Milbank

Space Business Review

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

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AVANTI COMPLETES FUNDING OF HYLAS 4

On August 18, Avanti Communications Group plc (Avanti), a leading provider of satellite data communications services, closed an add-on offering of 10% senior secured notes due 2019 to raise about $125m, which, according to the company, is sufficient to fund fully its HYLAS 4 satellite project. MAST Capital Management, LLC (MAST) of Boston led and managed the investor group. Also on August 18, Avanti announced an equity capital raising to satisfy conditions of the investors in the 10% senior secured notes. Avanti issued approximately 3.5m new shares, representing a 2.47% equity stake in the company, at a 4% discount relative to the market price to raise an additional $11.3m in net proceeds. Press reports indicate that MAST requested and purchased the new equity. Currently being manufactured by Orbital ATK Inc. based on the GEOStar-3 satellite platform, HYLAS 4 will provide Ka-band broadband services using 66 fixed beams with coverage of Africa and Europe and four steerable beams that can serve Africa or Latin America. The satellite is scheduled for launch by Arianespace S.A. on an Ariane 5 launch vehicle in early 2017.

ESA SIGNS ARIANE 6 AND VEGA-C DEALS

On August 12, the European Space Agency (ESA) entered into contracts with: Airbus Safran Launchers to manufacture the new Ariane 6 heavy-lift launch vehicle; CNES, the French Space Agency, to supply the Ariane 6 launch pad and integration facilities; and ELV S.p.A., a joint venture of AVIO S.p.A. and ASI, the Italian Space Agency, to develop the Vega-C launch vehicle, an upgraded version of the Vega small-satellite launch vehicle. Together, the three contracts are valued at more than $3.5b and include the inaugural missions of both the Ariane 6 and the Vega-C, expected to occur in 2020 and 2018 respectively.

2015 SUMMIT FOR SATELLITE FINANCING

As part of the Euroconsult World Satellite Business Week, the 2015 Summit for Satellite Financing will be held from September 14 - 18 at the Westin Hotel in Paris. The Summit, which is expected to attract over 500 executives from across the globe, including more than 80 CEOs, will feature top-level private and public sector speakers in round-table discussions and presentations. Milbank is proud to be once again an official partner for this highly regarded satellite industry event.

AUGUST LAUNCH SERVICES ORDERS

On August 5, Lockheed Martin Commercial Launch Services announced that it was selected by EchoStar Corporation to launch the EchoStar XIX communications satellite on an Atlas V launch vehicle. Currently being manufactured by SSL, EchoStar XIX, also known as JUPITER 2, will be equipped with a multi-spot beam Ka-band payload and will be used to meet growing North American demand for the HughesNet® high-speed Internet service.

AUGUST LAUNCH SERVICES

August 20 – Arianespace S.A. successfully launched the Eutelsat 8 West B and Intelsat 34 satellites for Eutelsat Communications S.A. and Intelsat S.A. respectively on an Ariane 5 launch vehicle. Eutelsat 8 West B was manufactured by Thales Alenia Space and is equipped with 40 Ku- and 10 C-band transponders. It will provide DTH and telecoms services to users in Africa, the Middle East and South America from the 7/8°W orbital location. Intelsat 34 was manufactured by Space Systems/Loral, LLC and is equipped with 18 Ku- and 22 C-band transponders. It will replace the Intelsat 805 and Galaxy 11 satellites at the 304.5°E orbital location and provide DTH services throughout Latin America and aeronautical and maritime mobile services across the North Atlantic air and sea routes.
August 27 – The Indian Space Research Organisation (ISRO) successfully launched India's newest communications satellite, GSAT-6, on the Geosynchronous Satellite Launch Vehicle. Manufactured by ISRO based on the I-2K satellite platform, GSAT-6 is equipped with five S-band spot beams and one C-band beam. The satellite will provide a variety of communications services, including for military applications, from the 83°E orbital location.
August 28 – In its first commercial mission since a launch failure in May this year, ILS International Launch Services Inc. (ILS) successfully launched the Inmarsat-5 F3 satellite, the third and final satellite of the Global Xpress constellation, for Inmarsat plc on a Proton launch vehicle. Inmarsat-5 F3 will provide coverage of the Pacific Ocean and, together with the Inmarsat-5 F1 and Inmarsat-5 F2 satellites launched previously by ILS, will form a global high-speed mobile broadband network. All three of Inmarsat's Global Xpress satellites were manufactured by Boeing Satellite Systems International, Inc.