



**Bank of America Merrill Lynch: 2014 Media, Communications  
and Entertainment Conference**

**Imperial Capital: 8<sup>th</sup> Annual Global Opportunities  
Conference**

September 2014

# 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 release 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.

# Company Overview

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Globalstar is a leading provider of mobile satellite services with a full product suite supporting communications beyond the range of traditional cellular services

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## History & Key Facts

- Global provider of mobile and fixed satellite services with sales in over 120 countries
- Founded in 1991 as a partnership between Loral Space and Qualcomm
- Thermo Companies purchased Globalstar out of bankruptcy in 2004
  - Thermo has invested over \$600mm over the last 10 years
  - Thermo owns 65% of Globalstar
- Listed NYSE MKT (GSAT)
- Headquartered: Covington, LA (relocation complete in 2010)
- Network Operations and Control Facility: Milpitas, CA

## Core Assets

- Global satellite network
  - New satellite upgrade completed in 2013 (~\$1 bn investment)
  - ~600k subscribers – commercial, government and consumer markets
  - EBITDA positive operations – accelerating growth after network restoration
  - Network of owned and wholesale ground operation gateways
  - Market leading CDMA-based voice quality at lowest cost
- 2.4 GHz S-band and 1.6GHz L-band spectrum positions
- 2.4 GHz Terrestrial Low Power Service (“TLPS”) NPRM proceeding continuing before FCC
- Material tax assets to offset future income

# Core MSS Addressable Market



## No Terrestrial Network

### Areas Outside Cellular Networks

- Connectivity to **two billion people** who live, work and/or play in areas not covered by cellular service
- Over **150 million adventure trips** taken annually <sup>(1)</sup>
- **75% world's land mass** is without terrestrial cellular coverage <sup>(2)</sup>



## Failure of Terrestrial Network

### Critical Mobile Satellite Services During Disasters

- Provides alternative network access in areas prone to **natural disasters**
- **Provides public safety** with needed connectivity when cellular service is down due to overloaded / failed infrastructure
- Enables basic services, NGOs, **emergency response** and business continuity



## Existing Terrestrial Network

### Asset Tracking / Low Cost Alternative to International Roaming

- Provides the ability to **track anything, anywhere, anytime** globally
- Provides **low cost alternative to international roaming** when traveling abroad



Source: *Adventure Tourism Market Report* by George Washington University, Adventure Travel Trade Association, Xola Consulting, Informa Telecoms & Media.

(1) *Adventure Tourism Market Report* by George Washington University, Adventure Travel Trade Association, Xola Consulting. Statistic based on survey conducted with participants in Latin America, North America, and Europe.

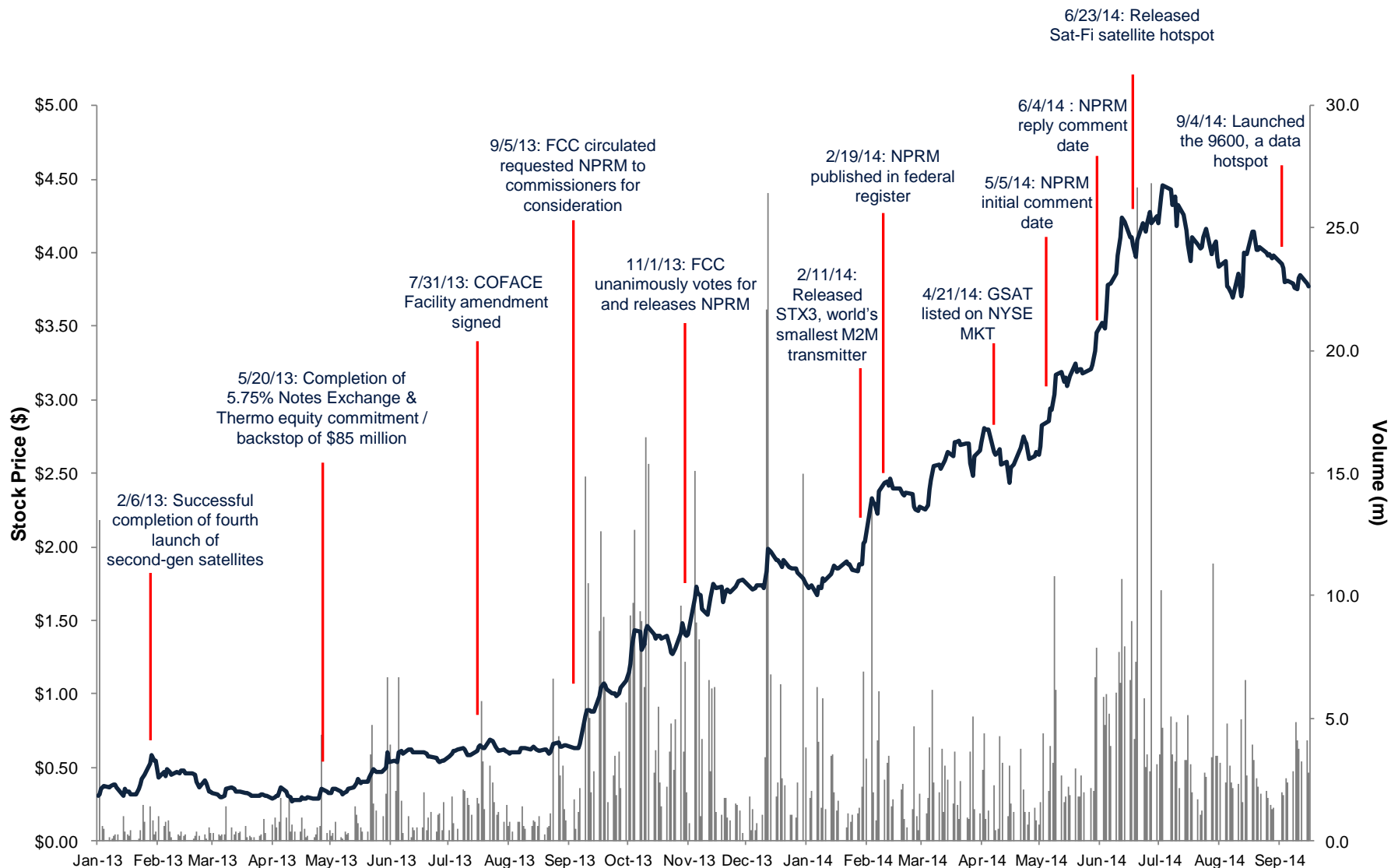
(2) CIA World Factbook, as of 2010.

