

# GLOBALSTAR, INC.

## **FORM 8-K** (Current report filing)

Filed 05/07/14 for the Period Ending 05/07/14

Address	300 HOLIDAY SQUARE BLVD., COVINGTON,, LA, 70433
Telephone	408-933-4000
CIK	0001366868
Symbol	GSAT
SIC Code	4899 - Communications Services, Not Elsewhere Classified
Industry	Wireless Telecommunications Services
Sector	Telecommunication Services
Fiscal Year	12/31

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 7, 2014

**GLOBALSTAR, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation)

001-33117  
(Commission  
File Number)

41-2116508  
(IRS Employer  
Identification No.)

300 Holiday Square Blvd. Covington, LA  
(Address of Principal Executive Offices)

70433  
(Zip Code)

Registrant's telephone number, including area code: (985) 335-1500

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On May 7, 2014, Globalstar, Inc. issued a press release to report 2014 first quarter financial results. The text of the press release is furnished as Exhibit 99.1 to this Form 8-K.

**Item 7.01 Regulation FD Disclosure.**

During Globalstar's previously announced conference call at 5 p.m. Eastern Time on May 7, 2014, written presentation materials will be used and will be available on the company's website. The text of the presentation materials is furnished as Exhibit 99.2 to this Form 8-K.

The information in this Current Report on Form 8-K and the Exhibits attached hereto is furnished pursuant to the rules and regulations of the Securities and Exchange Commission and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

*(d) Exhibits.*

99.1	Press release dated May 7, 2014
99.2	Presentation materials dated May 7, 2014

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### **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GLOBALSTAR, INC.

/s/ James Monroe III

James Monroe III  
Chairman and  
Chief Executive Officer

Date: May 7, 2014

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## GLOBALSTAR ANNOUNCES 2014 FIRST QUARTER RESULTS

*Quarterly highlights include increases in both service and equipment revenue; increases in Duplex metrics such as subscriber additions, service revenue and ARPU; and a substantial increase in Adjusted EBITDA. Post-quarter highlights include listing on NYSE MKT exchange and completion of initial comment period in FCC proceeding.*

**Covington, LA – (May 7, 2014 )** – Globalstar, Inc. (NYSE MKT: GSAT) today announced its financial results for the three-month period ended March 31, 2014.

### FIRST QUARTER FINANCIAL REVIEW

Jay Monroe, Chairman and CEO of Globalstar, commented, “Globalstar continues to make progress on its operational and regulatory fronts. Duplex performance continues its resurgence as we start the first full year of quality two-way coverage after a construction and launch period of many years. We expect to accelerate this momentum as we enter the traditional higher selling season in the second and third quarters. Post quarter, listing the Company’s stock on the NYSE MKT was an important milestone as we enter the next stages of the Company’s turnaround. With regard to the regulatory proceeding before the FCC, we are now in the middle of the comment period with initial comments submitted earlier this week and reply comments due in less than one month. We appreciate the support of the many parties that filed comments in favor of the FCC’s proposed rules, and we look forward to working with the Commission to ensure that its proposed rules are adopted this year.”

#### *Revenue*

Revenue was \$20.5 million for the first quarter of 2014 compared to \$19.3 million for the first quarter of 2013, an increase of 6%, which was due to increases in both service revenue and subscriber equipment sales revenue.

Service revenue was \$16.2 million for the first quarter of 2014 compared to \$15.4 million for the first quarter of 2013, an increase of 6%. The primary driver for this increase was a 21% increase in Duplex revenue. The growth in Duplex service revenue was driven by improved network performance leading to higher minutes of use and an increase in the number of revenue-generating subscribers compared to the first quarter of 2013. Consistent with plans previously disclosed, the Company deactivated approximately 26,000 suspended or non-paying Duplex subscribers during the first quarter of 2014. These deactivations give a clearer picture of active subscribers and ARPU. Deactivating these subscribers increased Duplex ARPU, as most were not producing revenue. The growth in service revenue, coupled with the decrease in average subscribers, contributed to the increase in reported Duplex ARPU. Adjusting for the deactivation of the 26,000 subscribers in both quarters, Duplex ARPU increased 20% in the first quarter of 2014 over the comparable prior year period.

Service revenue for both SPOT and Simplex during the first quarter of 2014 remained relatively flat compared to the first quarter 2013. The increase in Duplex service revenue was offset partially by decreases in other service revenue. Other service revenue decreased to \$1.2 million for the first quarter of 2014 compared to \$1.4 million for the first quarter of 2013, a decrease of 15%. This decrease was due to a decline in revenue generated from non-core operations.

Subscriber equipment sales revenue was \$4.3 million in the first quarter of 2014, an increase of 9% from the first quarter of 2013. Duplex equipment sales revenue increased nearly 22% from the first quarter of 2013, which was driven primarily by the continued success of the SPOT Global Phone. SPOT equipment sales revenue increased 54%, or \$0.5 million, due to sales of SPOT Gen 3™ and the newly launched SPOT Trace. Comparing the first quarter of 2014 to the same period in 2013, commercial Simplex equipment sales revenue decreased \$0.3 million.

