

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

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, 2015

**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))

**Item 2.02 Results of Operations and Financial Condition.**

On May 7, 2015, Globalstar, Inc. issued a press release to report 2015 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, 2015, 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, 2015
99.2	Presentation materials dated May 7, 2015

**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

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James Monroe III

Chairman and Chief Executive Officer

Date: May 7, 2015



## GLOBALSTAR ANNOUNCES 2015 FIRST QUARTER RESULTS

**Covington, LA - (May 7, 2015)** - Globalstar, Inc. (NYSE MKT: GSAT) today announced its financial and operating results for the three-month period ended March 31, 2015.

Jay Monroe, Chairman and CEO of Globalstar, commented, "The Company continued its progress across our areas of focus in the first quarter including our geographical expansion efforts, new product development, ground system upgrades and our ongoing spectrum proceeding before the FCC. We continue to make disciplined investment decisions as we build and grow the Company's operations including our expanded sales and marketing efforts and we remain focused on the continued growth of our subscriber base to drive increased recurring revenue. Consolidated Duplex and SPOT gross additions increased 39% and 33% over the prior year period, which represent positive leading indicators of our success in non-traditional markets. However, the strong US dollar provided significant headwinds when our revenue growth abroad was translated into US dollar denominated revenue. While we have made incremental improvements over the past year to our product suite, this year we will see material enhancements in the functionality, size and pricing of our leading SPOT and Simplex products and will introduce new Duplex products based on our second-generation ground segment in less than one year. These efforts are all happening concurrently with continued progress in the FCC process including our successful demonstration of TLPS in March."

### FIRST QUARTER FINANCIAL REVIEW

#### *Revenue*

Revenue improved to \$21.0 million for the first quarter of 2015 from \$20.5 million for the first quarter of 2014, which was driven primarily by a 12% increase in the total subscriber base from March 31, 2014 to March 31, 2015. The material appreciation of the U.S. dollar over the past twelve months negatively impacted first quarter revenue by approximately \$1.0 million. Worldwide activations continued to increase significantly; however, the adverse impact of converting our international subsidiaries' revenue at a lower exchange rate offset the revenue growth that would have otherwise been recognized.

Service revenue was \$17.1 million for the first quarter of 2015 compared to \$16.2 million for the first quarter of 2014. Notwithstanding an almost \$0.7 million decrease in service revenue due to the change in exchange rates discussed above, Duplex, SPOT, and Simplex service revenue increased 5%, 7%, and 23%, respectively, for the three months ended March 31, 2015 compared to the same period in 2014. These increases were predominantly from growth in each subscriber base. A significant increase in mobile hardware sales over the past 12 months, driven by our Latin America markets, led to a 39% increase in Duplex activations during the first quarter of 2015 compared to the first quarter of 2014. Our ending SPOT subscriber base increased 10% from March 31, 2014 to March 31, 2015 due in part to the significant expansion of our SPOT subscribers in Europe and South America. Recent product regulatory certifications in new markets contributed to a more than 100% increase in activations for our SPOT Gen3 and SPOT Trace products during the first quarter of 2015 compared to the first quarter of 2014. Our end-of-period Simplex subscribers increased 15% from March 31, 2014 to March 31, 2015. We continue to experience high demand for our Simplex products in both legacy markets and emerging areas. The increases in Duplex, SPOT and Simplex service revenue were offset partially by a decrease in other service revenue driven from a reduction in wholesale, third-party revenue.

Subscriber equipment sales revenue was \$3.9 million in the first quarter of 2015, compared to \$4.3 million in the first quarter of 2014, despite a 24% increase in total units sold over these periods. In addition to the adverse impact of the change in exchange rates, which contributed approximately \$0.4 million to the decrease in equipment sales revenue, the decline was also attributable to the increased success of our SPOT rebate programs, which reduces revenue recognized from equipment sales.

## *Net Loss*

Net loss was \$129.7 million for the first quarter of 2015 as compared to a net loss of \$250.5 million for the first quarter of 2014. This fluctuation results primarily from the impact of non-cash derivative losses in the first quarter of 2015 declining by \$101.5 million from \$209.4 million for the first quarter of 2014 to \$107.9 million for the first quarter of 2015. The first quarter of 2015 was also favorably impacted by a lower loss on extinguishment of debt of \$10.2 million due to conversions during the first quarter of 2014 that did not recur during 2015. Lower depreciation and interest expense also contributed to the reduction in net loss.

## *Adjusted EBITDA*

Adjusted EBITDA for the three-month periods ended March 31, 2015 and 2014 was \$3.1 million and \$3.8 million, respectively. The decrease in Adjusted EBITDA was due to a \$0.5 million increase in revenue offset by a \$1.2 million increase in expenses (both excluding EBITDA adjustments), which was driven primarily by higher sales and marketing expenses. These expenses include subscriber acquisition costs resulting from enhanced advertising efforts, increased dealer commissions, additional global sales and marketing personnel, and successful rebate promotions.

## **OPERATIONAL AND REGULATORY UPDATE**

### *Ground System Update*

Hughes Network Systems, LLC (Hughes) recently completed the installation of Radio Access Networks at High River and Smith Falls, our Canadian gateways, with over-the-air testing at these sites scheduled to be completed in the summer of 2015. Installations remain on schedule to be completed by early 2016 with all over-the-air testing completed within one year. Further, in April 2015, Hughes elected its option to take a substantial portion of its remaining contract payments in the form of Globalstar common stock. The payment milestones to be paid in stock total \$15.5 million; the remaining amount due under the contract in cash is \$0.8 million. The common stock will be issued pursuant to a registration statement within 60 days of the date of the letter agreement.

With regard to the core network system upgrades, Ericsson, Inc. (Ericsson) completed packet data readiness at the Globalstar testing lab in late March 2015. Ericsson is now completing our Clifton, TX gateway with an expected completion date of June 2015. With newly amended compressed scheduling, hardware at all North American gateways is expected to be ready for service by January 2016, followed by Europe and Brazil by mid-2016.

### *Demonstration at the Federal Communications Commission*

On March 10, 2015, we completed a successful Terrestrial Low Power Service (TLPS) demonstration at the Federal Communications Commission's (FCC) Technology Experience Center. This demonstration confirmed the compatibility of TLPS with unlicensed services in the 2.4 GHz band. Globalstar has filed its full report and thoroughly responded to concerns from opposing parties.

