

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): **June 3, 2009**

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.)

461 South Milpitas Blvd. Milpitas, California
(Address of Principal Executive Offices)

95035
(Zip Code)

Registrant's telephone number, including area code: **(408) 933-4000**

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 1.01 Entry into a Material Definitive Agreement.

Credit Facility

On June 5, 2009, Globalstar, Inc. (the "Company" or "Globalstar") entered into the previously announced \$586.3 million senior secured facility agreement with a syndicate of bank lenders, including BNP Paribas, Natixis, Société Générale, Caylor, Crédit Industriel et Commercial as arrangers and BNP Paribas as the security agent and COFACE agent. Ninety-five percent of Globalstar's obligations under the agreement will be guaranteed by COFACE, the French export credit agency. Upon fulfillment of the conditions described below and funding, the new facility will be comprised of:

- a \$563.3 million tranche that will be used to make future payments to and to reimburse Globalstar for amounts it previously paid to Thales Alenia Space for construction of the Company's second-generation satellites. Such reimbursed amounts will be used by Globalstar (a) to make payments to Arianespace for launch services, Hughes Networks Systems LLC for ground network equipment, software and satellite interface chips and Ericsson Federal Inc. for ground system upgrades, (b) to provide up to \$150 million for the Company's working capital and general corporate purposes and (c) to pay a portion of the insurance premium to COFACE; and
- a \$23 million tranche that will be used to make payments to Arianespace for launch services and to pay a portion of the insurance premium to COFACE.

In addition to delivery of standard items, Globalstar will not be able to draw on the facility until the following conditions precedent are met.

- Evidence that Thermo Funding Company LLC has converted into capital stock of Globalstar all of the outstanding indebtedness owed by Globalstar, which was approximately \$180 million at May 31, 2009 under the existing loan agreement between Globalstar and Thermo Funding Company;
- Evidence that at least \$45 million has been invested in the Company through stock issuances or subordinated loans;

- Evidence that Thermo Funding Company has deposited \$60 million in cash into a contingent equity account, which can be drawn by Globalstar as additional equity upon specified events; and
- Evidence that a debt service reserve account has been funded with approximately \$46.8 million in cash and guarantees.

These conditions must be satisfied by August 5, 2009 and there can be no assurance that funding will occur. Thermo Funding Company has agreed in principle to convert the existing debt owed to it by Globalstar into equity and to provide up to \$105 million in equity and contingent equity. Thermo Funding Company and certain second-generation suppliers have agreed in principle to fund the debt service reserve account. The terms of these arrangements have not been finalized.

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The facility will mature 96 months after the first repayment date. Scheduled semi-annual principal repayments will begin the earlier of eight months after the launch of the second generation constellation or December 15, 2011. The facility will bear interest at a floating LIBOR rate, capped at 4%, plus 2.07% through December 2012, increasing to 2.25% through December 2017 and 2.40% thereafter. Interest payments will be due on a semi-annual basis.

The Company's obligations under the facility are guaranteed on a senior secured basis by all of the Company's domestic subsidiaries and are secured by a first priority lien on substantially all of the assets of Globalstar and its domestic subsidiaries (other than their FCC licenses), including patents and trademarks, 100% of the equity of Globalstar's domestic subsidiaries and 65% of the equity of certain foreign subsidiaries.

The borrowings may be repaid without penalty on the last day of each interest period after the full facility has been borrowed or the earlier of seven months after the launch of the second generation constellation or November 15, 2011, but amounts repaid may not be reborrowed. Loans must be repaid (a) in full upon a change in control or (b) partially (i) if there are excess cash flows on certain dates, (ii) upon certain insurance and condemnation events and (iii) upon certain asset dispositions. The facility agreement includes covenants that (a) require Globalstar to maintain a minimum liquidity amount after the second repayment date, a minimum adjusted consolidated EBITDA, a minimum debt service coverage ratio and a maximum net debt to adjusted consolidated EBITDA ratio and (b) place limitations on the ability of Globalstar and its subsidiaries to incur debt, create liens, dispose of assets, carry out mergers and acquisitions, make loans, investments, distributions or other transfers and capital expenditures or enter into certain transactions with affiliates. The Company is permitted to make payments under the terms of its 5.75% Convertible Senior Notes due 2028.