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### *Net Loss*

Net loss increased during the first quarter of 2014 reflecting the impact of substantial non-cash charges resulting from an increase in the value of the Company's derivative instruments, which was driven primarily by a 50% increase in the Company's stock price during the first quarter of 2014. The Company reported a net loss of \$250.5 million for the first quarter of 2014, driven almost entirely from non-cash sources, compared to \$25.1 million for the first quarter of 2013. The increased net loss was due also to a loss on extinguishment of debt, which was driven by the value of the equity issued in connection with note conversions during the first quarter of 2014. Higher interest and depreciation expense also contributed to the increase in net loss.

### *Adjusted EBITDA*

Adjusted EBITDA was \$3.8 million for the first quarter of 2014 compared to \$2.5 million in the first quarter of 2013, an increase of 54%. This increase was due to a \$1.2 million increase in revenue coupled with a \$0.1 million decrease in total operating expenses (excluding EBITDA adjustments). Adjusted EBITDA growth was primarily driven by substantial increases in our high margin Duplex service revenue and in SPOT equipment revenue. The increase in Duplex service revenue was due to a combination of increased usage and the incremental service revenue from the migration to higher priced service plans across the Duplex subscriber base.

## **OPERATIONAL AND REGULATORY UPDATE**

### *Regulatory Reform for Terrestrial Spectrum Authority*

- On November 1, 2013, the FCC voted unanimously to release proposed rules that would permit Globalstar to provide low-power terrestrial mobile broadband services over 22 MHz of spectrum, including 11.5 MHz of Globalstar's licensed S - band spectrum at 2483.5-2495 MHz, as well as the non-exclusive use of the adjacent 10.5 MHz of unlicensed spectrum at 2473 - 2483.5 MHz. On May 5, 2014, interested parties submitted comments with regard to the FCC's proposed rules. Reply comments are due June 4, 2014.

### *New York Stock Exchange Listing*

- On April 21, 2014, the New York Stock Exchange initiated trading of Globalstar's common stock on its NYSE MKT under the ticker symbol "GSAT." NYSE MKT is a fully integrated trading venue within the NYSE Euronext community and leverages the NYSE's advanced and innovative market model.

### *SPOT Satellite Devices Reach 3,000<sup>th</sup> Rescue*

- The SPOT product family has now initiated 3,000 rescues since its launch in 2007. Averaging one rescue per day, SPOT delivers affordable and reliable satellite-based connectivity and real-time GPS tracking to hundreds of thousands of users, completely independent of cellular coverage. As the SPOT brand continues to innovate and grow, Globalstar is committed to providing affordable life-saving products that are increasingly relevant to millions of people globally.

### *Automatic Conversion of Convertible Senior Unsecured Notes*

- On April 15, 2014, the automatic conversion feature in Globalstar's 2009 8.0% Convertible Senior Unsecured Notes was triggered. These securities had an aggregate outstanding principal amount of approximately \$38 million. Pursuant to the terms of the Second Supplemental Indenture, the automatic conversion was triggered when the closing price of Globalstar's common stock exceeded 200% of the Conversion Price of the Notes for a period of 30 consecutive trading days. This conversion resulted in the issuance of approximately 34 million shares of voting common stock and a reduction in indebtedness of \$38 million.
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## CONFERENCE CALL

The Company will conduct an investor conference call today at 5:00 p.m. EDT to discuss first quarter 2014 financial results.

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Details are as follows:

*Conference Call:* 5:00 p.m. EDT

Investors and the media are encouraged to listen to the call through the Investor Relations section of the Company's website at [www.globalstar.com/investors](http://www.globalstar.com/investors).

If you would like to participate in the live question and answer session following the Company's conference call, please dial 1 (800) 446-2782 (US and Canada), 1 (847) 413-3235 (International) and use the participant pass code 37141713.

*Audio Replay:* A replay of the earnings call will be available for a limited time and can be heard after 7:30 p.m. EDT on May 7, 2014. Dial: 1 (888) 843-7419 (US and Canada), 1 (630) 652-3042 (International) and pass code 3714 1713#.

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**About Globalstar, Inc.**

Globalstar provides mobile satellite voice and data services. Globalstar offers these services to commercial customers and recreational consumers in more than 120 countries around the world. The Company's products include mobile and fixed satellite telephones, simplex and duplex satellite data modems, flexible airtime service packages and the SPOT family of mobile satellite consumer products including the SPOT Satellite GPS Messenger. Many land based and maritime industries benefit from Globalstar with increased productivity from remote areas beyond cellular and landline service. Global customer segments include: oil and gas, government, mining, forestry, commercial fishing, utilities, military, transportation, heavy construction, emergency preparedness, and business continuity as well as individual recreational users. Globalstar data solutions are ideal for various asset and personal tracking, data monitoring and SCADA applications. Note that all SPOT products described in this press release are the products of Spot LLC, which is not affiliated in any manner with Spot Image of Toulouse, France or Spot Image Corporation of Chantilly, Virginia.