Mr. Monroe concluded, "2015 is an important year for Globalstar with regard to both the satellite business and the conclusion of our ongoing spectrum proceeding. We can distill our operational strategy to, simply put, new products with increased functionality and the expansion of our operating footprint. In order to achieve these goals, we are completing the second-generation ground upgrades, driving our product development effort both for our current system capabilities and the capabilities of our next generation ground systems, and significantly expanding our sales and marketing resources. We are making significant progress in the spectrum proceeding and dispelling concerns of the opposition. We look forward to the completion of this process in the near-term after the technical review process is completed."

## CONFERENCE CALL

The Company will conduct an investor conference call on May 7, 2015, at 5:00 p.m. Eastern Time to discuss the first quarter 2015 financial results.

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Details are as follows:

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

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) 446-1671 (US and Canada), 1 (847) 413-3362 (International) and use the participant pass code 3956 3352.

*Audio Replay:* A replay of the earnings call will be available for a limited time and can be heard after 7:30 p.m. ET on March 7, 2015. Dial: 1 (888) 843-7419 (US and Canada), 1 (630) 652-3042 (International) and pass code 3956 3352#.

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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:

**Email**

[investorrelations@globalstar.com](mailto:investorrelations@globalstar.com)

**Phone**

(985) 335-1538

*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.

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Revenue:</b>		
Service revenues	\$ 17,107	16,249
Subscriber equipment sales	3,915	4,287
<b>Total revenue</b>	<b>21,022</b>	<b>20,536</b>
<b>Operating expenses:</b>		
Cost of services (exclusive of depreciation, amortization, and accretion shown separately below)	7,434	6,938
Cost of subscriber equipment sales	3,131	3,072
Marketing, general and administrative	8,596	7,769
Depreciation, amortization, and accretion	19,046	23,332
<b>Total operating expenses</b>	<b>38,207</b>	<b>41,111</b>
Loss from operations	(17,185)	(20,575)
<b>Other income (expense):</b>		
Loss on extinguishment of debt	(65)	(10,195)
Interest income and expense, net of amounts capitalized	(8,517)	(10,921)
Derivative loss	(107,865)	(209,370)
Other	4,133	713
<b>Total other income (expense)</b>	<b>(112,314)</b>	<b>(229,773)</b>
Loss before income taxes	(129,499)	(250,348)
Income tax expense	228	193
<b>Net loss</b>	<b>\$ (129,727)</b>	<b>\$ (250,541)</b>
<b>Loss per common share:</b>		
Basic	\$ (0.13)	\$ (0.29)
Diluted	\$ (0.13)	\$ (0.29)
<b>Weighted-average shares outstanding:</b>		
Basic	1,000,845	849,321
Diluted	1,000,845	849,321



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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2015</b>	<b>2014</b>
Net Loss	\$ (129,727)	\$ (250,541)
Interest income and expense, net	8,517	10,921
Derivative loss	107,865	209,370
Income tax expense	228	193
Depreciation, amortization, and accretion	19,046	23,332
EBITDA	5,929	(6,725)
Non-cash compensation	964	765
Research and development	311	113
Foreign exchange and other	(4,133)	(713)
Loss on extinguishment of debt	65	10,195
Write-off of deferred financing costs	—	194
Adjusted EBITDA <sup>(1)</sup>	<u>\$ 3,136</u>	<u>\$ 3,829</u>

- (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)

	<b>Three Months Ended</b>			
	<b>March 31,</b>			
	<b>2015</b>		<b>2014</b>	
	<b>Service</b>	<b>Equipment</b>	<b>Service</b>	<b>Equipment</b>
<b>Revenue</b>				
Duplex	\$6,165	\$1,509	\$5,874	\$1,356
SPOT	7,515	1,058	7,039	1,428
Simplex	2,287	1,187	1,865	1,239
IGO	224	122	274	180
Other	916	39	1,197	84
	<b>\$ 17,107</b>	<b>\$ 3,915</b>	<b>\$ 16,249</b>	<b>\$ 4,287</b>
<b>Reported</b>				
<b>Average Subscribers</b>				
Duplex	68,509		71,383	
SPOT	243,448		222,990	
Simplex	287,684		241,038	
IGO	38,725		39,309	
<b>ARPU (1)</b>				
Duplex	\$ 30.00			\$ 27.43
SPOT	10.29		10.52	
Simplex	2.65		2.58	
IGO	1.92		2.32	
<b>Adjusted (2)</b>				
<b>Average Subscribers</b>				
Duplex	68,509		58,053	
SPOT	243,448		222,990	
Simplex	287,684		241,038	
IGO	38,725		39,309	
<b>ARPU (1)</b>				
Duplex	\$ 30.00			\$ 33.73
SPOT	10.29		10.52	
Simplex	2.65		2.58	
IGO	1.92		2.32	

- (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 for comparability.



# **Earnings Call Presentation Q1 2015**

**May 7, 2015**

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## Safe Harbor Language

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This presentation 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 presentation regarding matters that are not historical facts, involve predictions.

Any forward-looking statements made in this presentation 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.

# Financial Results Summary

## First Quarter 2015 Highlights

- Revenue, Net Loss and Adjusted EBITDA of \$21.0 million, \$129.7 million and \$3.1 million, respectively vs. \$20.5 million, \$250.5 million and \$3.8 million, respectively in prior year period
- Revenue growth largely driven by improved subscriber metrics across non-core regions – offset by USD appreciation since Q1 2014

(\$ in millions except ARPU data)

