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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Global Eagle Entertainment Business Update. (Operator Instructions) As a reminder, this conference may be recorded.

I would now like to introduce your host for today's conference, Mr. Peter Lopez, Vice President of Investor Relations. Sir, you may begin.

Peter Lopez

Thank you, Amanda. Good afternoon, and welcome to Global Eagle's Business Update Call. Before we start, I would like to remind you that the discussions during the call will include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are based on management's current expectations and beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by those statements due to various factors which are discussed in Global Eagle's most recent annual report on Form 10-K and its subsequent reports on forms 10-Q. Global Eagle is under no obligation and in fact expressly disclaims any such obligation to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

The discussions will also include financial measures that were not prepared in accordance with U.S. generally accepted accounting principles. And the reconciliation of those non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the press release furnished with Global Eagle's current report on Form 8-K dated today.

Now I would like to turn the call over to Jeff Leddy, CEO of Global Eagle.

Jeffrey A. Leddy - *Global Eagle Entertainment Inc. - CEO & Director*

All right. Thank you, Peter, and thank you, everyone, for joining our call. We're excited to take some time this afternoon to provide a number of positive updates on Global Eagle. Joining me on today's call are Wale Adepoju and Josh Marks, who run our 2 business units; and Paul Rainey, our CFO.

In addition, I'd like to also formally welcome Peter Lopez as our new VP of Investor Relations. He joins us after 2 decades on the buy side, and prior to that, was a CPA with a Big 4 accounting firm.

Over the course of today's call, we will provide an overview of our markets and strategy, including an update on where we stand today and what we are doing to prepare for the future. We will hear from Josh and Wale to discuss their respective business units, and then Paul will update you on the financials and audit process.

Let me begin by saying that 2017, no question, has been a very busy year of transformation for Global Eagle. And while we have clearly had our challenges, we have made significant progress and have the cornerstones in place for a strong foundation for future growth.

My first goal in joining as CEO last February was to stabilize the company and in particular the financial reporting capabilities. I view 2017 as a transition year with several areas that needed triage, like our Finance department and the integration of our Connectivity business post the EMC acquisition. However, there are also many other areas that we're running smoothly or have significant opportunities ahead. The best examples of these lie with the Content and Connectivity business units. Both teams are executing on new wins as well as major renewals, and they are -- and they offer strong secular tailwinds for industry growth.

Through our recent filings, you have only seen the tip of the iceberg in terms of what we're doing to transform Global Eagle to support the significant growth in our industry. First and foremost, we are further professionalizing our business. This includes many new hires, including the addition of new leadership positions. Further, our teams are developing and implementing new business processes and controls across the company. This is occurring across finance; legal; and most importantly, the internal operations of the business. Thirdly, we are -- we have greatly enhanced the internal communications interactions amongst our various businesses to enhance our ability to deliver new, innovative and high value-add products and services at a very competitive prices.

Additionally, we are implementing new tools and levels of automation that will enhance our operations and reporting mechanisms. These improvements will help us reduce further extraordinary expenses such as audit, professional services and legal fees.

We're already seeing many benefits of these actions, and in particular with our finance team, which has helped us bring us to the final stages of the 2016 audit. As we mentioned on our 8-K filing last week, we and our auditors are working diligently to achieve a September 30 deadline for filing our 10-K. We also have just completed the execution of an amendment to our first lien credit agreement that extends our obligation to our lenders to file the 10-K until September 30. Paul will provide more insight later in the call.

As we near the end of 2017, we are clearly focused on the future. While Wale and Josh will discuss their business opportunities, let me discuss some of the operational areas in which we are focused.

First, with our strength in financial infrastructure, we expect faster feedback and higher-quality information from our financial systems. This increases our ability to make better informed decisions and improve the management of our business.

Additionally, we're committed to the continued integration of our prior acquisitions over the past couple of years. Significant synergy opportunities still remain, and we will focus on achieving those synergies over the next several quarters. This includes further integration of shared services, improved satellite bandwidth contracts and pricing; improved content acquisition strategies; and development of new revenue opportunities. We're also implementing new operational strategy across our various business operations that will achieve more efficient operations.