For more information regarding Globalstar, please visit Globalstar's web site at [www.globalstar.com](http://www.globalstar.com)

Investor contact information:

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**Phone**

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*Safe Harbor Language for Globalstar Releases*

This press release contains certain statements that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Forward-looking statements, such as the statements regarding our expectations with respect to actions by the FCC, future increases in our revenue and profitability and other statements contained in this release regarding matters that are not historical facts, involve predictions.

Any forward-looking statements made in this press release are accurate as of the date made and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in the forward-looking statements, and we undertake no obligation to update any such statements. Additional information on factors that could influence our financial results is included in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

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**GLOBALSTAR, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Dollars in thousands, except per share data)  
(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Revenue:		
Service revenues	\$ 16,249	\$ 15,390
Subscriber equipment sales	4,287	3,943
Total revenue	20,536	19,333
Operating expenses:		
Cost of services (exclusive of depreciation, amortization, and accretion shown separately below)	6,938	7,527
Cost of subscriber equipment sales	3,072	2,940
Marketing, general, and administrative	7,769	6,924
Depreciation, amortization, and accretion	23,332	20,332
Total operating expenses	41,111	37,723
Loss from operations	(20,575)	(18,390)
Other expense:		
Loss on extinguishment of debt	(10,195)	-
Interest income and expense, net of amounts capitalized	(10,921)	(7,752)
Derivative gain (loss)	(209,370)	525
Other	713	642
Total other income (expense)	(229,773)	(6,585)
Loss before income taxes	(250,348)	(24,975)
Income tax expense	193	103
Net loss	<u><u>\$ (250,541)</u></u>	<u><u>\$ (25,078)</u></u>
Loss per common share:		
Basic	\$ (0.29)	\$ (0.05)
Diluted	(0.29)	(0.05)
Weighted-average shares outstanding		
Basic	849,321	472,187
Diluted	849,321	472,187

**GLOBALSTAR, INC.**  
**RECONCILIATION OF GAAP NET LOSS TO ADJUSTED EBITDA**  
(Dollars in thousands)  
(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
Net loss	\$ (250,541)	\$ (25,078)
Interest income and expense, net	10,921	7,752
Derivative (gain) loss	209,370	(525)
Income tax expense	193	103
Depreciation, amortization, and accretion	23,332	20,332
<b>EBITDA</b>	<b>(6,725)</b>	<b>2,584</b>
Non-cash compensation	765	373
Research and development	113	160
Foreign exchange and other	(714)	(637)
Loss on extinguishment of debt	10,195	-
Write off of deferred financing costs	194	-
<b>Adjusted EBITDA (1)</b>	<b>\$ 3,828</b>	<b>\$ 2,480</b>

(1) EBITDA represents earnings before interest, income taxes, depreciation, amortization, accretion and derivative (gains)/losses. Adjusted EBITDA excludes non-cash compensation expense, reduction in the value of assets, foreign exchange (gains)/losses, R&D costs associated with the development of new products, and certain other significant charges. Management uses Adjusted EBITDA in order to manage the Company's business and to compare its results more closely to the results of its peers. EBITDA and Adjusted EBITDA do not represent and should not be considered as alternatives to GAAP measurements, such as net income/(loss). These terms, as defined by us, may not be comparable to a similarly titled measures used by other companies.

The Company uses Adjusted EBITDA as a supplemental measurement of its operating performance. The Company believes it best reflects changes across time in the Company's performance, including the effects of pricing, cost control and other operational decisions. The Company's management uses Adjusted EBITDA for planning purposes, including the preparation of its annual operating budget. The Company believes that Adjusted EBITDA also is useful to investors because it is frequently used by securities analysts, investors and other interested parties in their evaluation of companies in similar industries. As indicated, Adjusted EBITDA does not include interest expense on borrowed money or depreciation expense on our capital assets or the payment of income taxes, which are necessary elements of the Company's operations. Because Adjusted EBITDA does not account for these expenses, its utility as a measure of the Company's operating performance has material limitations. Because of these limitations, the Company's management does not view Adjusted EBITDA in isolation and also uses other measurements, such as revenues and operating profit, to measure operating performance.

