

Space Business Review

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

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DISH \$2B BOND OFFERING

On November 5, **DISH Network Corporation** (DISH) announced that its subsidiary **DISH DBS Corporation** priced an offering of \$2b aggregate principal amount of 5.875% Senior Notes due 2024 at an issue price of 100%. DISH intends to use the net proceeds from the offering for general corporate purposes, including refinancing of indebtedness.

ORBCOMM ACQUISITION AND OFFERING

On November 6, **ORBCOMM Inc.** (ORBCOMM), a global provider of machine-to-machine (M2M) solutions, announced that it entered into an agreement to acquire **SkyWave Mobile Communications Inc.** (SkyWave), the largest M2M service provider using the L-band satellite network of **Inmarsat plc** (Inmarsat), for \$130m. SkyWave has more than 250k subscriber units, 400 channel partners, \$60m in estimated annualized revenues and \$12m in adjusted EBITDA. Following consummation, the acquisition will afford ORBCOMM significant economies of scale in operations and manufacturing, access to new geographic and vertical markets, broader global distribution capabilities and an expanded portfolio of solutions. Pursuant to the terms of the acquisition agreement, ORBCOMM will pay \$122.5m of the sale price in cash and the remaining \$7.5m in the form of a promissory note to Inmarsat. The promissory note amount will be offset by a payment due from Inmarsat under a separate commercial agreement, pursuant to which Inmarsat and ORBCOMM will jointly own SkyWave's **IsatDataPro** technology and Inmarsat will acquire and operate SkyWave's satellite network assets located primarily at three Inmarsat earth stations in Canada, New Zealand and the Netherlands. The acquisition is expected to close in early 2015 subject to regulatory approvals. In a related development, on November 7, ORBCOMM announced that it priced a registered public offering of 12,857,143 shares of its common stock at \$5.60 per share. ORBCOMM also granted the underwriters of the offering an option to purchase up to 1,928,571 additional shares of its common stock. ORBCOMM plans to use the net proceeds from the offering to fund its acquisition of SkyWave but retains the ability to use the proceeds for other future acquisitions and for general corporate purposes.

EUTELSAT AND SPACECOM PARTNERSHIP

On November 19, **Eutelsat Communications S.A.** (Eutelsat) and **Space-Communication Ltd.** (Spacecom) announced a partnership agreement for the cross-commercialization of the Ku-band capacity of Eutelsat's **EUTELSAT 16A** satellite, positioned at the 16°E orbital slot, and Spacecom's **AMOS-5** satellite, positioned at the 17°E orbital slot. By joining efforts to expand programming options and improve the quality of broadcasting services, Eutelsat and Spacecom hope to spur further growth at the 16-17°E orbital location, currently one of Africa's busiest and fastest-growing video neighborhoods.

NOVEMBER SATELLITE ORDERS

November 11 – **APT Satellite Holdings Limited** announced that its wholly-owned subsidiary **APT Satellite Company Limited** entered into a framework agreement with **China Great Wall Industry Corporation** for the manufacture and delivery in-orbit of the **APSTAR-10** satellite (other terms of the transaction have not yet been announced).

November 19 – **Space Systems Loral, LLC** (SSL) announced that **PT Pasifik Satelit Nusantara** (PSN) of Indonesia is the previously undisclosed customer under the contract award first announced by SSL on October 29. SSL will manufacture for PSN the **PSN VI** satellite based on the **SSL 1300** satellite platform. To be equipped with C- and Ku-band transponders, PSN VI will provide voice and data communications, broadband Internet and video distribution services to customers throughout southeast Asia. PSN VI is expected to be launched in early 2017 and will be positioned at the 146°E orbital location.

NOVEMBER LAUNCH SERVICES ORDERS

On November 10, it was reported that **ViaSat Inc.** (ViaSat) selected **Space Exploration Technologies Corporation** to launch the all-Ka-band **ViaSat-2** satellite on a **Falcon Heavy** launch vehicle in mid-2016. Currently being manufactured by **Boeing Space & Intelligence Systems** based on its **702HP** satellite platform, ViaSat-2 will provide high-speed satellite broadband services to users in North America. ViaSat is financing the ViaSat-2 satellite project with a loan from the **Export-Import Bank of the United States** (Ex-Im) in the amount of roughly \$525m, covering manufacturing, launch services and insurance costs. It is expected that the Ex-Im loan will be finalized in the coming months.