# Globalstar's Turnaround

Since early last year, Company completed constellation restoration, materially improved its balance sheet, has produced accelerating operating results and has made significant progress on the spectrum proceeding

	January 2013	September 2014
<b>Liquidity &amp; Balance Sheet</b>	<ul style="list-style-type: none"> <li>Approaching \$71.8 million 5.75% Notes put date of April 2013</li> </ul>	<ul style="list-style-type: none"> <li>Successfully exchanged 5.75% Notes in May 2013</li> </ul>
	<ul style="list-style-type: none"> <li>Required COFACE Facility restructuring including principal schedule, covenants and default status</li> </ul>	<ul style="list-style-type: none"> <li>Amended and Restated Facility Agreement effective August 2013 – improved financial covenants, repayment profile, default status</li> </ul>
	<ul style="list-style-type: none"> <li>Liquidity uncertainty and unresolved vendor amendment requirements</li> </ul>	<ul style="list-style-type: none"> <li>\$85 million Thermo backstop, material vendor amendments and agreements – significant equitizations of subordinated debt complete</li> </ul>
<b>Operational</b>	<ul style="list-style-type: none"> <li>Recent financial performance recovery</li> </ul>	<ul style="list-style-type: none"> <li>Accelerating financial performance</li> </ul>
	<ul style="list-style-type: none"> <li>Preliminary Duplex improvement</li> </ul>	<ul style="list-style-type: none"> <li>Meaningful revival of Duplex operations and MSS market share improvement</li> </ul>
	<ul style="list-style-type: none"> <li>Launch pending for the final batch of six Second-Generation satellites</li> </ul>	<ul style="list-style-type: none"> <li>All Second-Generation satellites providing service by August 2013</li> </ul>
	<ul style="list-style-type: none"> <li>R&amp;D efforts for new product rollout</li> </ul>	<ul style="list-style-type: none"> <li>Released SPOT Global Phone, SPOT Gen3, SPOT Trace, STX3, Sat-Fi and the 9600</li> </ul>
<b>Spectrum Proceeding</b>	<ul style="list-style-type: none"> <li>Uncertain regulatory pathway</li> </ul>	<ul style="list-style-type: none"> <li>FCC NPRM Released on November 1, 2013 – Comment period completed June 4, 2014</li> </ul>

# 2013-2014 YTD Stock Price Performance



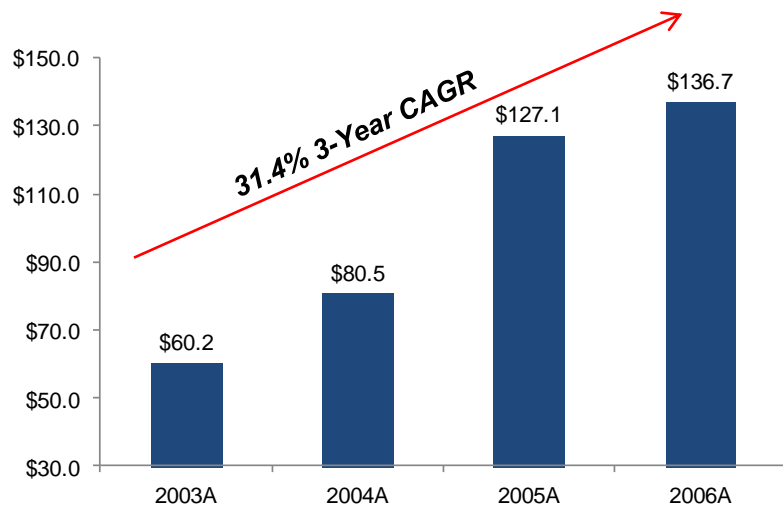
# Historical Financial Summary

- Post-Thermo acquisition, and up through 2006, after which constellation issues presented challenges, Globalstar operated a high growth and high margin business
- Globalstar was able to leverage the highest quality voice service and least expensive equipment and service offering in the MSS industry
- Thermo initiated a strong management discipline, focused on product innovation and cost controls and successfully grew the Company to \$136.7 million and \$33.8 million of Revenue and Adjusted EBITDA by 2006, respectively
- From 2007-2011, Globalstar's financials were materially affected by the constellation performance issues and the Thales satellite delivery delays – annual Adjusted EBITDA was as low as negative \$14.2 million (2008)