**GLOBALSTAR, INC.**  
**SCHEDULE OF SELECTED OPERATING METRICS**  
(Dollars in thousands, except subscriber and ARPU data)  
(unaudited)

	Three Months Ended March 31,			
	2014		2013	
	Service	Equipment	Service	Equipment
Revenue				
Duplex	\$ 5,874	\$ 1,356	\$ 4,845	\$ 1,109
SPOT	7,039	1,428	7,086	926
Simplex	1,865	1,239	1,815	1,549
IGO	274	180	232	297
Other	1,197	84	1,412	62
	<b>\$ 16,249</b>	<b>\$ 4,287</b>	<b>\$ 15,390</b>	<b>\$ 3,943</b>

	Reported	
Average Subscribers		
Duplex	71,383	83,928
SPOT	222,990	226,094
Simplex	241,038	189,050
IGO	39,309	40,854

ARPU <sup>(1)</sup>		
Duplex	\$ 27.43	\$ 19.24
SPOT	10.52	10.45
Simplex	2.58	3.20
IGO	2.32	1.89

	Adjusted <sup>(2)</sup>	
Average Subscribers		
Duplex	58,053	57,268
SPOT	222,990	208,044
Simplex	241,038	189,050
IGO	39,309	40,854

ARPU <sup>(1)</sup>		
Duplex	\$ 33.73	\$ 28.20
SPOT	10.52	11.35
Simplex	2.58	3.20
IGO	2.32	1.89

(1) Average monthly revenue per user (ARPU) measures service revenues per month divided by the average number of subscribers during that month. Average monthly revenue per user as so defined may not be similar to average monthly revenue per unit as defined by other companies in the Company's industry, is not a measurement under GAAP and should be considered in addition to, but not as a substitute for, the information contained in the Company's statement of income. The Company believes that average monthly revenue per user provides useful information concerning the appeal of its rate plans and service offerings and its performance in attracting and retaining high value customers.

(2) During the first quarter of 2014, the Company deactivated approximately 26,000 suspended or non-paying Duplex subscribers. Adjusted average subscribers in the table above exclude these 26,000 subscribers from the prior periods to show comparable metrics.

During the first quarter of 2013, the Company deactivated approximately 36,000 suspended or non-paying SPOT subscribers. Adjusted average subscribers in the table above exclude these 36,000 subscribers from the prior periods to show comparable metrics.



# **Earnings Call Presentation Q1 2014**

May 7, 2014

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## Safe Harbor Language

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This press release contains certain statements that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Forward-looking statements, such as the statements regarding our expectations with respect to actions by the FCC, future increases in our revenue and profitability and other statements contained in this release regarding matters that are not historical facts, involve predictions.

Any forward-looking statements made in this press release are accurate as of the date made and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in the forward-looking statements, and we undertake no obligation to update any such statements. Additional information on factors that could influence our financial results is included in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.



# Poised for Growth & Profitability Improvement

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## Financial Performance & Liquidity

- Continued momentum in Revenue and Adjusted EBITDA growth. Improved Duplex coverage with completed Second-Generation constellation – Duplex minutes of use, equipment revenue and service revenue increased 11%, 22% and 21%, respectively, over prior year period.
- Globalstar's common stock listed on NYSE MKT on April 21, 2014 – materially enhances trading liquidity and visibility

## New Products

- In January 2014, Globalstar announced Sat-Fi, a ground-breaking MSS technology that converts any Wi-Fi enabled device into a satellite phone – can provide coverage to approximately 2 billion people who live, work, play or travel in the 75% of the earth's landmass without terrestrial coverage
- In February 2014, Globalstar released STX3, world's lowest power-consuming satellite network chipset. Low cost and easy to integrate STX3 chipsets allow VARs and OEMs to develop smaller, more efficient M2M solutions.

## ADS-B Link Augmentation System

- A true over-the-horizon space-based air traffic management allowing real-time tracking of aircraft via the Globalstar constellation beyond the range of terrestrial ADS-B networks
- Reliable, secure and cost effective air traffic management solution – scheduled for initial certification in 2015
- Unique design allows for scalable capacity, low latency and fast update rates

## FCC NPRM Proceeding

- On November 1, 2013, the Federal Communications Commission voted unanimously to release Globalstar's requested Notice of Proposed Rulemaking over 22 MHz of spectrum including licensed (2483.5-2495 MHz) and adjacent ISM spectrum (2473-2483.5 MHz)
- Initial comments received May 5, 2014
- Comment cycle to conclude June 4, 2014

# Financial Results Summary

## Major Highlights

- Revenue and Adjusted EBITDA for Q1 2014 were \$20.5 million and \$3.8 million – growth of 6% and 54%, respectively over the comparable prior year period
- Duplex service revenue was \$5.9 million, representing growth of 21% over Q1 2013; Duplex Adjusted ARPU <sup>(1)</sup> was \$33.73, representing a 20% increase over the comparable prior year period
- SPOT and Simplex service revenue for Q1 2014 were \$7.0 million and \$1.9 million respectively

(\$ in millions except ARPU data)

