

# Space Business Review

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

## June 2016

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### SES PRICES €750M BOND OFFERING

On June 3, **SES S.A.** (SES) priced €750m of 4.625% deeply subordinated fixed rate resettable securities, marking SES' first ever hybrid bond offering. Guaranteed on a subordinated basis by **SES Global Americas Holding GP**, the bonds will be classified as equity under IFRS and will receive 50% equity treatment from ratings agencies Moody's and S&P's. SES plans to use the net proceeds from the offering to refinance certain of its own existing indebtedness, as well as a portion of the \$1.2b of existing indebtedness of **O3b Networks, Ltd.** (O3b). The offering complements SES' recent €908.8m equity raise to fund acquisition of the remaining 49.5% of O3b shares not already owned by SES.

### DISH ANNOUNCES \$2B IN SENIOR NOTES

On June 9, **DISH Network Corporation** (DISH) announced that its subsidiary, **DISH DBS Corporation** (DISH DBS), priced an offering of \$2b aggregate principal amount of 7.75% senior notes due 2026 at an issue price of 100%. DISH announced on June 8 that DISH DBS plans to offer approximately \$750m aggregate principal amount of senior notes. In each announcement, DISH stated that it plans to use the net proceeds from the offering for strategic transactions that may involve wireless and spectrum assets.

### EUTELSAT LAUNCHES €500 BOND

On June 16, **Eutelsat Communications S.A.** announced that **Eutelsat S.A.** (Eutelsat) priced an offering of five-year 1.125% senior unsecured notes at 99.894% for a total of €500m. Eutelsat will use the net proceeds from the offering, together with other sources of balance sheet cash, to redeem at maturity in March 2017 the €850m aggregate principal amount of 4.125% notes that Eutelsat issued in March 2010, which is expected to produce savings of €30m before tax per year.

### INTELSAT CLOSES PRIVATE PLACEMENT

On June 30, **Intelsat S.A.** (Intelsat) announced that its subsidiary, **Intelsat Jackson Holdings S.A.** (Intelsat Jackson), closed a private placement of \$490m aggregate principal amount of 9.5% senior secured notes due 2022 at an issue price of 98%. Intelsat Jackson plans to use the net proceeds from the private placement to fund its previously announced tender offers to purchase its 6.625% senior notes due 2022, 5.5% senior notes due 2023 and 7.5% senior notes due 2021 in accordance with Intelsat's broader initiative to improve its financial position by reducing leverage.

### JUNE LAUNCH SERVICES

**June 9** – **ILS International Launch Services Inc.** successfully launched the **Intelsat 31** satellite on a **Proton** launch vehicle for **Intelsat S.A.** (Intelsat). Manufactured by **Space Systems Loral**, Intelsat 31 is equipped with a C-band payload that will provide enhanced media capacity to serve customers across Latin America. The satellite also hosts the **DLA-2** payload for **DIRECTV Latin America**, which will provide redundancy for distribution services in South America and the Caribbean. Intelsat 31 will be co-located with the **Intelsat 30** satellite, which hosts the **DLA-1** payload for **DIRECTV Latin America**, at the 95°W orbital position.

**June 15** – **Space Exploration Technologies Corp.** (SpaceX) successfully launched the **ABS-2A** satellite for **ABS Global, Ltd.** (ABS) and the **EUTELSAT 117 West B** satellite for **Eutelsat Communications S.A.** (Eutelsat) on a **Falcon 9** launch vehicle. Both satellites were manufactured by **Boeing Satellite Systems International, Inc.** based on the **702 SP** all-electric satellite platform and together represent the second of two pairs of 702 SP satellites procured jointly by ABS and Eutelsat. **ABS-2A** is equipped with 48 Ku-band transponders and will be co-located with the **ABS-2** satellite at the 75°E orbital position to provide enhanced broadcast and data services to users in Africa, the Middle East, Russia and South and Southeast Asia. **EUTELSAT 117 West B** is equipped with 48 Ku-band transponders and will serve government service providers and telecommunications operators throughout Latin America from the 117°W orbital location. **EUTELSAT 117 West B** also hosts a Wide Area Augmentation System (WAAS) payload for **The Raytheon Company** to enable the **U.S. Federal Aviation Administration** to increase GPS signal accuracy for enhanced aviation safety in North America.

**June 18** – **Arianespace S.A.** successfully launched the **EchoStar XVIII** satellite for **DISH Network L.L.C.** and the **BRIsat** satellite for **PT. Bank Rakyat Indonesia (Persero) Tbk.** (BRI) on an **Ariane 5** launch vehicle. Both satellites were manufactured by **Space Systems Loral** based on the **SSL 1300** satellite platform. **EchoStar XVIII** will provide DTH television programming services, while **BRIsat**, the first satellite to be procured by a bank, will provide secure banking communications services for BRI branches, electronic channel outlets and customers throughout Indonesia.