### INCOME STATEMENT SUMMARY



	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2014	Q1 2015
<b>Revenue:</b>						
Service revenue						
Duplex	\$5.9	\$6.9	\$7.7	\$6.5	\$27.0	\$6.2
SPOT	7.0	7.0	7.5	7.5	29.1	7.5
Simplex	1.9	2.2	2.0	2.3	8.4	2.3
IGO & Other	1.5	1.7	1.3	0.9	5.4	1.1
Total Service Revenue	\$16.2	\$17.9	\$18.5	\$17.2	\$69.8	\$17.1
Equipment sales revenue	\$4.3	\$6.1	\$4.9	\$4.9	\$20.2	\$3.9
Total revenue	\$20.5	\$24.0	\$23.4	\$22.1	\$90.1	\$21.0
Cost of services	\$6.9	\$7.1	\$7.9	\$7.7	\$29.7	\$7.4
Cost of subscriber equipment sales	3.1	4.3	3.8	3.6	14.9	3.1
Marketing, general, and administrative	7.8	8.2	8.8	8.7	33.5	8.6
Depreciation, amortization, and accretion	23.3	22.0	21.0	19.8	86.1	19.0
Reduction in the value of inventory / long-lived assets	0.0	7.3	0.0	14.5	21.8	0.0
Total operating expenses	\$41.1	\$49.0	\$41.5	\$54.3	\$186.0	\$38.2
Loss from operations	(\$20.6)	(\$25.0)	(\$18.1)	(\$32.2)	(\$95.9)	(\$17.2)
Loss on extinguishment of debt	(10.2)	(16.5)	(12.9)	(0.2)	(39.8)	(0.1)
Other income (expense)	(219.6)	(391.2)	160.5	124.1	(326.2)	(112.2)
Income tax benefit / (expense)	(0.2)	(1.0)	(0.1)	0.4	(0.9)	(0.2)
Net Income (loss)	(\$250.5)	(\$433.7)	\$129.4	\$92.0	(\$462.9)	(\$129.7)
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>\$3.8</b>	<b>\$5.0</b>	<b>\$4.8</b>	<b>\$3.8</b>	<b>\$17.4</b>	<b>\$3.1</b>
<b>ARPU</b>						
Duplex	\$27.43	\$38.41	\$40.18	\$32.51	\$29.69	\$30.00
Duplex Adjusted ARPU <sup>(2)</sup>	33.73	38.41	40.18	32.51	36.03	30.00
SPOT	10.52	10.34	10.73	10.51	10.48	10.29
Simplex	2.58	2.88	2.46	2.74	2.69	2.65
IGO / Wholesale	2.32	2.56	1.83	1.93	2.16	1.92

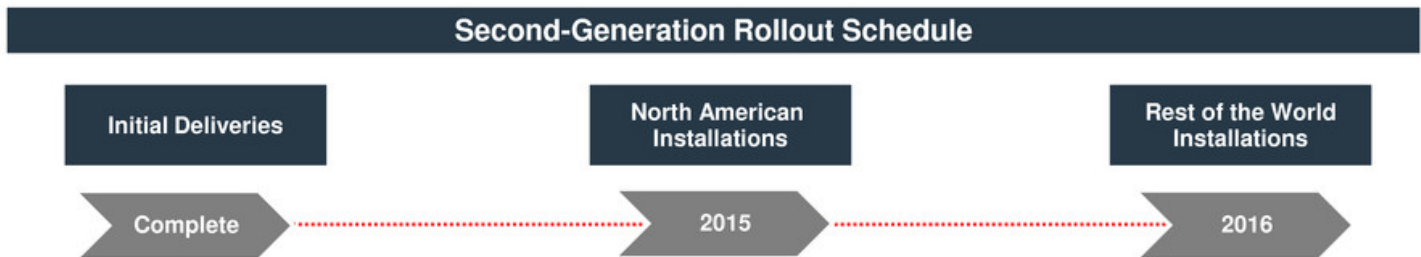
(1) Adjusted to exclude non-cash compensation expense, reduction in the value of assets, foreign exchange (gains)/losses, R&D costs associated with the development of new products and certain other one-time charges. See reconciliation to GAAP Net Income (loss) on Annex A.

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

# Second-Generation Ground Network Overview

Globalstar's upgraded ground network will allow for improved voice and data transfer speeds as well the development of new products

	Key Vendors	Scope of Work	Benefit to Globalstar
Ground Network		<ul style="list-style-type: none"> <li>• Design, supply and implement the Radio Access Network ("RAN") ground network</li> <li>• Design second-generation interface chips for new handsets</li> </ul>	<ul style="list-style-type: none"> <li>• New chipsets will significantly lower the cost of Globalstar handsets and other devices                             <ul style="list-style-type: none"> <li>– Enables Globalstar to release affordable products with a small form factor</li> </ul> </li> <li>• Upgrades air interface to modern standards</li> </ul>
Core Network		<ul style="list-style-type: none"> <li>• Develop, implement and maintain a ground interface, or core network, system</li> <li>• Modern and standard telco core network for maximum flexibility</li> </ul>	<ul style="list-style-type: none"> <li>• Enables voice and data transfer rates of up to 256 kbps for uplink and downlink</li> <li>• Allows additional product functionality and applications</li> </ul>





# Key Elements of Second-Generation Ground Network

## Increased Data Speeds

- Downlink throughput increased from 9.6 to up to 256 kbps
- Enables new applications including web browsing
- 25x current speeds, 100x vs. competition

## Gateway Diversity

- Expands coverage footprint
- Increases service quality
- Improves call completion rates



