

Space Business Review

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

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CONTACTS:

Dara A. Panahy
202-835-7521
dpanahy@milbank.com

Bijan Ganji
202-835-7543
bganji@milbank.com

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AT&T TO ACQUIRE DIRECTV

On May 18, **AT&T Inc.** (AT&T) and **DIRECTV, LLC** (DIRECTV) announced that they entered into a definitive agreement whereby AT&T will acquire DIRECTV in a stock-and-cash transaction. Pursuant to the terms of the merger, DIRECTV shareholders will receive \$95 per share, consisting of \$28.50 in cash and \$66.50 in AT&T stock, representing a total equity value of \$48.5b and a total transaction value of \$67.1b. The combined company will possess greater product offerings and enhanced distribution capabilities as a result of the combination of DIRECTV's customer base, content and technology with AT&T's nationwide mobile network and high-speed broadband network. Expected to close within 12 months, the transaction remains subject to DIRECTV shareholder and governmental approvals.

EXPORT CONTROL REFORM FINAL RULES

On May 13, the U.S. Departments of State and Commerce issued final rules that will revise U.S. export control regulations with respect to commercial satellites and related items. Since 1999, all satellite hardware and technology have been tightly controlled as military items under the U.S. Munitions List. The new rules direct a transfer of certain commercial or widely available satellite hardware and technology from the U.S. Munitions List to the Commerce Control List, which will significantly ease exports of such items to particular countries. The new rules are scheduled to come into effect in 6 months.

MAY FINANCING ROUNDUP

On May 1, **Sirius XM Holdings Inc.** announced that its subsidiary **Sirius XM Radio Inc.** priced an offering of \$1.5b of 6% senior notes due 2024 at 100%. On May 14, **Iridium Communications Inc.** announced the closing of two public offerings: an offering of 8,483,608 shares of common stock at a price of \$6.10 per share, with net proceeds of approximately \$48.9m, and an offering of 500,000 shares of new 6.75% series B cumulative perpetual convertible preferred stock at a price of \$250 per share, with net proceeds of approximately \$121m. On May 20, **Inmarsat plc** announced the completion of an offering, through wholly-owned subsidiary **Inmarsat Finance plc**, of \$1b of 4.875% senior notes due 2022 at a price of 99.191%.

BRAZIL ORBITAL SLOT AUCTION

On May 7, **Anatel**, Brazil's telecommunications regulatory agency, announced that a government auction of four orbital positions on May 6 produced \$67.6m in winning bids. **Hispamar Satélites S.A.**, a subsidiary of **Hispasat, S.A.**, won one of two auctioned Ku-band orbital slots with a bid of \$28.6m. **SES DTH do Brasil LTDA**, a subsidiary of **SES S.A.**, won the other Ku-band slot with a bid of \$12m as well as a slot offering C-, Ku- and Ka-band frequencies, and rights to provide broadband services, with a bid of \$14.9m. **Eutelsat Brasil LTDA**, a subsidiary of **Eutelsat S.A.**, won a slot that, according to ANATEL, involves frequency rights under Appendix 30B of the ITU, which covers fixed satellite services, with a bid of \$12.8m.

LOCKHEED TO ACQUIRE ASTROTECH UNIT

On May 29, **Lockheed Martin Corporation** announced that it entered into a definitive agreement to acquire the assets of **Astrotech Space Operations**, which specializes in pre-launch satellite processing, from **Astrotech Corporation** (Astrotech). According to Astrotech, the purchase price for the acquisition is \$61m.

MAY SATELLITE ORDERS

On May 12, **Thales Alenia Space** announced that it was selected by **KT Corporation** subsidiary **KTSat** to manufacture the **Koreasat-7** and **Koreasat-5A** satellites, which will provide Internet, broadcasting, multimedia and fixed communications services.

MAY LAUNCHES

On May 26, **Sea Launch AG** successfully launched the **EUTELSAT 3B** satellite for **Eutelsat Communications S.A.** on a **Zenit-3SL** launch vehicle. Manufactured by **Airbus Defence and Space** based on its **E3000** platform, EUTELSAT 3B carries Ku-, C- and Ka-band payloads and will be operated at the 3°E orbital position to provide broadband, data, telecom and video services to customers in Europe, Africa, the Middle East, Central Asia and Brazil.

MAY LAUNCH SERVICES ORDERS

On May 14, **Mitsubishi Heavy Industries Corp.** announced that it was selected by **SKY Perfect JSAT Corporation** to launch an unidentified satellite in 2016 on an **H-2A** launch vehicle.