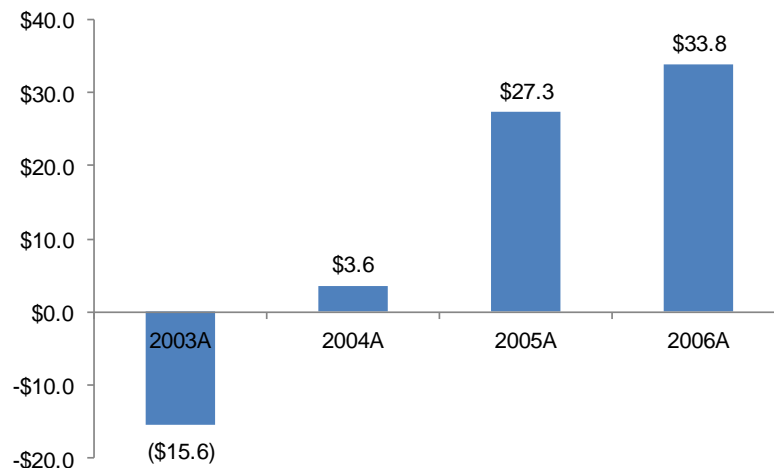
(\$ in millions)

## 2003A-2006A Performance

### Revenue



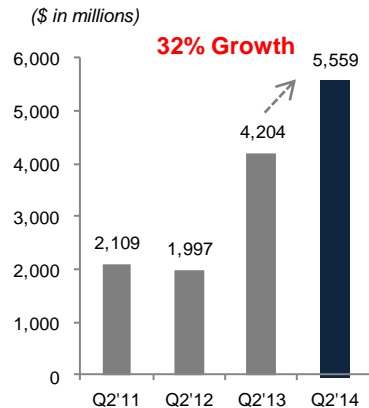
### Adjusted EBITDA



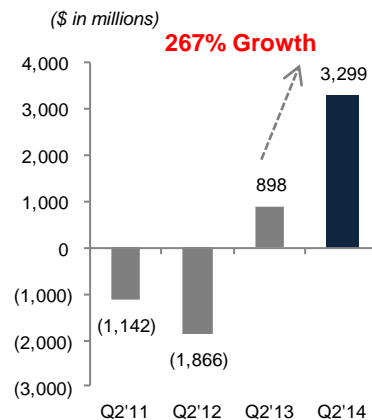
# Recent Financial & Operational Success

## Duplex Performance

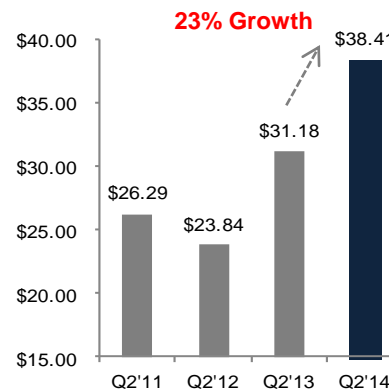
### Duplex Gross Adds



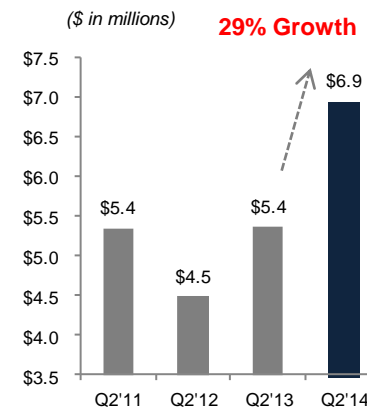
### Duplex Net Adds



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

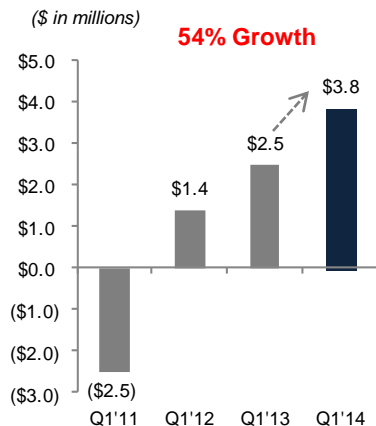


### Duplex Service Revenue

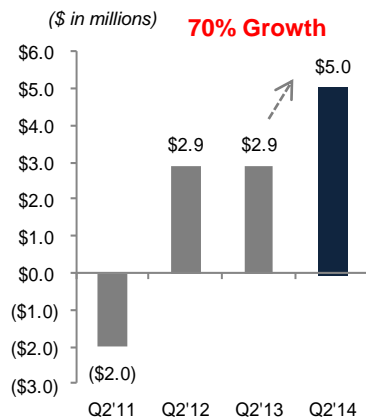


## Adjusted EBITDA <sup>(2)</sup>

### 2011-2014 Q1 Comparison



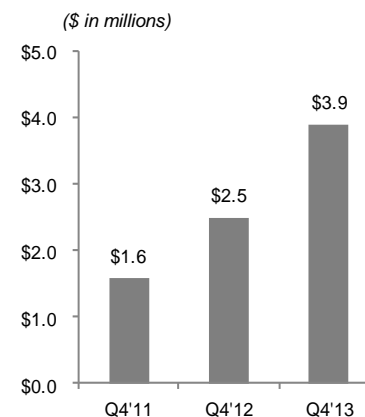
### 2011-2014 Q2 Comparison



### 2011-2013 Q3 Comparison



### 2011-2013 Q4 Comparison








(1) Duplex ARPU for prior period 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 Exhibit A.