# Globalstar

## Second-Generation Ground

## Enables New Products

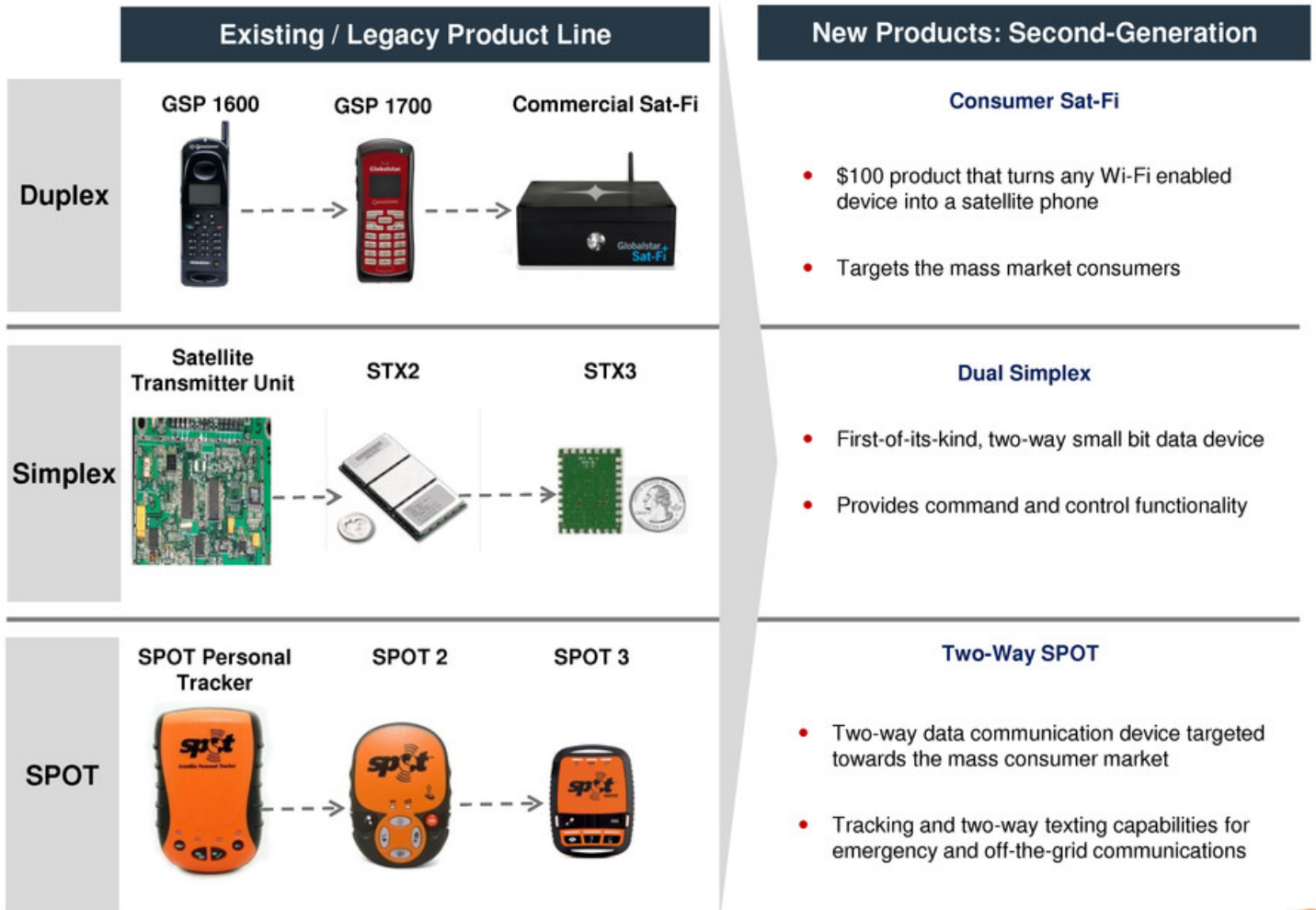
- Smaller data boards
- Less expensive components – material reduction in pricing
- Increased ease of integration into other devices / products

## Enhanced Capacity

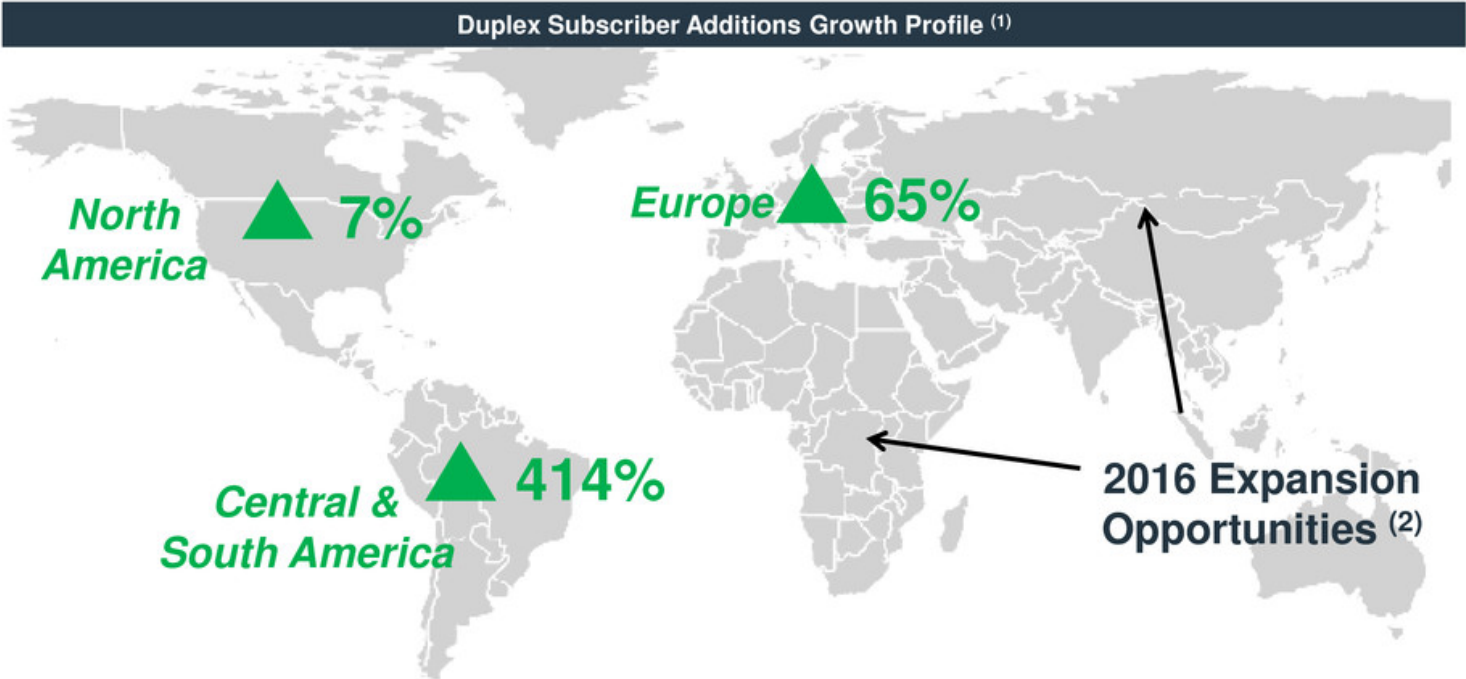
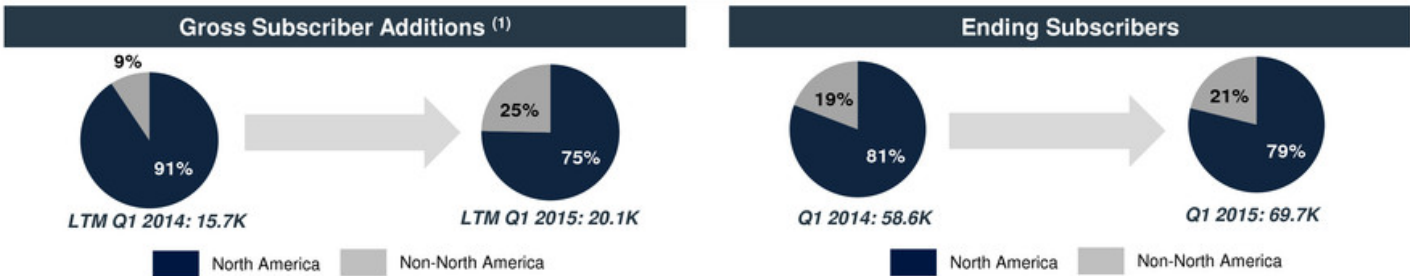
- Voice and data capacity increase materially
- Increased ability to service a large sub base with expanding data demands