From time to time, some of the lenders and their affiliates have provided, and may in the future provide, investment banking, commercial banking services and other services to the Company for which they have in the past received, and may in the future receive, customary fees.

A copy of the facility agreement will be filed with the Company's Form 10-Q for the quarter ended June 30, 2009.

Amended and Restated Satellite Construction Contract

On June 3, 2009, Globalstar and Thales Alenia Space France entered into an amended and restated contract for the construction of the second generation satellites to incorporate prior amendments, acceleration requests and make other non-material changes to the contract entered into in November 2006. The total contract price is approximately €678.9 million (approximately \$904.8 million at a weighted average conversion rate of €1.00 = \$1.3328 at March 31, 2009) including approximately €146.8 million which was paid by the Company in U.S. dollars at a fixed conversion rate of €1.00 = \$1.2940. The contract requires Thales Alenia Space to commence delivery of satellites in the third quarter of 2009, with deliveries continuing until 2013.

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Item 8.01 Other Events.

On June 5, 2009, Globalstar issued a press release concerning the facility agreement. The text of the press release is furnished as Exhibit 99.1 to this Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press release dated June 5, 2009

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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/ Fuad Ahmad

Fuad Ahmad

Senior Vice President and Chief Financial Officer



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MILPITAS CA
95035 USA

NEWS

For Immediate Release

GLOBALSTAR ANNOUNCES EXECUTION OF COFACE-BACKED FINANCING

At funding, credit facility will complete an approximately \$738 million financing for Globalstar 2.0 second-generation satellite constellation and IP-based ground segment

MILPITAS, CA. — (June 5, 2009) — Globalstar, Inc. (NASDAQ:GSAT), a leading provider of mobile satellite voice and data services to businesses, government and individuals, today announced that it has signed an agreement with a syndicate of banks for a \$586 million credit facility to be supported by credit insurance from Coface, the export credit agency acting on behalf of the French government. The bank syndicate includes BNP Paribas, Natixis, Société Générale, Calyon, and Crédit Industriel et Commercial (CIC), each of which will act as Mandated Lead Arranger, and BNP Paribas acting as Coface Agent. Coface will provide long-term credit insurance to facilitate the credit facility. The credit facility will bear interest at a floating LIBOR (London Inter-Bank Offer Rate), capped at 4 percent through 2012, and will be due semi-annually. Calculated today, this interest rate would be 3.27 percent. Scheduled semi-annual principal repayments will begin the earlier of eight months after the launch of the second generation constellation or December 15, 2011. Brown Brothers Harriman acted as financial advisor to Globalstar in connection with the transaction.

Completion of the credit facility and receipt of funding by Globalstar is subject to a number of conditions precedent, which the Company expects will be satisfied shortly. These conditions include the conversion into equity of approximately \$180 million of outstanding senior secured loans made to Globalstar by its principal stockholder, Thermo Funding Company LLC. These conditions also include the receipt by the Company of at least \$45 million of proceeds from the sale of equity or subordinated debt securities, the deposit by Thermo Funding of \$60 million into a contingent equity account available to the Company to repay loans under the credit facility, and funding a \$46.8 million debt service reserve account. Thermo Funding intends to convert the outstanding senior secured loans into equity, to deposit \$60 million into the contingent equity account and to purchase up to \$45 million of the securities described above.

Thermo Funding and other second-generation suppliers have agreed in principle to fund the approximately \$46.8 million debt service reserve account. The terms of these arrangements have not been finalized.