# New Product Launches in Last 12 Months

New Products	Key Features & Benefits
 <p><b>SPOT Gen3</b> <i>September 2013</i></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>• Flexibility to outdoor enthusiasts to send pre-defined messages &amp; GPS coordinates while off the grid</li></ul>
 <p><b>SPOT Trace</b> <i>November 2013</i></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>
 <p><b>STX3</b> <i>February 2014</i></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, vehicles, etc.</li></ul>
 <p><b>Sat-Fi</b> <i>June 2014</i></p>	<ul style="list-style-type: none"><li>• 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 and provides user continuous coverage by connecting to satellite network</li><li>• Targets boaters, emergency responders, oil &amp; gas workers, miners, ranchers etc. However, a later version will be targeted towards the mass consumer market</li></ul>
 <p><b>The 9600</b> <i>September 2014</i></p>	<ul style="list-style-type: none"><li>• The 9600 is an affordable data hotspot which seamlessly pairs with the end-user's existing satellite phone and smartphone to send and receive data over Globalstar's satellite network</li><li>• Pocket-size, light weight product with 4 hours of battery life</li></ul>

# Satellite Communications for the Mass Consumer Market

## 2" X 3" Hughes-based \$100 Mass Market Product

*Turns any smartphone into a satellite phone*

### Market Opportunity

**2 Billion People Live, Work or Travel Outside of Cellular Coverage**



**75% Landmass Beyond Terrestrial Coverage**

### Advantages / Features

**Inexpensive satellite capability** for any **Wi-Fi enabled** smartphone, tablet or computer

Constant **connectivity** when **out of terrestrial coverage** for calls, email and text messages

*Reduced costs dramatically expand Globalstar's addressable market*

## What is TLPS?

- Utilizes a 22 MHz wide Channel 14 in 2.4 GHz including 11.5 MHz on a licensed and 10.5 MHz on an unlicensed basis
- Uniquely can leverage existing Wi-Fi ecosystem

## Where can TLPS be deployed?

- Domestic – Single license covering all of U.S.
- Rest of World – subject to local regulatory requirements