# Satellite Product Evolution and New Products

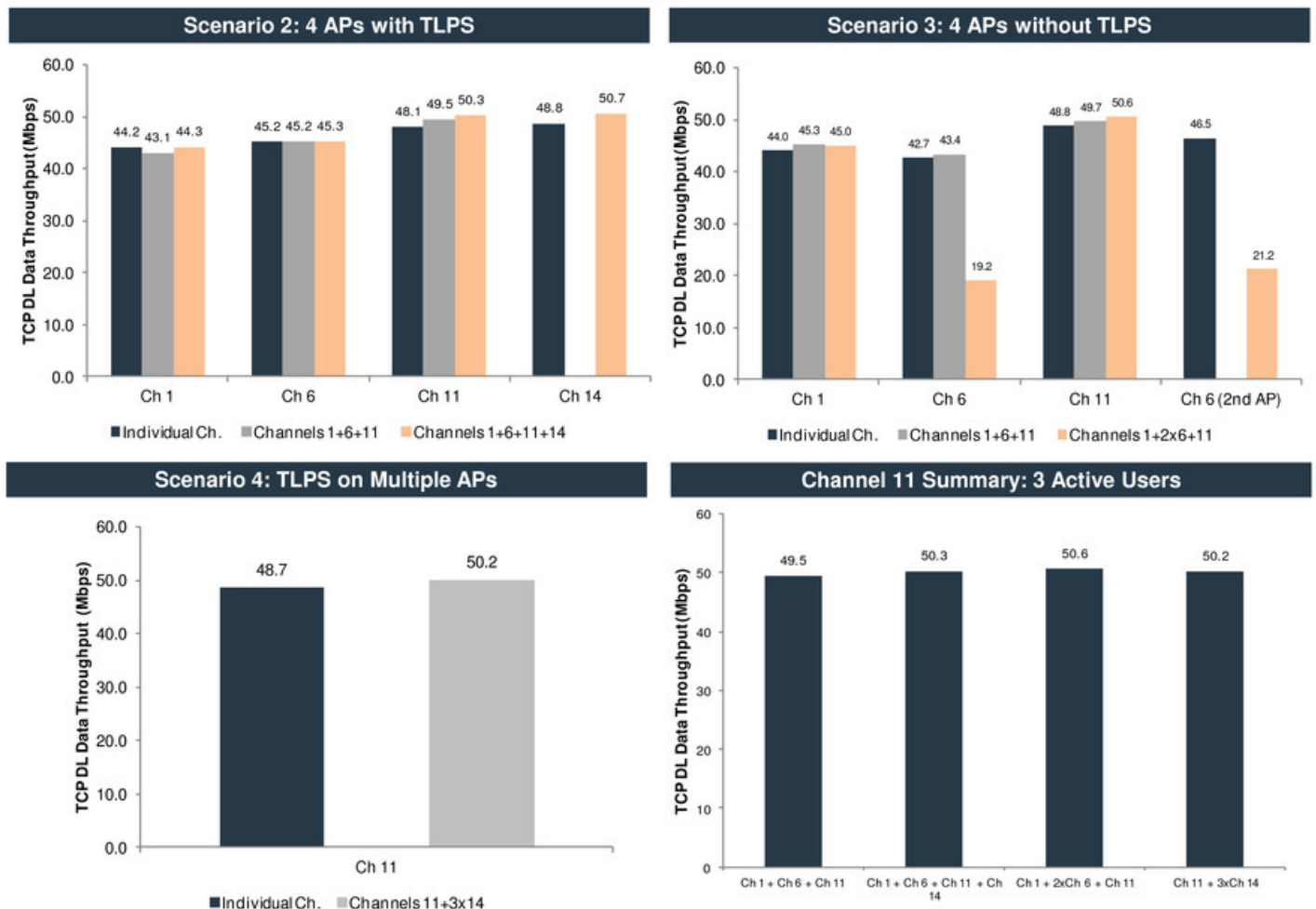


# Duplex Q1 2014 vs. Q1 2015 Performance



(1) Growth rates shown above are for LTM Q1 2015 vs. LTM Q1 2014  
 (2) Concurrent with the deployment of Second-Generation ground infrastructure