That said, we still have our challenges, including with the financial reporting and audit process. Paul will provide more detail, but our delays were generally due to insufficient process controls and inadequate procedures that require extensive manual review and rework. I want to reiterate, we do not believe there was any fraud or wrongdoing, nor will we have any restatement of our prior financials. However, a challenge we are facing, as stated in today's press release, relates to our NASDAQ listing.

As expected, we received a notice of delisting from NASDAQ on September 13. Let me take a few minutes to discuss the process going forward. Our late filings last March automatically tripped a delisting notification from NASDAQ. As previously disclosed, we were given a 6-month waiver until September 12 to become current with all of our filing requirements. Since we did not achieve that requirement, we received additional notice of delisting. Now we have 1 week to appeal this notice, and we certainly plan to submit an appeal.

NASDAQ will then schedule a hearing, typically within 4 to 6 weeks of our appeal request. The appeal is presented to an independent panel of retired business executives. After that hearing, they will render a decision within 1 week. At the discretion of the panel, they can give the company up to an additional 6 months to become fully current on its filings.

We believe that NASDAQ should look favorably on our situation, as we should have the 10-K filed by the time of the hearing. Further, if we file our Q1 and Q2 filings consistent with our current plan by October 30, then we may be current with all our filings at the time of the hearing, at which point, the hearing will be moot. If the hearing takes place prior to our Q1, Q2 filings, then we would hope the panel would allow an extension to complete the Q1, Q2 filings. That said, we cannot speak for the NASDAQ conclusion, but only to the process.

Finally, some of you have asked about our customer retention. As I mentioned earlier, not only are we retaining and renewing customers, we're winning new contracts. Most of our customers now understand the headlines are mainly a result of our back-office issues. The delays that resulted in the delisting notice and the credit agreement amendments were due to mechanical process issues and not with the successful delivery of our products and our services nor the ability to meet financial obligations to our lenders or suppliers.

In conclusion, there's no question 2017 has been challenging, but with our actions, both visible and behind the scenes, we're emerging as a stronger company ready to tackle the future. We're meeting our financial obligations, professionalizing our business, implementing new processes and controls and reducing future cash outflows. Not all of these actions will result in instantaneous financial improvements, but we believe we'll see a steady enhancement of our financial results as we move forward into 2018 and beyond.

Now let me turn the call over to Wale to discuss our Content business.

Wale Adepoju - *Global Eagle Entertainment Inc. - EVP of Media & Content*

Thank you, Jeff. Good afternoon. I would like to begin with some market context and background to the Media & Content segment.

Airline passenger numbers grew over the past year at about 6% according to the International Air Transport Association. The total number of commercial aircraft with in-flight entertainment systems equipped currently stands at about 10,000 aircraft. This is an 8% growth from 2016. Even though there are some fluctuations year-to-year, we expect to continue to grow in line with the market. This large and growing install base creates a stable market for Media & Content in the commercial airline industry.

It is important though to note that the market for content remains heavily concentrated on twin-aisle aircraft. These twin-aisle aircraft are typically deployed on longer-haul flights where entertainment is an essential part of the overall travel experience. Currently, about 92% of twin-aisle aircraft are fitted with the in-flight entertainment systems needed to play our content. This is in comparison to single-aisle aircraft, where only 39% of aircraft have the ability to provide content. We still see this single-aisle market as a potential for growth.

During 2017, we have focused on developing our Content business beyond Global Eagle's traditional in-flight market. This means creating the enabling technologies, acquiring the rights and providing appropriate content for all forms of air travel, pre- and post-flight as well as maritime and buses. The mobile applications that we launched earlier in the year is a major first step into expanding our reach to travelers worldwide.

Now moving on to key developments in the business for 2017. The Content segment continues to be successful in the travel market. Whilst there have been some distraction from Global Eagle's financial reporting process, we have continued to retain our key customers. We are focused on delivering a competitively high-quality service and continuing to work in close partnership with our customers in both the airline and maritime markets.

