

Space Business Review

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

October 2017

CONTACTS:

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

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

To learn about Milbank's Space Business Practice, or view previous issues of the Space Business Review, please visit www.milbank.com.

The information contained herein is provided for informational purposes only and should not be construed as legal advice on any subject matter. Recipients of this publication should not take or refrain from taking any action based upon content included herein. If you do not wish to receive this newsletter, please send an e-mail to MilbankSBG@milbank.com with the word "unsubscribe" in the subject line.

© 2017 - Milbank, Tweed, Hadley & McCloy LLP.

KSA TO INVEST \$1B IN VIRGIN SPACE

On October 26, **Virgin Galactic, LLC** (Virgin Galactic) announced that **The Public Investment Fund (PIF)** of the **Kingdom of Saudi Arabia (KSA)** and **Virgin Group Ltd.** (Virgin Group) signed an MOU pursuant to which PIF plans to invest approximately \$1b in Virgin Group's portfolio of commercial space companies, known as **Galactic Ventures**, with an option to invest an additional \$480m in the future. Upon closing, PIF will hold a significant equity stake in each of the three companies that comprise Galactic Ventures – **Virgin Galactic**, **The Spaceship Company** and **Virgin Orbit** – with Virgin Group remaining as the majority shareholder. Virgin Galactic provides commercial human spaceflight services, The Spaceship Company manufactures spacecraft and Virgin Orbit performs launch services. In a separate development, the **KSA Ministry of Communications and Information Technology** signed an MOU with **OneWeb, Ltd.** for development of solutions to provide broadband Internet in rural and remote areas of the country.

GLOBALSTAR \$125M PUBLIC OFFERING

On October 4, **Globalstar, Inc.** announced that it commenced a public offering of \$125m in shares of voting common stock to satisfy a requirement under an amended credit agreement. The company will deposit 80% of the offering's proceeds into a restricted account to be drawn against for the payment of principal and interest, as agreed with senior lenders, and will use the remaining 20% for general corporate purposes.

OCTOBER SATELLITE & LAUNCH ORDERS

October 10 – **Türksat Uydu Haberleşme Kablo TV ve İşletme A.Ş.** announced that it selected **Airbus Defence and Space** to manufacture the **Türksat 5A** and **5B** satellites.

October 18 – **Space-Communication Ltd.** contracted with **Space Exploration Technologies Corp.** for launch of the **AMOS-17** satellite in Q2 2019 and an optional launch in 2020, each on a **Falcon 9** launch vehicle. The option, if exercised, is expected to be used to orbit a replacement for the **AMOS-6** satellite.

October 27 – **Arianespace S.A.** was selected by **Inmarsat plc** to launch the **Global Express-5 (GX-5)** very high throughput satellite on an **Ariane 5** launch vehicle in 2019.

October 30 – **Arianespace S.A.** was selected to launch the **Star One D2** satellite for **Embratel, Star One S.A.** on an **Ariane 5** in 2019.

MDA/MAXAR DEVELOPMENTS

On October 5, **MacDonald, Dettwiler and Associates Ltd.** announced that it completed its acquisition of **DigitalGlobe, Inc.** The company also announced that it changed its name to **Maxar Technologies Ltd.** (Maxar) and that its U.S.-based operating company, **SSL MDA Holdings, Inc.**, changed its name to **Maxar Technologies Holdings Inc.** On October 30, Maxar announced that its **SSL** business unit was selected by **Embratel, Star One S.A.** to manufacture the **Star One D2** satellite based on the **SSL 1300** satellite platform. To be equipped with C-, Ku-, Ka- and X-band payloads, Star One D2 will provide high-speed telecommunications, DTH TV and broadband Internet services across Latin America and parts of the Atlantic Ocean.

THREE MISSIONS GIVE SPACEX 16 IN '17

On October 9, **Space Exploration Technologies Corp.** (SpaceX) successfully launched another batch of 10 satellites of the **Iridium NEXT** constellation for **Iridium Communications Inc.** on a **Falcon 9** launch vehicle. With this mission and prior launches in June and January, SpaceX has now orbited 30 of the total of 75 satellites that it was selected to launch for the Iridium NEXT program. The Iridium NEXT constellation is expected to be completed by mid-2018. On October 11, SpaceX successfully launched the **EchoStar 105/SES-11** dual mission satellite for **EchoStar Corp.** (EchoStar) and **SES S.A.** (SES) on a **Falcon 9**. The satellite is equipped with a Ku-band payload for the provision of communications services by EchoStar and a C-band payload for the delivery of HD and Ultra-HD DTH TV services by SES and will operate from the 105°W orbital location. On October 30, SpaceX successfully launched the **KOREASAT-5A** satellite for **KT Sat Co., Ltd.** on a **Falcon 9**. **KOREASAT-5A** will replace the **KOREASAT-5** satellite to provide DTH TV, Internet and network backhaul services from the 113°E orbital position. With these three missions, SpaceX tied the record for most launches in one calendar year – 16 – set by **United Launch Alliance** in 2009.

OCTOBER M&A ROUND-UP

ORBCOMM Inc. acquired Ireland-based transportation management solutions provider **Blue Tree Systems Limited** and its U.S., German and French subsidiaries. **Eutelsat Communications S.A.** acquired Middle Eastern satellite service company **NOORSAT** from Bahrain's **Orbit Holding Group** for \$75m.