The Company expects that this \$738 million financing will fully fund the manufacture, delivery and launch of the Company's Globalstar 2.0 second-generation network and ground facilities, plus certain long-lead items connected with the accelerated delivery of additional second-generation spare satellites and will provide the Company with working capital. Globalstar expects to be the first global mobile satellite voice and data company to deliver and deploy its second-generation satellites and the first to offer an IP (Internet Protocol)-based network. The financing will also facilitate the introduction of Globalstar's next-generation satellite interface chipsets being designed by Hughes Network Systems. These network upgrades will support the Company's new mobile satellite services which will feature industry leading voice quality as well as increased data speeds to both handheld and fixed subscriber equipment.

"The completion of this financing will solidify Globalstar's long-term leadership position in the mobile satellite services industry by providing the space, ground and terminal resources needed to deliver an industry leading, high quality mobile satellite service well into the future," said Jay Monroe, Chairman and CEO of Globalstar, Inc. Mr. Monroe added, "In a few months we expect to be in the enviable position of taking possession of the first of our Globalstar 2.0 next-generation satellites. With our next-generation space and ground segment, we plan to be first to market with a host of new advanced mobile satellite services years ahead of the competition. I would like to thank all of those involved who worked tirelessly on these agreements and also acknowledge the dedication and diligent efforts of those at Coface, BNP Paribas, Natixis, Société Générale, Calyon, CIC, Thales, Arianespace and Hughes who share our vision of the Company's future."

The completion of the financing is critical for the design and deployment of the Globalstar 2.0 next-generation network which is expected to provide high quality voice and data services beyond 2025. Globalstar 2.0 includes the second-generation satellite constellation, being designed and manufactured by Thales Alenia Space, and the company's new ground segment being developed by Hughes and Ericsson Federal. Globalstar 2.0 will support increased data speeds of up to 256 kbps, in a flexible all IP (Internet Protocol) configuration. Products and services supported are expected to include push to talk and multicasting, advanced messaging capabilities such as multimedia messaging or MMS, mobile video applications, geo-location services, multi-band and multi-mode handsets and data devices with GPS integration.

Conference Call Note

Globalstar plans to hold an investor conference call upon the closing of the credit facility described above. Globalstar will release dial-in information and details once the call is scheduled.

With over 350,000 subscribers, Globalstar is a leading provider of mobile satellite voice and data services. Globalstar offers these services to commercial and recreational users in more than 120 countries around the world. The Company's products include mobile and fixed satellite telephones, simplex and duplex satellite data modems and integrated solutions such as the SPOT Satellite GPS Messenger plus flexible service packages. 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.

For more information regarding Globalstar, please visit Globalstar's web site at www.globalstar.com

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Forward-Looking Statements

This press release contains certain statements such as, "The network upgrades will support the Company's new mobile satellite services which will feature industry leading voice quality as well as increased data speeds to both handheld and fixed subscriber equipment," that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control, including our ability to complete the remaining documentation and satisfy the closing conditions of the credit facility, including obtaining the required additional equity financing; demand for our products and services, including commercial acceptance of our new Simplex products and our SPOT Satellite GPS Messenger product; our ability to retain and migrate our two-way communications services subscribers to our second-generation constellation when it is deployed; problems relating to the construction, launch or in-orbit performance of our existing and future satellites; the effects of the degrading ability of our first-generation satellite constellation to support two-way communication; problems relating to the ground-based facilities operated by us or by independent gateway operators; our ability to attract sufficient additional funding to meet our future capital requirements; competition and its competitiveness vis-a-vis other providers of satellite and ground-based communications products and services; the pace and effects of industry consolidation; the continued availability of launch insurance on commercially reasonable terms, and the effects of any insurance exclusions; changes in technology; our ability to continue to attract and retain qualified personnel; worldwide economic, geopolitical and business conditions and risks associated with doing business on a global basis; and legal, regulatory, and tax developments, including changes in domestic and international government regulation.

Any forward-looking statements made in this press release speak 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.