The result is that we have successfully renewed our service agreements with key such customers, such as Air France, Air New Zealand, KLM Royal Dutch Airlines, EVA Airways, Kuwait Airways and Air Transat based in Canada. Some of these renewals are now extending our services beyond video and music into services such as microsites, applications and advertising sale.

In addition to these wins, we also acquired new customers for our suite of seat-back applications. As a reminder, these apps work across multiple platforms provided by the various different IFE system vendors and include apps that enable passengers to browse food menu and order food, which we call Airmeal. Another app is Airread, which enables customers to read newspaper and magazines. But most importantly, this group of products includes user interface and user experience design. So new customers for these services include Air Canada, Aer Lingus Argentina and Gulf Air. These achievements and others have helped offset the loss of American Airlines content business in 2016 due to the music rights dispute.

Now turning to our advertising sales function. This continues to grow rapidly. During the last quarter, we have successfully delivered campaigns from brands like BMW, Marriott and Amazon Web Services to our airline customers. This is generating important ancillary revenues for them and growing revenues for Global Eagle as well.

In terms of content, we are working closely with Time Inc. to provide digital mobile content targeted at travelers. It is branded Time Flight and will launch in the next month. This features content that will be available on their mobile devices.

Elsewhere, we are now a supplier to REI Inc., the leading integrator of audio-video electronics for motor coaches, for the provision of a new generation of wireless entertainment solution using Global Eagle's content and passenger portal. Out of the estimated 37,000 motor coaches in the U.S.A. and Canada, the majority are equipped with audio and video systems from REI. They have approximately 90% market share of this market. This is our first foray into this segment of travel and represents new growth opportunities.

In terms of outlook, the in-flight seat-back-based business remains the mainstay of our Content segment. It continues to grow with market. We remain one of the leading players in this sector. However, the growth of our digital media technologies is currently facilitating growth in maritime, buses and the overall wider travel market.

The successful launch that we had of our app with Qatar Airways, called RX1, gives us the opportunity to access -- gives customers opportunity to access content directly. It promotes various forms of media onboard, including movies, television, magazines, music and games. We will release a new version of this in the coming months, and this really shows a view of what we can do in the future and the -- in terms of apps for consumers.

Our mobile infotainment app brings a huge potential for Global Eagle and its travel service partners, such as airlines. It gives us direct access to travelers via their own mobile device regardless of where they are in the travel process. User information will enable us to personalize services in the future and create value through brand partnerships, advertising, retail and the delivery of higher-value target entertainment.

Now I would like to hand you over to Josh Marks.

Joshua Benegal Marks - *Global Eagle Entertainment Inc. - EVP of Connectivity*

Thank you, Wale, and good afternoon. Global Eagle Connectivity provides satellite-based communications and operational solutions. We do mission-critical connectivity for aviation, maritime, government and enterprises and we're leading provider of connectivity-enabled television and live event broadcasting.

With satellite capacity from SES, Intelsat, Hughes and other operators, we offer global connectivity using 54 satellites, of which, 2 are exclusively for our use. We integrate this diverse capacity at global teleports that we link with our fiber (inaudible).

We manage licensing and permits, provide security and disruption recovery, and our analytics help customers operate more efficiently. Our performance-enhancing technology drives efficient use of our satellite capacity.

Now we're not locked into a single satellite vendor or technology system, and our network combination of air, sea and land has driven real supply-side efficiencies.

We benefit from ongoing technological and economic disruption in the satellite market, which is creating compelling capacity purchase opportunities to support new customers. For example, this quarter, we signed a contract to lease 100% of the capacity on a satellite which will be repositioned over the United States to support new installation on our Southwest Airlines fleet.

We are observing declining per-megabit pricing across bands and platforms, with ample available capacity. For example, since 2014, our global average cost for Ku-band capacity has declined by more than 2/3. And since 2014, C-band capacity has declined by more than 3/4. This enables higher capacity for our customers while maintaining our deal margins.