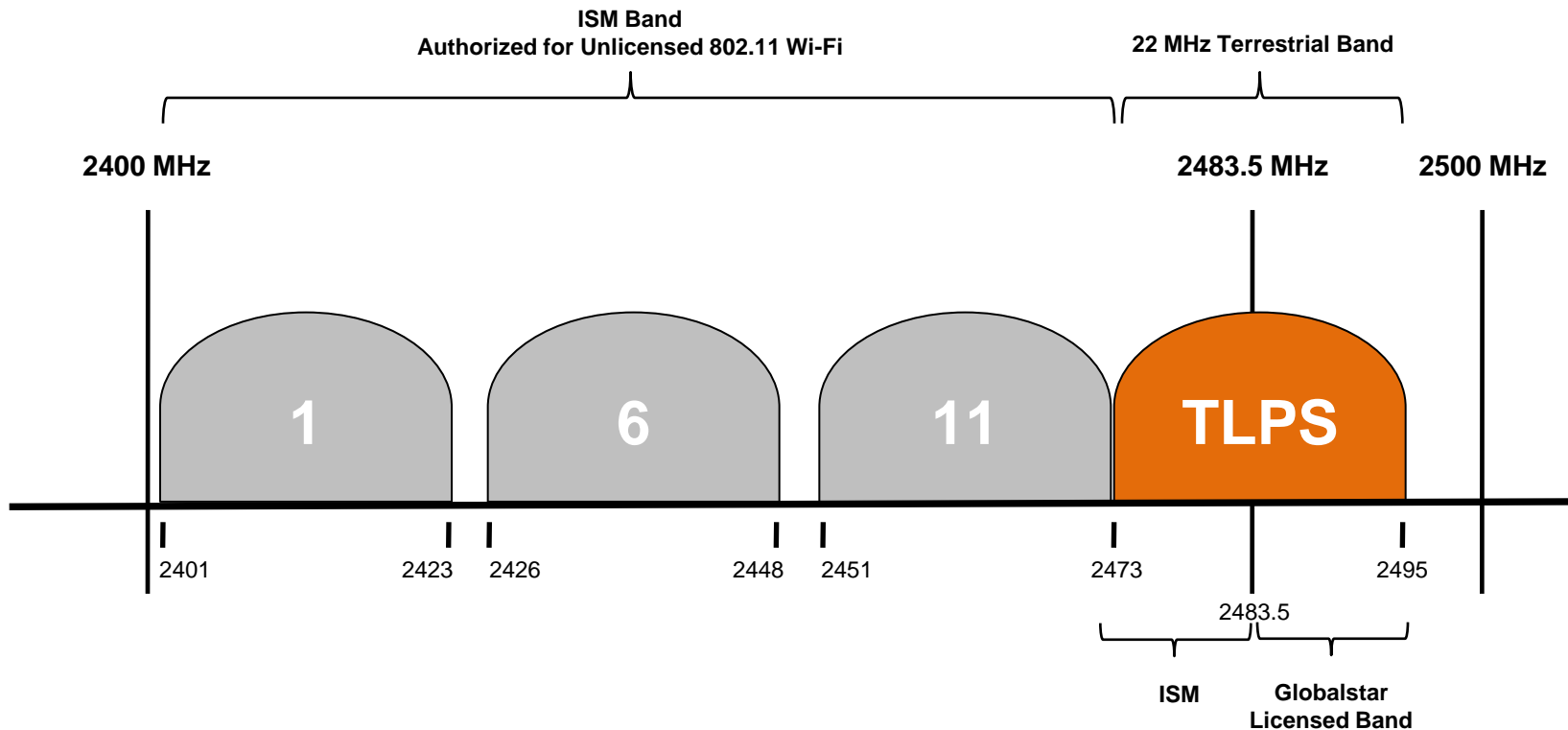
## TLPS Technical Characteristics

- Clean, quiet spectrum avoids acute co-channel interferences / high noise floor of traditional 2.4 GHz Wi-Fi – most wireless traffic takes place over 3 channels in 2.4 GHz ISM band
- Superior capacity and performance
  - 5-7x more effective capacity versus public Wi-Fi
    - Performance differential heightened in dense, metropolitan areas
    - Enhanced security capability
    - Ability to operate a managed, controlled network with Network Operating System (NOS)
- Not limited by high attenuation factor of 5 GHz Wi-Fi

# TLPS Channelization

Managed, controlled, secure, high performance Wi-Fi

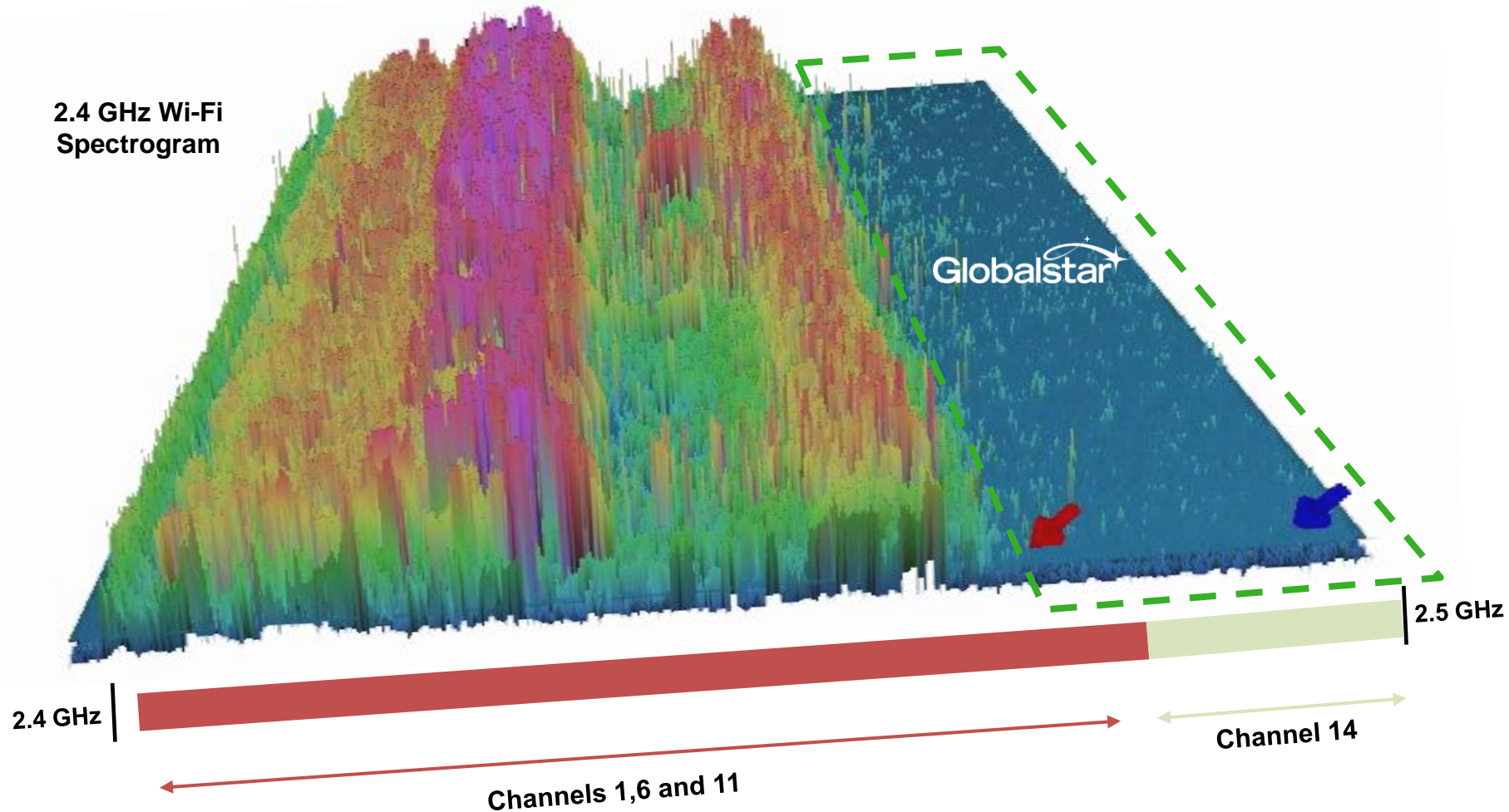
- Today, the majority of all Wi-Fi data traffic transits over just three overcrowded channels in the 2.4 GHz band. TLPS opens a managed, secure and high performance 4th channel to the existing Wi-Fi ecosystem.



