

GeoEye's Acquisition Proposal to DigitalGlobe Rejected



GeoEye, USA, has issued a proposal to acquire DigitalGlobe on 4 May 2012. This was however rejected by DigitalGlobe's Board of Directors as were earlier offers to take over DigitalGlobe. DigitalGlobe at that time was open to discuss acquiring GeoEye, which offer was repeated provided agreement could be reached during the weekend.

DigitalGlobe proposed a transaction under which DigitalGlobe's stockholders would own approximately 60% and GeoEye stockholders would own approximately 40% of the combined company, with DigitalGlobe's Chairman and chief executive officer continuing in their respective leadership roles. DigitalGlobe terminated those discussions because the Company believed that the U.S. Government process would be favorable to DigitalGlobe, and that protracted discussions would be disruptive to the U.S. government in its decision-

making process as well as create needless distraction to ongoing mission performance.

Given GeoEye's rejection of that proposal, DigitalGlobe terminated discussions and will await the government reaching its budget decision regarding EnhancedView. When the government reaches its decision, DigitalGlobe will consider whether to make a proposal to acquire GeoEye.

Matt O'Connell, chief executive officer and president of GeoEye said to be disappointed with the rejection as combining the two companies would make strategic sense following synergies between the two companies.

The proposed transaction by GeoEye would give DigitalGlobe shareholders USD17.00 per share in total consideration, payable USD8.50 per share in cash and USD8.50 in GeoEye stock, or 0.3537 shares of GeoEye stock for each share of DigitalGlobe stock. This price represents a 26% premium to DigitalGlobe's closing share price on 3 May 2012.

Image: Sendai, a year after the earthquake and tsunami. Image courtesy: [GeoEye](#).