### INCOME STATEMENT SUMMARY

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013	Q1 2014
<b>Revenue:</b>											
Service revenue											
Duplex	\$4.2	\$4.5	\$5.0	\$4.8	\$18.4	\$4.8	\$5.4	\$6.2	\$6.3	\$22.8	\$5.9
SPOT	5.3	6.5	6.6	6.9	25.2	7.1	6.9	7.0	7.0	27.9	7.0
Simplex	1.3	1.4	1.7	1.8	6.1	1.8	1.6	2.1	2.0	7.6	1.9
IGO & Other	1.8	1.8	2.1	1.9	7.7	1.6	1.6	1.7	1.4	6.3	1.5
Total Service Revenue	\$12.6	\$14.2	\$15.4	\$15.3	\$57.5	\$15.4	\$15.4	\$17.1	\$16.8	\$64.6	\$16.2
Equipment sales revenue	\$4.1	\$5.8	\$5.2	\$3.7	\$18.9	\$3.9	\$4.4	\$5.5	\$4.2	\$18.1	\$4.3
Total revenue	\$16.7	\$20.0	\$20.5	\$19.1	\$76.3	\$19.3	\$19.8	\$22.5	\$21.0	\$82.7	\$20.5
<b>Cost of services</b>	\$7.3	\$7.5	\$7.4	\$7.9	\$30.1	\$7.5	\$7.2	\$8.2	\$7.3	\$30.2	\$6.9
Cost of subscriber equipment sales plus value reduction	3.0	3.8	4.7	3.3	14.7	2.9	3.6	4.1	6.7	19.4	3.1
Marketing, general, and administrative	6.6	7.0	7.4	6.4	27.5	6.9	6.6	9.1	7.3	29.9	7.8
Contract termination charge	0.0	22.0	0.0	0.0	22.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation, amortization, and accretion	14.7	15.9	18.7	20.5	69.8	20.3	22.1	23.7	24.5	90.6	23.3
Other operating expenses	0.1	7.1	0.0	0.0	7.2	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses	\$31.7	\$63.4	\$38.2	\$38.1	\$171.3	\$37.7	\$39.4	\$45.1	\$47.8	\$170.1	\$41.1
Loss from operations	(\$14.9)	(\$43.4)	(\$17.7)	(\$19.0)	(\$95.0)	(\$18.4)	(\$19.6)	(\$22.6)	(\$26.8)	(\$87.4)	(\$20.6)
Gain (Loss) on extinguishment of debt	0.0	0.0	0.0	0.0	0.0	0.0	(47.2)	(63.6)	1.7	(109.1)	(10.2)
Other income (expense)	(9.4)	16.0	(23.5)	0.1	(6.8)	(6.6)	(59.3)	(118.7)	(208.9)	(393.5)	(219.8)
Income tax expense	(0.2)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.8)	(1.1)	(0.2)
Net loss	(\$24.5)	(\$27.5)	(\$41.2)	(\$19.0)	(\$112.2)	(\$25.1)	(\$126.3)	(\$205.0)	(\$234.8)	(\$591.1)	(\$250.5)
<b>Adjusted EBITDA <sup>(2)</sup></b>	\$1.4	\$2.9	\$3.1	\$2.5	\$9.8	\$2.5	\$2.9	\$2.5	\$3.9	\$11.9	\$3.8
<b>ARPU</b>											
Duplex	\$15.35	\$16.74	\$16.95	\$18.49	\$17.42	\$19.24	\$21.29	\$24.50	\$24.97	\$22.54	\$27.43
Duplex Adjusted ARPU <sup>(1)</sup>	21.69	23.84	27.21	26.84	24.97	28.20	31.18	35.73	36.45	32.98	33.73
SPOT	8.57	9.91	9.44	9.60	9.47	10.45	10.69	10.64	10.54	10.04	10.52
Simplex	3.03	2.88	3.24	3.23	3.11	3.20	2.70	3.32	3.00	3.03	2.58
IGO / Wholesale	1.45	1.54	1.60	1.81	1.59	1.89	2.11	2.10	2.45	2.13	2.32

(1) Duplex ARPU adjusted for deactivation of approximately 26,000 suspended or non-paying subscribers in Q1 2014.

(2) Adjusted to exclude non-cash compensation expense, reduction in the value of assets, foreign exchange (gains)/losses, R&D costs associated with the development of new products and certain other one-time charges. See reconciliation to GAAP Net Loss on Annex A.