# Why is TLPS Important?

TLPS represents a “clear channel” offering material performance benefits

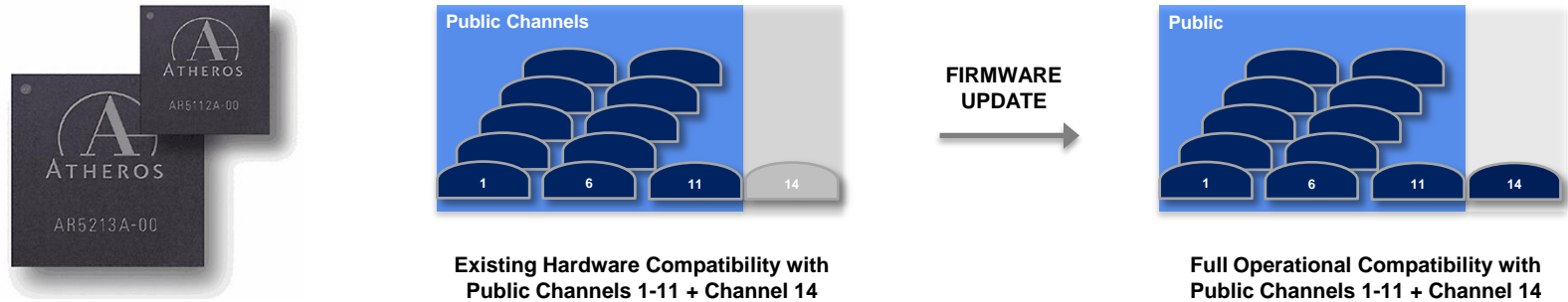
- With millions of uncoordinated access points and devices, channels 1,6 and 11 have reached exhaustion. TLPS will open up a new and sustainable high-performance wireless broadband resource.



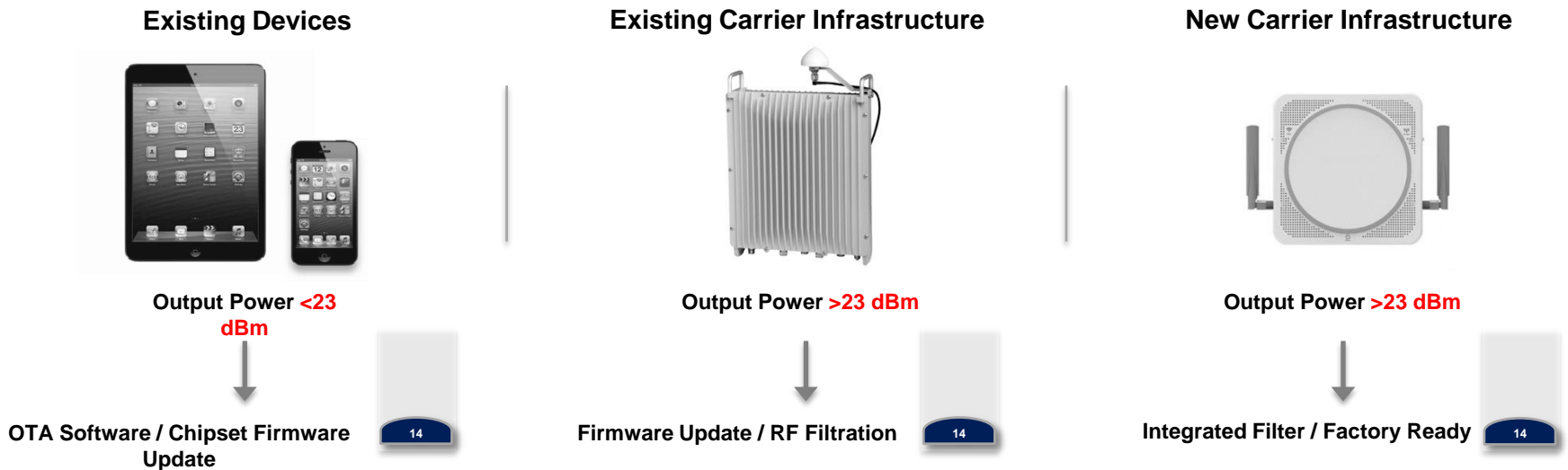
# A Massive and Immediate Licensed Ecosystem

Cost and time to enable TLPS transceiver and infrastructure is de minimis via firmware and software updates – drives reduced time to scale and ease of service rollout

## 2.4 GHz 802.11 Transceiver Level Migration



## 2.4 GHz 802.11 Device Level Migration



# FCC NPRM Highlights and Timing

## Globalstar's NPRM Process Overview

<b>Completed</b>	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
	June 4, 2014	Reply Comment Due Date
<b>Q4 2014</b>	<b>Process Completion Expected</b>	

# Future Growth Opportunities Overview

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## Geographical Expansion

- Built-out sales and marketing infrastructure in Brazil
- Initiated expansion efforts in Colombia and Latin America
- Initiated additional greenfield expansion opportunities

## Second-Generation Ground Upgrades

- Rollout is anticipated to begin in North America in late 2015 followed by Europe and Brazil in 2016 – data speeds increase 25x
- Integration of Hughes chip allows for the rollout of smaller, inexpensive and mass market consumer friendly satellite communication devices

## New Products and Future Opportunities

- Launched Sat-Fi in June 2014 – concurrent with the implementation of Second-Generation ground upgrades, a \$100 mass market device will be released
- Satellite augmented, scalable, reliable and secure air traffic management solution