Turning to our business end markets. Aviation continues to grow with active aircraft expected to be up by 15% in 2017, driven by connectivity and wireless IFE installations.

Let me start with our aviation connectivity strategy. Global Eagle focuses on single-aisle aircraft, like the Boeing 737 and Airbus A320 families that are operated on short-haul and medium-haul routes.

We have several competitive advantages. First, we have deep engineering, installation and operational expertise on the 737, including the new MAX. We connect more 737s in general and now more MAX aircraft than any other connectivity provider. We are experts in both retrofit and line fit installations.

In fact, last month, we announced Boeing made our inflight WiFi system available for factory installation on the Boeing 737 MAX, adding to our previous operability on the Boeing 737NG. We are the first catalog-offerable line connectivity system available for installation during MAX assembly. On the MAX, Boeing has more than 3,800 firm orders and 88 customers, so line fit will be an important advantage. Line fit has already influenced recent major wins with LOT Polish Airlines and new flydubai aircraft, in addition to supporting ongoing Southwest installations.

Second, our aviation network is optimized for regional connectivity. Satellite operators have fixed beam capacity for a given area that must be divided among airlines, aircraft and ground users under that beam, and this can drive down the quality of experience in major metropolitan areas. In contrast, because Global Eagle, as an integrator, sources capacity across multiple satellites and multiple networks, we're highly scalable in a specific geography. For example, in South Florida, we stack both wideband and HTS capacity to support dozens of active aircraft and cruise ships concurrently. That capacity comes from multiple platforms, including satellites now where we control 100% of capacity.

Of course, we also have coverage for oceanic and long-haul flights, so our quality of experience is maintained from gate to gate across all routes. But for airlines with big hubs and concentration in a given region, our capabilities are a strong fit. And because airlines in both Asia Pacific, and China specifically, operate regional networks with single-aisle aircraft, those markets are especially attractive for us.

We have the only connectivity installation approval for the Boeing 737 in China on both Air China and Hainan, which is an HNA airline. Our Chinese Airbus A320 certification is nearing completion to support Beijing Capital and other HNA airlines. We are actively negotiating with other major carriers in Asia Pacific for installation on their single-aisle fleets, having completed RFP processes.

To be clear, China remains a key focus. HNA has purchased equipment for installation, we continue to operate trial services with Air China and we plan to launch trial service with 9 Air, a Chinese low-cost carrier, in the fourth quarter. We expect the pace of IFE deals in China to accelerate into 2018 as the government allows airlines to transition from trial to permanent service.

Third, we provide the best portal and entertainment capabilities through our connectivity platform. In aviation, we have the broadest selection of global and local television programming. We integrate Video-On-Demand on board, and we update video content over our satellite network so airlines don't need to manually load content onto the aircraft as they do with our competitors. We have global billing infrastructure with multicurrency support, and we have the global advertising business, as Wale mentioned, that is growing rapidly, offering airlines a real return on investment from connectivity investment.

And of course, when we talk about connected aircraft, our statements are backed up by operational data platforms used by major airlines around the world and aircraft interface systems on more than 500 aircraft already. These are critical ingredients to monetizing connectivity with operational efficiencies.

We believe that airlines want a partner that will innovate now and in the future to enhance the passenger experience, not just provide a fat pipe. That's shaping our growth strategy.

On our established fleets, we have maintained or increased average revenue per aircraft over 2016, and we are able to capture value from faster capacity and new television services that we offer to our customers. On newly equipped fleets, we are seeing ARPA rise as adoption rates increase, driven by a combination of advertising and passenger access fees.

Overall, we are confident that ARPAs will continue to increase, with that increase being driven by advertising, digital media and operational solutions. We'll achieve our targets through innovation and value adds that adapts to our customers, and we're not trying to force airlines into cookie-cutter models that only drive margin on satellite capacity.

We expect the next quarter to include significant advancements and announcements about our progress towards our goals. We are bullish about our future as integrators in the connectivity ecosystem. There is distinct value in access to multiple satellite platforms and technology that provide the best economics to airlines now and in the future. No airline wants to be locked into a specific technology, pricing structure or capacity fleet pool.