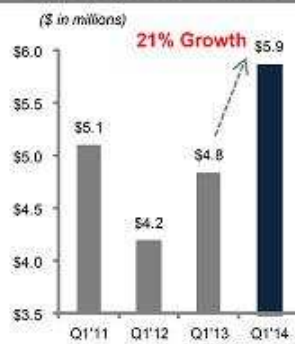
# Q1 2014 Financial Performance

## Duplex Performance & Operating Cash Flow

### Duplex Equipment Revenue



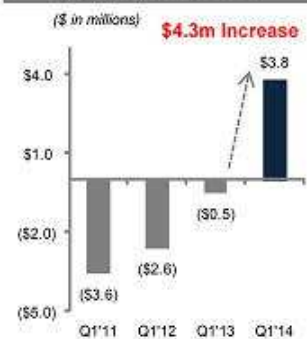
### Duplex Service Revenue



### Duplex Adjusted ARPU <sup>(1)</sup>

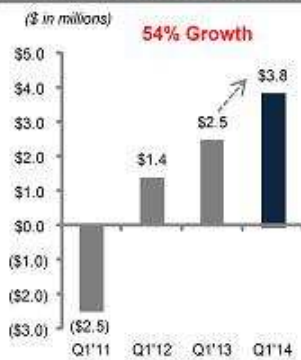


### Operating Cash Flow <sup>(2)</sup>



## Adjusted EBITDA <sup>(3)</sup>

### 2011-2014 Q1 Comparison



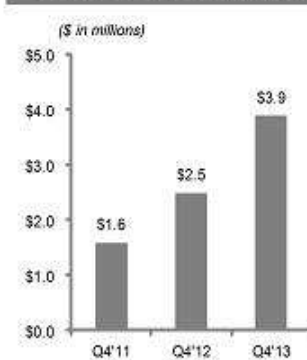
### 2011-2013 Q2 Comparison



### 2011-2013 Q3 Comparison



### 2011-2013 Q4 Comparison



(1) Duplex ARPU adjusted for deactivation of approximately 26,000 suspended or non-paying subscribers in Q1 2014.

(2) See reconciliation to GAAP Net Loss on Annex B.

(3) Adjusted to exclude non-cash compensation expense, reduction in the value of assets, foreign exchange (gains)/losses, R&D costs associated with the development of new products and certain other one-time charges. See reconciliation to GAAP Net Loss on Annex A.



# Duplex Expansion Initiatives Update

## Geographical Expansion

- Completed gateway repair efforts in Brazil
- Venezuela gateway repair procedures to be completed in Q2 2014
- Additional geographical expansion opportunities under consideration



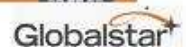
## Improved Service Offerings

- *Prepaid Solution*: Launched in Europe, North America and select regions in Central & Latin America. Greater flexibility for seasonal subscribers – significant international market share expansion potential.
- *Large Home Zone*: Fully launched during Q1 2014. Allows customers access to international markets without the incurrence of roaming and long distance charges – improves inter-territory usage and supports international expansion initiatives.
- *Trade-in Trade-up*: Re-introduces Globalstar's resurgent Duplex offerings through promotional hardware trade-in program – provides compelling economics to win competitors' subscribers and expand Globalstar's Duplex subscriber base



## Marketing & Advertizing Expansion

- First large-scale resurgence program for Globalstar's Duplex offering since 2006 with multiple promotional multi-media campaigns targeted across key vertical markets
- Campaign aggressively re-launches Globalstar brand and communicates superior competitive offering
- Expected to drive increased subscriber growth and reduce churn



# New Products Broaden MSS Relevance

New Products	Key Features & Benefits	Distribution
 <p><b>SPOT Global Phone</b> May 2013</p>	<ul style="list-style-type: none"> <li>• Small, lightweight, consumer-oriented satellite phone</li> <li>• Portable device with a long battery life</li> <li>• Airtime pricing matches current Duplex price plans</li> <li>• Provides flexibility to outdoor enthusiasts with two-way communication functionality while out of cellular range</li> </ul>	<ul style="list-style-type: none"> <li>• Leverages the brand equity of SPOT in the recreational and consumer marketplace</li> <li>• Distributed through 10,000 points of retail distribution</li> </ul> 
 <p><b>SPOT Gen3</b> September 2013</p>	<ul style="list-style-type: none"> <li>• Battery life 2x SPOT 2 – enhanced customization features – smaller form factor</li> <li>• USB for line power eliminates need for battery replacement</li> <li>• New movement messaging, theft alerting capabilities – Extreme Tracking at 2.5 minute intervals</li> <li>• Flexibility to outdoor enthusiasts to send pre-defined messages &amp; GPS coordinates while off the grid</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced features augment distribution potential</li> <li>• Distributed through existing retail channels</li> </ul> 
 <p><b>SPOT Trace</b> November 2013</p>	<ul style="list-style-type: none"> <li>• Traces the path of anything, anytime, anywhere for consumer assets – extremely small and inexpensive</li> <li>• Key applications include theft prevention</li> <li>• Extreme Tracking offered at \$99.99 per year</li> </ul>	<ul style="list-style-type: none"> <li>• Broadens addressable market by targeting mass consumers – leverages existing retail network</li> </ul> 
 <p><b>STX3</b> February 2014</p>	<ul style="list-style-type: none"> <li>• World's lowest power-consuming satellite network chipset for M2M solutions – ability to operate for many months or years without human intervention</li> <li>• Easy-to-integrate – enables VARs and OEMs to develop smaller, more efficient M2M solutions</li> <li>• Applications include wide range of assets including LPG tanks, water tanks, remote meter applications, vehicles, animal tracking devices &amp; sea or land containers</li> </ul>	<ul style="list-style-type: none"> <li>• Significant potential for enhanced M2M penetration</li> <li>• Global coverage augments distribution potential</li> <li>• Distributed through 2,000 dealers / resellers / VARs</li> </ul>