## Valuable Spectrum Assets

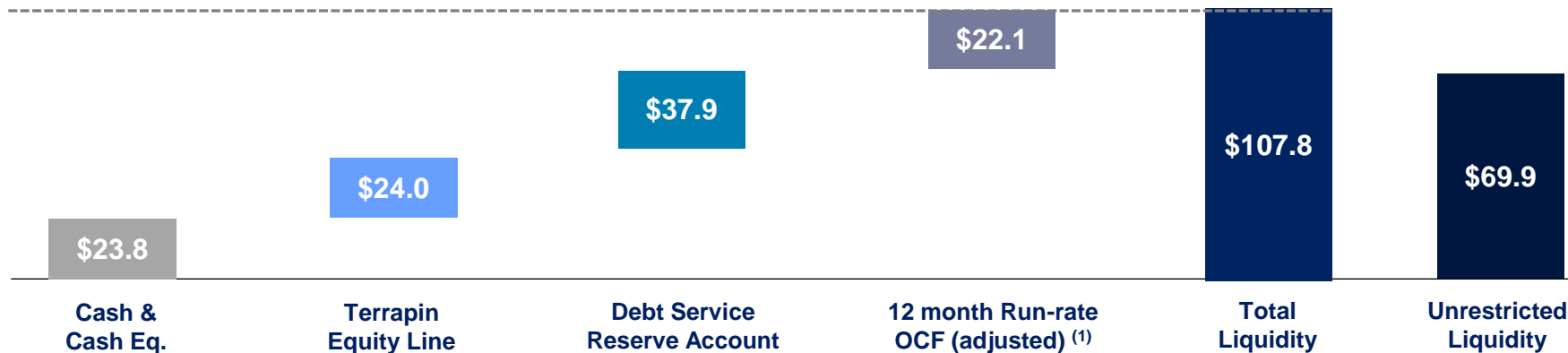
- Domestic regulatory process nears completion – immediate deployment of managed Wi-Fi channel coast to coast
- Globally harmonized spectrum asset offers the potential for global deployment of TLPS



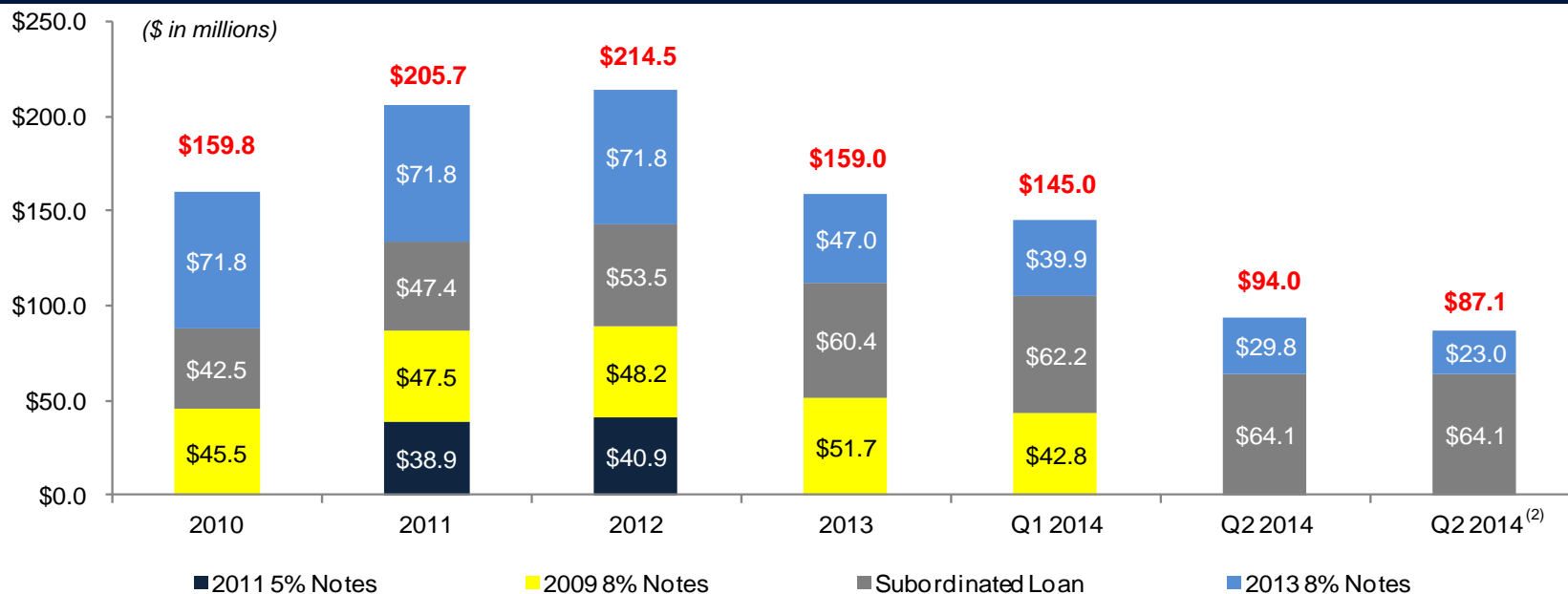
# Liquidity Review and Balance Sheet Highlights

## Liquidity and Capital Sources Review – Q2 2014

(\$ in millions)



## Subordinated Debt Reductions



(1) Adjusted operating cash flow excludes the cash portion of the interest costs expensed during Q2 2014. See reconciliation to GAAP Net Loss on Exhibit B.

