debt, largely the product of several leveraged acquisitions of the company dating back to 2005. Intelsat will list through its holding company subsidiary **Intelsat Global Holdings S.A.**, which will be renamed **Intelsat S.A.** following the transaction. The precise number of and pricing range for the shares to be listed have yet to be determined. **Goldman Sachs, JP Morgan Chase** and **Morgan Stanley** are serving as arrangers and underwriters for the offering.

LightSquared Commences Restructuring

On May 14, **LightSquared Inc.** announced it commenced voluntary reorganization cases under Chapter 11 of the U.S. Bankruptcy Code. LightSquared's stated reasons for its Chapter 11 filing, made in the U.S. Bankruptcy Court for the Southern District of New York, are to preserve the value of its business, ensure continued operations and provide time to resolve the GPS interference issues that have hampered development of its integrated satellite and terrestrial 4G wireless network. LightSquared will also file a recognition proceeding in Canada with the Superior Court of Justice in Toronto.

May Launches

May 15 – **Arianespace S.A.** successfully launched two communications satellites, both manufactured by **Lockheed Martin Space Systems** on its **A2100** platform, for Asian-region operators, from the **Guiana Space Center** on an **Ariane 5** launcher. The **JCSAT-13** satellite, owned by **SKY Perfect JSAT Corporation**, carries 44 Ku-band transponders and 2 steerable beams and will provide direct TV broadcast links throughout Japan from its 124°E orbital location. The **VINASAT-2** satellite, owned by the **Vietnam Posts and Telecommunications Group**, carries 24 Ku-band transponders and will provide radio, telephone and TV links across Vietnam from the 131.8°E orbital slot.

May 18 – **International Launch Services** successfully launched the **Nimiq 6** satellite for **Telesat Canada** from the **Baikouur Cosmodrome** on an **ILS Proton Breeze M** launcher. Built by **Space Systems/Loral** on its **SS/L 1300** platform, Nimiq 6 carries 32 Ku-band transponders and will provide DTH services, from the 91.1°W orbital slot, to customers of **Bell TV**, which has leased the satellite's entire payload for 15 years.

May Launch Services Orders

On May 29, **Space Exploration Technologies Corp.** (SpaceX) announced a contract with **Intelsat** for the launch of an as yet undisclosed satellite into geosynchronous transfer orbit on SpaceX's **Falcon Heavy** launcher. The contract represents the first commercial contract for the Falcon Heavy launcher, which has the design capability to lift 53 metric tons to low Earth orbit and 12 metric tons to geosynchronous transfer orbit.

GeoEye Bid for DigitalGlobe

On May 4, **GeoEye Inc.** (GeoEye) publicly offered to buy rival satellite imagery company **DigitalGlobe, Inc.** (DigitalGlobe) for \$793m, or \$17 per share, representing a 26% premium over DigitalGlobe's stock value as of May 3. GeoEye's offer came following merger talks between the two competitors and may have been motivated by expected U.S. government budget cuts to **EnhancedView**, a 10-year \$7.3b contract, almost equally divided between GeoEye and DigitalGlobe. However, a May 24 **Senate Armed Services Committee** FY13 budget recommendation that includes \$125m for the purchase, and further study, of commercial imagery may alleviate some of the near-term concerns for both companies.

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