# Ground-Breaking MSS Technology: Sat-Fi



## Product Capability

- Connects any Wi-Fi enabled device (e.g., tablets, smartphones and laptops) to Globalstar's satellite network for full voice and data services beyond the range of cellular networks
- Extends wireless beyond cellular and allows for coverage in any targeted territory while allowing high quality connectivity for voice and data where the economics do not otherwise support capital deployment for a macro terrestrial network
- Provides alternative to international terrestrial roaming
- Sat-Fi to be released in Q2 2014 – targets government and enterprise customers. With the completion of Second-Generation ground infrastructure by end of 2015, a \$100 Hughes-based consumer capable device is planned for rollout.
- Can provide coverage to approximately 2 billion people who live, work, play or travel in the 75% of the earth's landmass without terrestrial coverage



# ADS-B Link Augmentation System (“ALAS”)

ALAS is a true over-the-horizon surveillance technology which allows real-time tracking of aircrafts beyond the range of terrestrial ADS-B networks

## ALAS Overview

- ADS-B Link Augmentation System, or “ALAS,” re-routes a signal from the aircraft’s transponder through a secure and uninterruptable two-way link via the Globalstar constellation
- Resolves line-of-sight issues and provides the aircraft’s position every second even over oceanic, remote or mountainous terrain – areas where terrestrial ADS-B networks are not deployed or are obstructed
- Simple design and small antenna requirement make the solution a quick and economical upgrade for commercial aircraft

## Optimally Designed & Successfully Tested

- ALAS is designed to be unobtrusive and subordinate to conventional line-of-sight transmission of the ADS-B signal in space. The solution does not interfere with normal payload delivery to other aircraft or to ADS-B ground stations.
- The increased speed and reliability of Globalstar’s Second-Generation constellation, coupled with the simplicity of the ALAS interface, allows for easy and cost effective deployment
- Space-Based ADS-B system has been successfully tested in Alaska over the past two years. Long-range flight testing to begin this summer – scheduled for initial certification in 2015.

## Key Features & Benefits

- *Scalable Capacity:* As all of the ADS-B components are located on the ground, the system is accessible and easily modified
- *Low Latency:* Globalstar’s Bent-pipe architecture promotes low latency, direct connections with ATC points of service
- *Fast Update Rates:* Provides 1-second updates at 5-mile separation. System to have the same metrics as a terrestrial ADS-B system.
- *Reliable & Secure:* Bent-pipe architecture promotes a reliable and flexible system. System is jamming and spoofing resistant and additional encryption can be added on a case by case basis.

Note: Refer to Annex C for a schematic overview of the ADS-B Link Augmentation System.

# FCC's NPRM Regulatory Update

Globalstar's NPRM Process Overview		
Completed	November 13, 2012	Globalstar Files Petition for Rulemaking
	January 20, 2013	Initial & Reply Comments Filed
	September 5, 2013	FCC Circulates NPRM Internally
	November 1, 2013	FCC Unanimously Votes For and Releases NPRM
	February 19, 2014	NPRM Publication in Federal Register
	May 5, 2014	Comment Due Date
Pending	June 4, 2014	Reply Comment Due Date
	2H 2014	Process Completion Expected

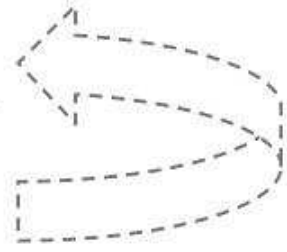
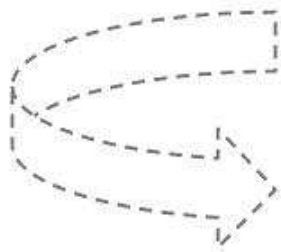
## Globalstar Value Drivers

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Fully deployed Second-Generation constellation offers lowest latency, lowest cost per bit

Resurgent global MSS business – continued revival across service offerings

Unique product portfolio across consumer, enterprise and government markets



Global, contiguous ITU spectrum authorization

TLPS offers low-cost carrier grade connectivity for small cell, video and enterprise

Scalable, reliable and secure ALAS air traffic management solution

# Annex A – Reconciliation of Quarterly Adjusted EBITDA

(\$ in millions)