(2) Pro forma debt balances after considering full amounts submitted by 2013 8% holders for conversion.

(3) Numbers may not add to totals shown due to rounding

# Globalstar Capital Structure

(#s in millions except per share values)

Share Price (9/17/14):	\$3.92
Basic Shares Outstanding	989.2
Plus: Treasury Method Shares	<u>50.9</u>
Adjusted Total Shares Outstanding	1,040.1
<b>Market Capitalization</b>	<b>\$4,077.2</b>
Less: Cash	\$23.8
Less: Restricted Cash	37.9
Debt Tranches	
8.00% Convertible New Notes	\$23.0
8.00% Convertible Notes	0.0
5.00% Convertible Notes	0.0
COFACE Facility Agreement	586.3
Subordinated Loan	<u>64.1</u>
Total Debt Outstanding	\$673.5
<b>Total Enterprise Value</b>	<b>\$4,689.0</b>

Consolidated	Total No Outstanding	Strike Price	Treasury Method Shares
8.0% Warrants	0.0	\$0.32	0.0
5.0% Warrants	8.0	0.32	7.3
Contingent Equity Warrants - First Tranche	2.5	0.01	2.5
Contingent Equity Warrants - 10% Fee Tranches	34.6	0.01	34.5
DSRA Warrants	0.0	0.01	0.0
Other	8.9	1.03	6.5
		<b>Total</b>	<b>50.9</b>

Note – pro forma balances of the 8.00% Convertible New Notes have been presented considering all conversions submitted to date

# Key Value Drivers

## Core MSS Operations

- Fully restored satellite network for core MSS operations with a new \$1 billion constellation
- Diverse business lines across consumer, commercial and government markets
- Historically, focus has been on North America – beginning in 2014, operational focus has materially expanded

## U.S. Spectrum Value

- 1.6 GHz and 2.4 GHz U.S. licenses
- Targeting Terrestrial Low Power Service (“TLPS”) authority by end of 2014
  - Managed, carrier grade service
  - Increased data speeds and range
  - Leverages existing Wi-Fi infrastructure



## Global Spectrum Value

- ITU authority for 25.225 MHz – opportunity to free up terrestrial authority worldwide
- Unique globally harmonized position
- Opportunity to deploy terrestrial services including TLPS after U.S. approval – leverages worldwide Wi-Fi standards and devices

## Exhibits

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# Exhibit 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	Q2 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)	(\$433.7)
Interest income and expense, net	1.2	1.2	1.2	1.2	3.1	3.8	6.6	8.1	7.8	15.2	16.9	28.0	10.9	13.9
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	376.3
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	1.0
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	22.0
<b>EBITDA</b>	(\$1.0)	(\$3.9)	(\$11.2)	(\$8.0)	(\$0.1)	(\$28.1)	\$0.6	\$0.2	\$2.6	(\$59.0)	(\$66.7)	(\$2.5)	(\$6.7)	(\$20.6)
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	\$7.3
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	0.6
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	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	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)	1.1
(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	16.5
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	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	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	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	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	0.0
<b>Adjusted EBITDA</b>	<b>(\$2.5)</b>	<b>(\$2.0)</b>	<b>(\$3.5)</b>	<b>\$1.6</b>	<b>\$1.4</b>	<b>\$2.9</b>	<b>\$3.1</b>	<b>\$2.5</b>	<b>\$2.5</b>	<b>\$2.9</b>	<b>\$2.5</b>	<b>\$3.9</b>	<b>\$3.8</b>	<b>\$5.0</b>

# Exhibit B – Reconciliation of Adjusted Operating Cash Flow

(\$ in millions)

	Q1 2014	Q2 2014	1H 2014
<b>Net Loss</b>	<b>(\$250.5)</b>	<b>(\$433.7)</b>	<b>(\$684.3)</b>
Depreciation, amortization, and accretion	23.3	22.0	45.3
Change in fair value of derivative assets and liabilities	209.4	376.3	585.7
Stock-based compensation expense	0.6	0.5	1.1
Amortization of deferred financing costs	2.5	2.5	5.0
Provision for bad debts	0.6	0.5	1.1
Loss on extinguishment of debt	10.2	16.5	26.7
Loss on equity method investments	-	-	-
Noncash interest expense (includes accretion expense)	4.1	6.9	10.9
Noncash inventory impairment	-	7.3	7.3
Foreign currency and other, net	(0.2)	1.6	1.3
<i>Changes in operating assets and liabilities:</i>			
Accounts receivable	(0.9)	(1.4)	(2.3)
Inventory	2.1	1.4	3.5
Prepaid expenses and other current assets	(0.7)	(0.0)	(0.7)
Other assets	(0.6)	(0.6)	(1.2)
Accounts payable and accrued expenses	2.9	(5.1)	(2.2)
Payables to affiliates	0.0	0.0	0.1
Other non-current liabilities	(0.1)	0.8	0.7
Deferred revenue	1.1	3.1	4.2
<b>Operating Cash Flow</b>	<b>\$3.8</b>	<b>(\$1.4)</b>	<b>\$2.4</b>
Cash interest costs expensed and not capitalized	-	8.7	8.7
<b>Adjusted Operating Cash Flow</b>	<b>\$3.8</b>	<b>\$7.2</b>	<b>\$11.0</b>
<b>12 Month Run-rate operating cash flow</b>	<b>\$22.1</b>		