We are rolling out our new Ka-band offering for North America in the coming weeks, which features our new modem and throughput capability of 400 megabits or greater to the aircraft. We can go toe to toe with any other integrator or satellite operator, and we will win on our value-added services, television integration and monetization capabilities.

Turning to maritime. Our services fall into 3 main categories: Passenger services, where we provide WiFi and televisions to passengers on cruises and yachts; crew welfare, where we provide voice over IP, games, music and payments for maritime crews; and mission-critical enterprise connectivity with field support.

Our strength in Maritime was built through 35 years of experience and innovation. Throughout our history, we built unique influence and access to stakeholders. We touch our Maritime customers with Internet connectivity, television entertainment and operational solutions, and we continue to win through our global network capability, end-to-end quality of service and reliability.

Global scale in Maritime provides a cost advantage. We have proprietary quality-of-experience tools that increase our spectral efficiencies, providing more data flow per megahertz of leased capacity and differentiate the traffic from Maritime by payment tier or end-user application. And those capabilities enable us to innovate with new business models, where we introduce premium services on a revenue-share basis, which is critical when passengers are on board cruise ships for 5 to 15 days at a time.

These capabilities with new business models were key to our recent wins with Disney, Norwegian Cruise Line, Windstar and Pullmantur. In fact, with Norwegian and Disney, our first large-scale revenue-share deals, we're showing double-digit year-over-year revenue growth per vessel. So we're demonstrating an ability to increase revenue both through new cabins and through increased yield per cabin.

As with aviation, our ability to stack capacity over a given region by using multiple satellites and multiple bands is a key advantage over other integrators and operators. The size of the pipe to a cruise ship or super yacht is much larger than an aircraft. Our most recent deployments on Norwegian Cruise Lines involved sustained 400 megabit pipes. Cruise take rates can be 25% or more, and we've seen 2,800 active connections on our larger cruise ships. And of course, multiple cruise ships may be located in the same area around ports. So we scale the pipes to each boat by combining capacity, optimizing our links and using quality-of-experience tools to prioritize traffic.

Today, we serve 182 cruise ships in total. Of those 182, we provide connectivity services to 102 and television services to 138. Now for reference, the total base of active cruise ships worldwide is about 450. Near term, we have limited downside risk with our recent renewals. And long term, we have opportunities to win business from our competitors and scale with new builds.

On the outside, we recently launched our PRIVA concierge service, increasing our renewals and our win rates. In Maritime energy and commercial shipping, we have new wins at Siemens and Shell. These all remain compelling growth markets. There are more than 1,800 high-end yachts in service and more than 110,000 active vessels in shipping and energy.

For example, we're the market leaders in large yachts, but our share is only 20% of the total global fleet, and there's lots of room to grow through competitive wins and new connectivity installations on ships. In aggregate, of 250,000 total global vessels, only 25% have some form of connectivity while at sea. So we believe that our connectivity, television, media, video on demand and cruise services differentiate Global Eagle in this fast-growing market.

Finally, turning to land, our government business in particular is showing solid progress. We're winning with our global on the ground capabilities, the economic efficiencies from our proprietary technology and our ability to stack coverage on multiple satellites and networks. We are the largest provider of connectivity services to the United Nations, which is a 15-year relationship, and we have long-term agreements in place with the UN.

Our network for the U.S. military today supports 75,000 soldiers on 30 U.S. bases in Iraq, Kuwait, Jordan and the Emirates, and we expect this military business to double over the next 3 years.

We have retained all government contracts up for renewal, and our blue-chip prime contractor relationships with Trace, Signal Mountain and others, are profitable and growing. For example, we were recently rewarded a key role in the delivery of the National Weather Service's tracking and alerts network. Radar images, forecasts, watches and warnings will all be disseminated over our mission-critical satellite and ground network. And we're very favorably positioned as the U.S. Department of Defense increases overseas deployments.

With that, I'll now turn it over to Paul Rainey, our CFO, for a financial discussion.