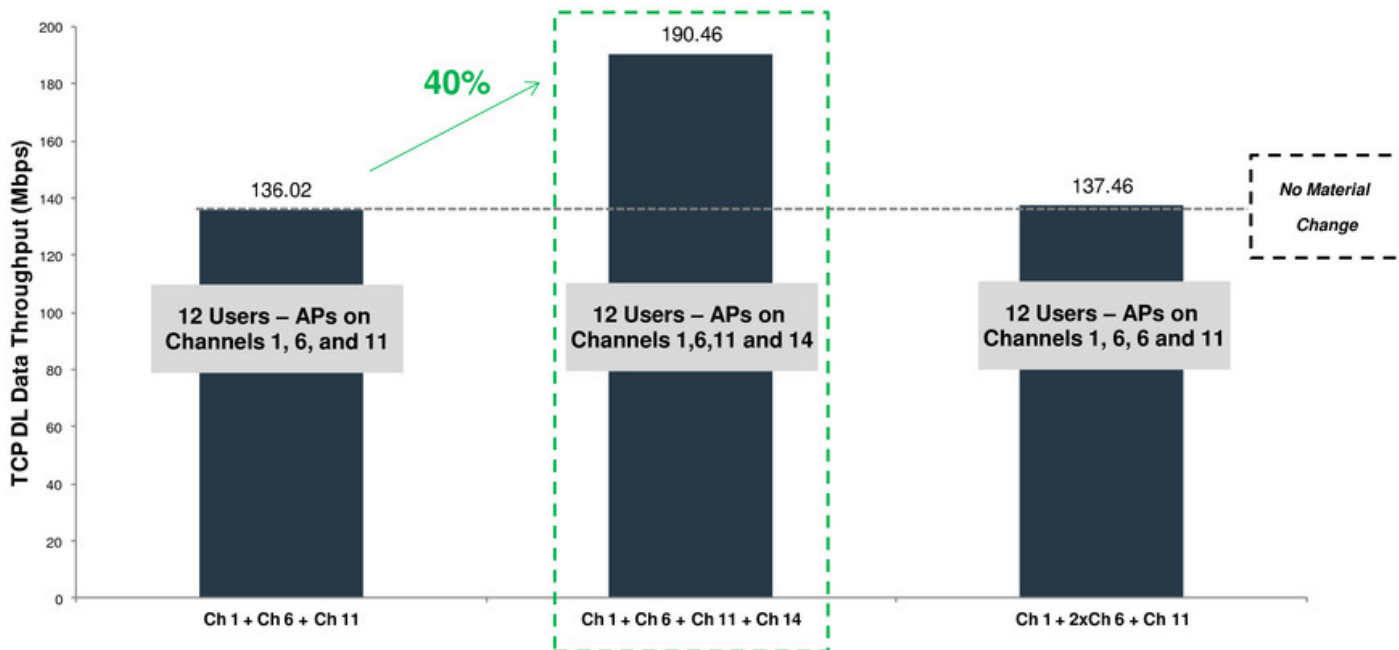
# Globalstar Scenarios: TLPS Has No Negative Impact on Public Wi-Fi



Source: TLPS Operations Demonstration available on [www.globalstar.com/tlps](http://www.globalstar.com/tlps)

# Globalstar's TLPS Substantially Increases Overall Network Capacity

## WLAN Network Aggregated Capacity Comparison Summary

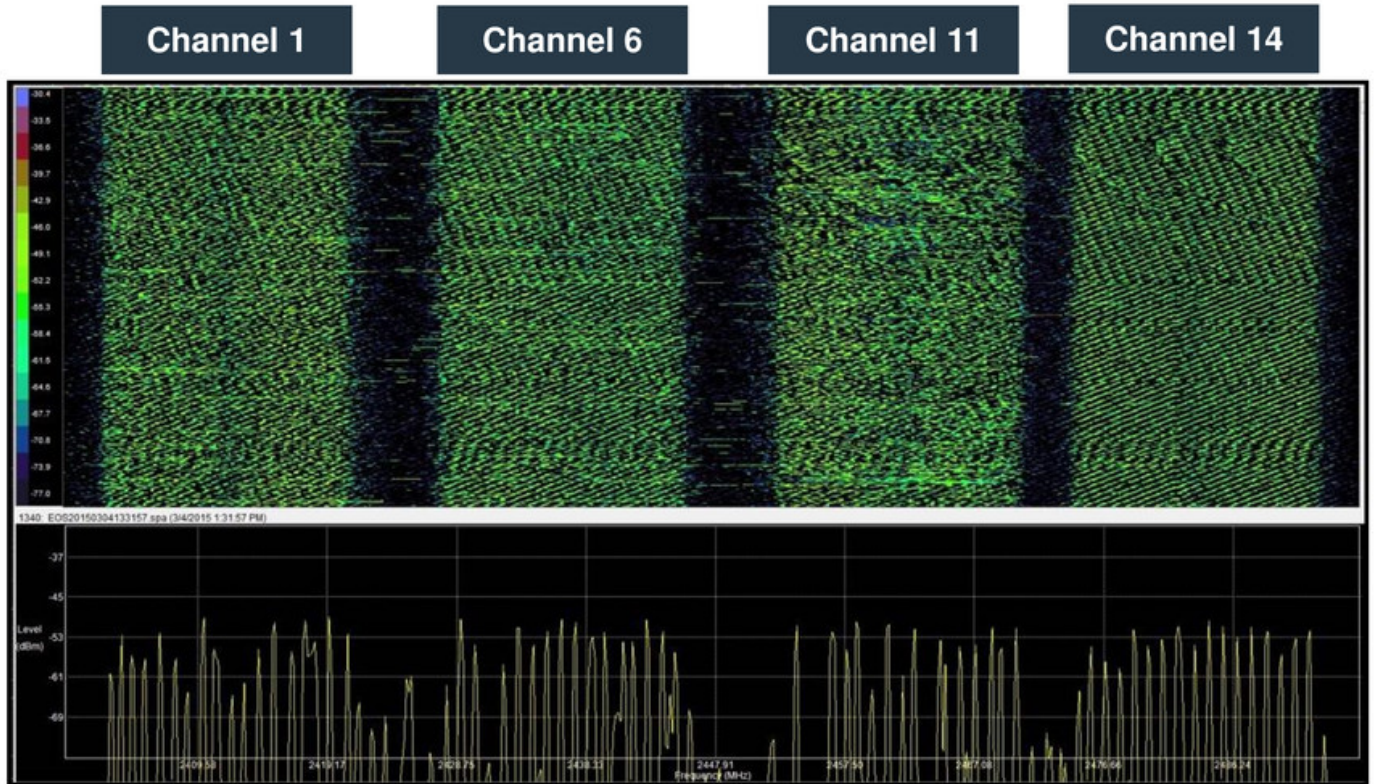


- Approximate 40% network capacity increase when TLPS is enabled (quiet RF environment)
- Additional AP on channel 6 did not increase network capacity



# Spectrogram of 2.4 GHz Band

As shown below in the spectrogram from the March 2015 demonstration, there is an energy gulf between Channel 14 and Channel 11