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
<b>Net loss</b>	(\$6.5)	(\$14.1)	(\$0.7)	(\$33.7)	(\$24.5)	(\$27.5)	(\$41.2)	(\$19.0)	(\$25.1)	(\$126.3)	(\$205.0)	(\$234.8)	(\$250.5)
Interest income and expense, net	1.2	1.2	1.2	1.2	3.1	3.8	6.5	8.1	7.8	15.2	16.9	28.0	10.9
Derivative (gain) loss	(6.4)	(3.9)	(23.8)	10.3	6.5	(20.4)	16.5	(9.5)	(0.5)	29.9	97.5	179.1	209.4
Income tax expense (benefit)	0.1	0.1	(0.0)	(0.3)	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.8	0.2
Depreciation, amortization, and accretion	10.6	12.8	12.1	14.5	14.7	15.9	18.7	20.5	20.3	22.1	23.7	24.5	23.3
<b>EBITDA</b>	(\$1.0)	(\$3.9)	(\$11.2)	(\$9.0)	(\$0.1)	(\$26.1)	\$0.6	\$0.2	\$2.6	(\$59.0)	(\$66.7)	(\$2.5)	(\$6.7)
Reduction in the value of long-lived assets & inventory	\$0.4	\$0.5	\$4.0	\$7.5	\$0.3	\$7.2	\$0.7	\$0.4	\$0.0	\$0.0	\$0.0	\$5.8	\$0.0
Non-cash compensation	0.7	0.8	0.5	0.2	0.3	0.3	0.3	0.3	0.4	0.3	1.2	0.4	0.8
Research and development	0.5	0.5	0.6	0.2	0.1	0.1	0.0	0.1	0.2	0.1	0.2	0.1	0.1
Severance	0.1	0.2	0.7	0.3	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other (income) loss	(1.2)	(0.1)	1.9	0.3	(0.1)	0.6	0.4	1.3	(0.6)	0.2	1.5	1.8	(0.7)
(Gain) Loss on extinguishment of debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	47.2	63.6	(1.7)	10.2
Revenue recognized from Open Range lease term	(2.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Thales arbitration expenses	0.0	0.0	0.0	1.0	0.7	0.8	0.2	0.1	0.0	0.0	0.0	0.0	0.0
Contract termination charge	0.0	0.0	0.0	0.0	0.0	22.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss on future equity issuance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.0	2.7	0.0	0.0
Write off of deferred financing costs	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.2
<b>Adjusted EBITDA</b>	(\$2.5)	(\$2.0)	(\$3.5)	\$1.6	\$1.4	\$2.9	\$3.1	\$2.5	\$2.5	\$2.9	\$2.5	\$3.9	\$3.8

## Annex B – Reconciliation of Operating Cash Flow

(\$ in millions)

	Q1 2011	Q1 2012	Q1 2013	Q1 2014
<b>Net Loss</b>	<b>(\$6.5)</b>	<b>(\$24.5)</b>	<b>(\$25.1)</b>	<b>(\$250.5)</b>
Depreciation, amortization, and accretion	10.6	14.7	20.3	23.3
Change in fair value of derivative assets and liabilities	(6.4)	6.5	(0.5)	209.4
Stock-based compensation expense	0.7	0.2	0.2	0.6
Amortization of deferred financing costs	0.9	0.9	2.1	2.5
Provision for bad debts	0.4	0.1	0.5	0.6
Loss on extinguishment of debt	-	-	-	10.2
Loss on equity method investments	0.1	0.1	-	-
Noncash interest expense (includes accretion expense)	-	1.2	2.7	4.1
Foreign currency and other, net	(0.9)	0.5	(0.4)	(0.2)
<i>Changes in operating assets and liabilities:</i>				
Accounts receivable	(2.2)	0.4	(1.0)	(0.9)
Inventory	0.9	0.8	2.1	2.1
Prepaid expenses and other current assets	0.5	0.9	(0.1)	(0.7)
Other assets	0.0	0.6	(5.0)	(0.6)
Accounts payable and accrued expenses	0.9	(5.5)	4.0	2.9
Payables to affiliates	(0.4)	0.0	0.0	0.0
Other non-current liabilities	(0.1)	0.9	(0.3)	(0.1)
Deferred revenue	(2.1)	(0.4)	(0.1)	1.1
<b>Operating Cash Flow</b>	<b>(\$3.6)</b>	<b>(\$2.6)</b>	<b>(\$0.5)</b>	<b>\$3.8</b>



**True Over-the-Horizon Surveillance Technology**  
**Always ON, Always in RANGE**

The diagram illustrates the ADS-B Link Augmentation System (ALAS™) architecture. It features a central mountain representing a radar horizon. A satellite, labeled "Globalstar Satellites", is positioned above the mountain. A ground station, labeled "Ground Station", is located at the bottom left. The FAA System, represented by server racks, is at the bottom right. Three aircraft are shown: one on the left, one on the right, and one at the bottom right. Blue arrows indicate the flow of data: from the ground station to the satellite, from the satellite to the aircraft, from the aircraft to the FAA system, and from the FAA system back to the ground station. Text boxes provide details: "Aircraft sends and receives information with Ground Station", "Ground Station sends individual Aircraft and FAA Traffic Control Information to Satellite and receives Aircraft position from Satellite", "Aircraft gets traffic and other information from Satellite and sends back position", "Aircraft let each other know exactly where they are", and "Weather and Air Traffic Control data is sent between Ground Station and FAA System".

**Globalstar Satellites**

**Ground Station**

**FAA System**

**ADS-B Link Augmentation System (ALAS™)** allows aircraft to see each other and the FAA to track them whether over land or sea, within radar range or not and even on the opposite side of a mountain