Paul Rainey - *Global Eagle Entertainment Inc. - CFO & Executive VP*

Thank you, Josh. I would like to begin with selective financial data from our Q4 2016 and our full year 2016. As a reminder, our full year 2016 results include partial year results for our acquisition of EMC on July 27, 2016.

Revenue for the fourth quarter was $157 million, up 38.7% over the prior year. For the full year, revenue was $530 million, up 24.4%. Adjusted EBITDA for the fourth quarter was $18.7 million, up 20.6% year-over-year. For the full year, adjusted EBITDA was $56.9 million, up 14% year-over-year.

We have made significant changes to our finance department in the last 6 months as we drive to improve both our processes and controls. We are already seeing these benefits in accounting and in other areas as we near the close of our audit process. In addition, we are also seeing steps forward across our business units to improve our customer relations and make better-informed decisions to enhance the performance for our business.

Now I would like to talk a bit about our cash and provide you with major expenditures in 2017. To reiterate Jeff's comments, 2017 is a transition year for Global Eagle, therefore, we have incurred a number of onetime expenses that we do not expect to incur in future years.

The following are key uses of cash throughout 2017: Onetime fees and payments, including professional services fees related to the audit of approximately $45 million to $50 million; capital expenditures, excluding extraordinary capital expenditure items, of approximately $40 million to $45 million; and extraordinary capital expenditures of approximately $37 million related to the SES transponder purchase; and lastly, the mandatory principal pay downs under the terms of the credit agreement of approximately $10 million.

Further, we expect to generate cash from operations in 2017 of approximately $10 million to $15 million.

Moving on to our audit and other financial issues. Let me take a moment to bring you all up to speed on a few certain points. First, our audit process is taking significantly longer than normal due to the following factors. Our history of acquisitions, including most recently of EMC increase the complexity of our financial reporting processes over time. The 2 transitions within the CFO position naturally created some timing delays. In addition, we have material weaknesses in internal controls over financial reporting which we're actively working to remediate.

Further, due to our recent decrease in market cap, our auditors are reviewing the goodwill acquired in the EMC transaction to see if it may have to be impaired. There are also additional impairment triggers in Q1 which we need to assess, adding to the overall complexity of the impairment analysis in the 2016 audit.

While the audit remains ongoing, we want to reiterate, we have not discovered and have no reason to believe that we will discover any fraud associated with either our financials or EMC's historical stand-alone financials. Similarly, we continue to believe we do not have to restate our financials or EMC's stand-alone financials for any period.

Although the company has made substantial progress and continues to commit significant time and resources towards becoming current with respect to all of our annual and quarterly SEC reports, we are not current at the present time. However, the company and its auditors are strongly committed to filing the 2016 Form 10-K on or prior to September 30, 2017, and its Q1 2017 Form 10-Q and Q2 2017 Form 10-Q within 30 days after the 2016 Form 10-K filing. In accordance with this time line, the company has obtained a waiver from its lenders to extend the deadline to file its Form 10-K to September 30, 2017. Moreover, we do not expect to violate any of our financial covenants.

At this time, I will like to turn the call over for Q&A. Amanda, please.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And our first question is from the line of Rich Valera of Needham & Company.

Richard Frank Valera - *Needham & Company, LLC, Research Division - Senior Analyst*

Just a quick question on the couple of wins you announced in the in-flight area, I think, of LOT Polish and Mauritania. Can you give any sense on the size of those wins? And then any color at all in terms of your thoughts on installs in '18 versus '17 you've given some pretty specific color on '17. Just wondering if you could say if you expect installs to be similar, up or down, in '18 at this point.

Joshua Benegal Marks - *Global Eagle Entertainment Inc. - EVP of Connectivity*

Yes, Josh Marks. I think the best way to characterize the orders that we received from the new airlines is that it's related to their orders for 737 MAX aircraft. You can look at the order books and determine that. We're not giving out additional details at this time. We'll do that when the aircraft are ready to go online. But again, both are examples of the strength of our Boeing 737 MAX line fit program and the dividends that we're seeing paid from the investments made in that area. Related to 2018, we will provide guidance at a later point around the install count there. We're optimistic and excited by the current traction we have with customers, and we'll provide that at a later point.