# FCC's NPRM Regulatory Update

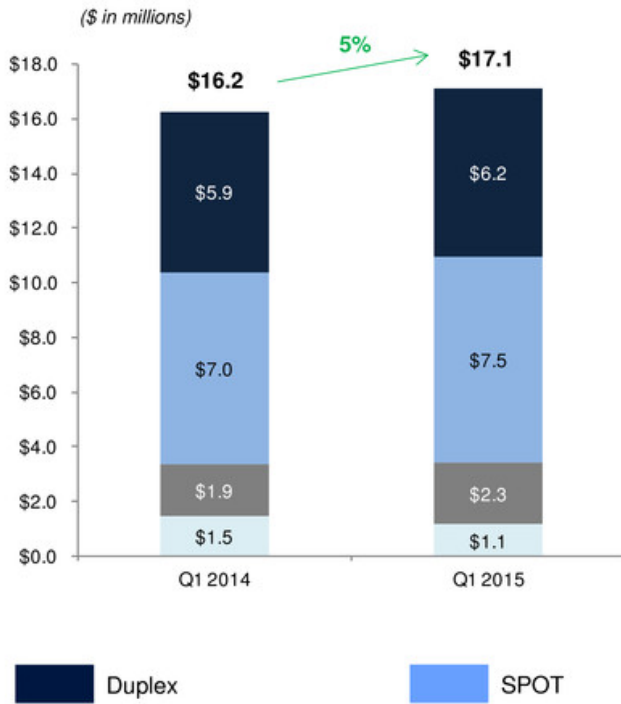
FCC's NPRM Process Overview		
Completed	November 13, 2012	Globalstar Files Petition for Rulemaking
	November 30, 2012	FCC Placed Petition on Public Notice
	January 29, 2013	Comment Period for Petition Ended
	November 1, 2013	FCC Unanimously Votes For and Releases NPRM
	February 19, 2014	NPRM Publication in Federal Register
	May 5, 2014	Comment Due Date
	June 4, 2014	Reply Comment Due Date
	March 10, 2015	Successful Completion of TLPS Demonstration at the FCC
	March 25, 2015	Completion of TLPS Characterization work at FCC Laboratory
<b>Coming Months</b>		<b>Process Completion / TLPS Authority</b>

# Service Revenue Highlights

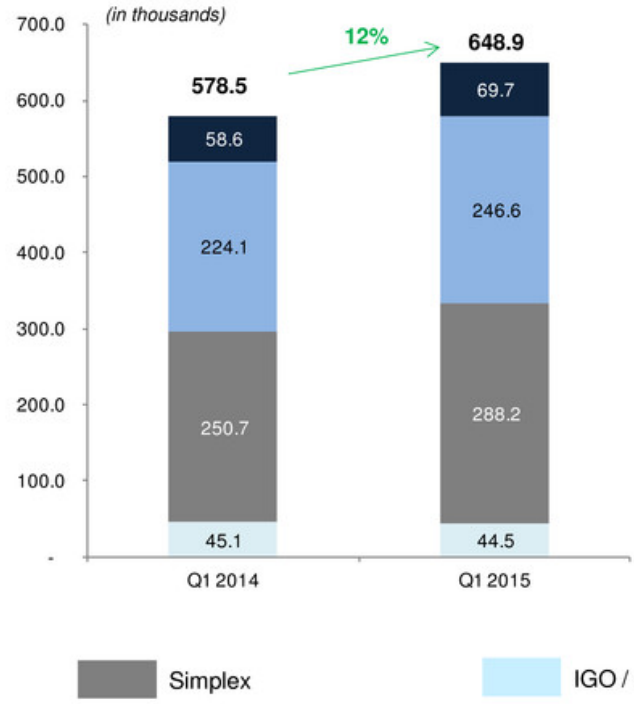
## Key Highlights

- EOP subscribers for Duplex, SPOT and Simplex grew 19%, 10% and 15%, respectively over Q1 2014 – higher subs are a leading indicator of higher service revenue in forward periods
- Despite significant FX headwinds, service revenue for Duplex, SPOT and Simplex improved 5%, 7% and 23% respectively over prior year period

### Service Revenue Profile



### Subscriber Profile

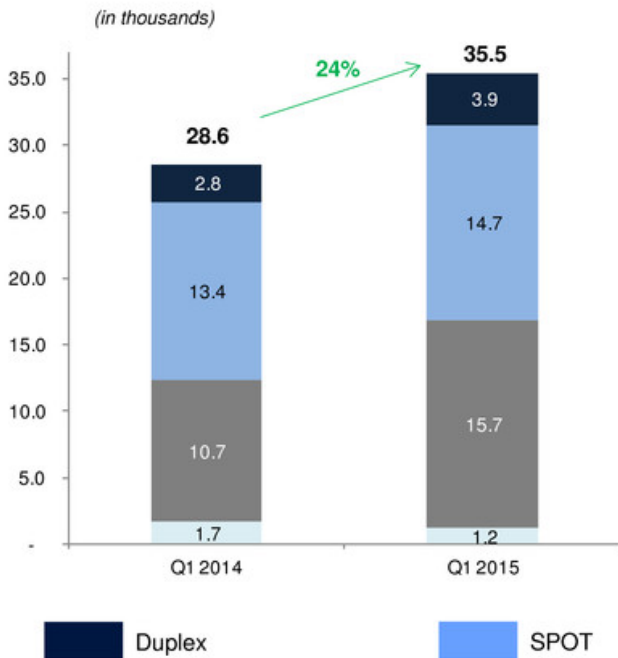


# Equipment Revenue Highlights

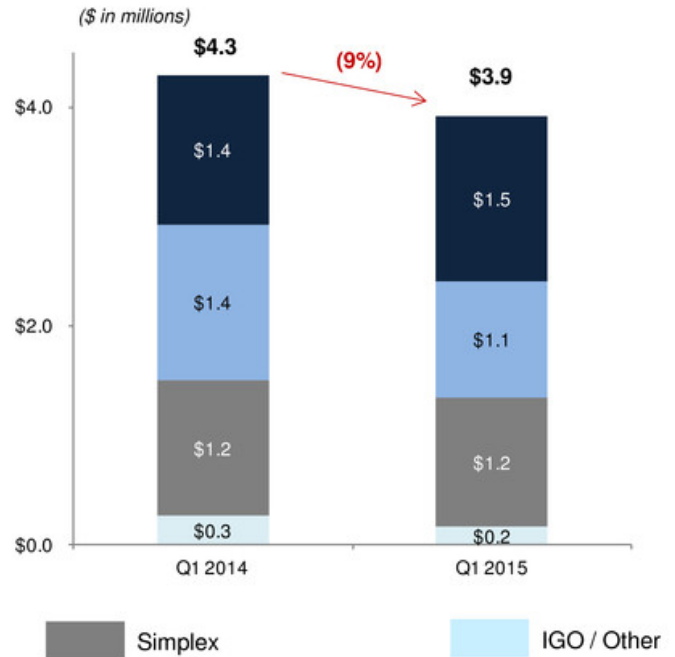
## Key Highlights

- Units sold improved 24% over Q1 2014; Duplex, SPOT and Simplex hardware sales increased 39%, 9% and 47%, respectively over the prior year period
- Equipment revenue decreased 9% year-over-year largely due to the success of the SPOT rebate program and a change in Simplex product mix sold in Q1 2015 vs. Q1 2014

### Units Sold



### Equipment Revenue Profile





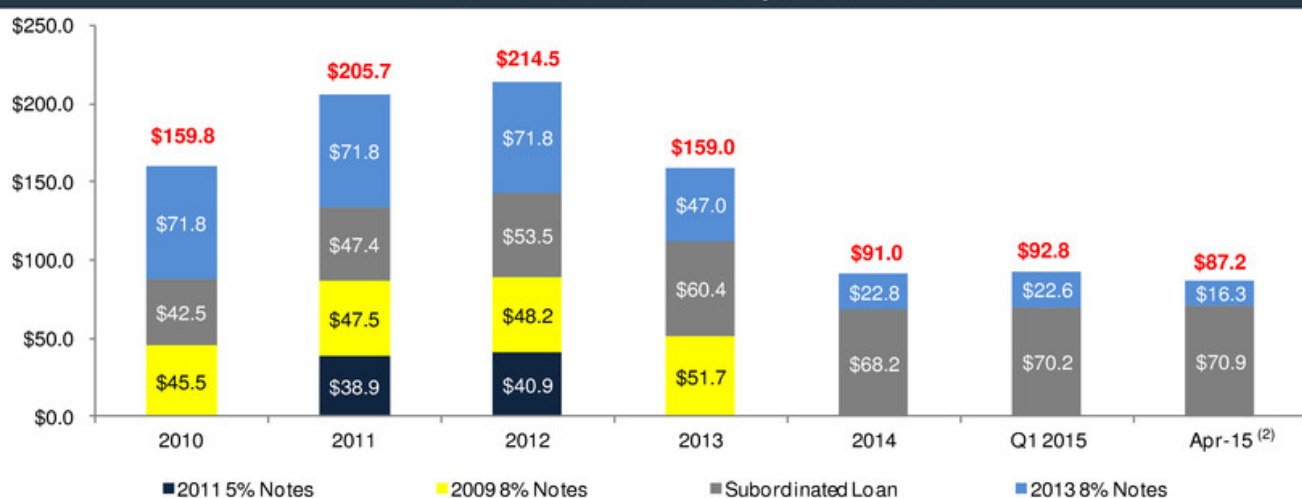
# Liquidity Review and Balance Sheet Highlights

(\$ in millions)

## Liquidity and Capital Sources Review as of March 31, 2015 <sup>(1)</sup>



## Subordinated Debt Principal Balances



(1) For the purposes of this schedule, excludes cash flow from operations

(2) Excludes the principal amount of the 2013 8% Notes submitted for conversion in April 2015

# Key Value Drivers

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## Core MSS Operations

- Diverse product and service offerings across consumer, commercial and government markets
- New product offerings – consumer Sat-Fi and dual simplex to improve company market share
- Operational focus materially expanded to include new territories such as Central & South America and Southern Africa

## Second-Generation Upgrades

- Second-Generation upgrades materially improve data speeds and applications
- Significant reduction in product BOM – ability to develop low-cost products for the mass consumer
- Materially improves call quality with built-in redundancies

## Spectrum

- 1.6 GHz and 2.4 GHz U.S. license
- Expecting 2.4 GHz authority in coming months
- Unique globally harmonized position
- Opportunity to deploy terrestrial services including TLPS after U.S. approval – leverages worldwide 802.11 standards

## Annex A – Reconciliation of Adjusted EBITDA

(\$ in millions)

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2014	Q1 2015
<b>Net Income (loss)</b>	(\$250.5)	(\$433.7)	\$129.4	\$92.0	(\$462.9)	(\$129.7)
Interest income and expense, net	10.9	13.9	9.1	9.4	43.2	8.5
Derivative (gain) loss	209.4	376.3	(167.0)	(132.6)	286.1	107.9
Income tax expense (benefit)	0.2	1.0	0.1	(0.4)	0.9	0.2
Depreciation, amortization, and accretion	23.3	22.0	21.0	19.8	86.1	19.0
<b>EBITDA</b>	(\$6.7)	(\$20.6)	(\$7.4)	(\$11.8)	(\$46.6)	\$5.9
Reduction in the value of long-lived assets & inventory	\$0.0	\$7.3	\$0.0	\$14.5	\$21.8	\$0.0
Non-cash compensation	0.8	0.6	1.3	1.2	3.9	1.0
Research and development	0.1	0.1	0.1	0.2	0.5	0.3
Foreign exchange and other (income) loss	(0.7)	1.1	(2.6)	(0.8)	(3.0)	(4.1)
(Gain) Loss on extinguishment of debt	10.2	16.5	12.9	0.2	39.8	0.1
Non-cash adjustment related to international operations	-	-	-	0.4	0.4	-
Write off of deferred financing costs	0.2	-	-	-	0.2	-
Brazil litigation expense accrual	-	-	0.4	-	0.4	-
<b>Adjusted EBITDA</b>	<b>\$3.8</b>	<b>\$5.0</b>	<b>\$4.8</b>	<b>\$3.8</b>	<b>\$17.4</b>	<b>\$3.1</b>