Richard Frank Valera - *Needham & Company, LLC, Research Division - Senior Analyst*

Got it. And you made some mention, I think in your remarks, that I think Shareco or maybe HNA has actually procured some equipment from you for install. Can you kind of give an update there on that business relationship? As I understood it, there's 3 of their airlines that you are still the presumed, I guess, IFC supplier of record. Is that correct?

Joshua Benegal Marks - *Global Eagle Entertainment Inc. - EVP of Connectivity*

Yes. That's correct. The HNA, as we previously said, has purchased equipment related to installations on those aircraft for Hainan Airlines on the Boeing 737. We've received the regulatory approval for that installation. We're awaiting scheduling from the airline for the first install. For the others, as I said earlier, we are in the process of completing our A320 certification in China. That will support Beijing Capital as well as other HNA airlines as we go forward.

Jeffrey A. Leddy - *Global Eagle Entertainment Inc. - CEO & Director*

And as we stated earlier, the investment from HNA, Shareco and the Global Eagle was not approved by CFIUS, but our relationship with HNA remains very strong, and we're working very closely with them on the opportunities to support their airlines in the China market.

Richard Frank Valera - *Needham & Company, LLC, Research Division - Senior Analyst*

Great. Just wonder if I could -- you've obviously kind of refined your 4Q '16 numbers. I don't believe you provided an update to your 1Q '17 estimates you've given before. Did you get any sort of further granularity on those 1Q numbers that you can share? Or is that for another day?

Jeffrey A. Leddy - *Global Eagle Entertainment Inc. - CEO & Director*

Yes, as we said earlier, we hope to -- our plan is to file the Q1, Q2 reports by no later than 30 days after the 10-K, which is September 30. So at that point in time, we will give fulsome disclosure on Q1, Q2 results.

Operator

And the next question comes from the line of Paul Penney of Northland Capital.

Paul Richard Penney - *Northland Capital Markets, Research Division - MD& Senior Research Analyst*

Real quick. On the last waiver from the debt group, was there additional penalty fee on the waiver?

Paul Rainey - *Global Eagle Entertainment Inc. - CFO & Executive VP*

Yes, it was 25 bps for the additional extension.

Paul Richard Penney - *Northland Capital Markets, Research Division - MD& Senior Research Analyst*

Okay. Great. And can you give some more clarity on -- I'm just a little bit confused. In terms of planes that you're line fitted on today and what the plan is for -- goals for future aircrafts and manufacturers, and kind of time line to -- is that a high priority for you guys, to be line-fitted on additional aircrafts?

Joshua Benegal Marks - *Global Eagle Entertainment Inc. - EVP of Connectivity*

So today, we are line fit on the Boeing 737 platform, as I said, it's both next-generation aircraft as well as the MAX platform. We are in the process of expanding our lines of capabilities with Airbus for the A320 NEO and CEO fleets. Given the strategies that I outlined, those are our priorities for the near term. It will be to continue line fit for our existing antenna, to bring our new innovations in both Ka and Ku3 access to line fit as well. That will continue to expand out our market capabilities. Beyond that, we are not pursuing line fit on larger aircraft types. There are additional engineering complexities related to composite skins that we're looking at and believe we can solve through service bulletins and other approaches. And given our focus on single-aisle aircraft, really, the capabilities in the MAX and Airbus will be what drive our future orders and backlog.

Paul Richard Penney - *Northland Capital Markets, Research Division - MD& Senior Research Analyst*

Okay. Great. Josh, and one more. I appreciate some of the color on the Maritime business, but I think I speak for all that we're still very information-starved on the business in terms of some of the most basic metrics, such as the size of the market, the profitability makeup, the growth rates, market opportunity, et cetera. When will we expect to get more granularity on the Maritime business?

Jeffrey A. Leddy - *Global Eagle Entertainment Inc. - CEO & Director*

First of all, we fully appreciate your perspective. We recognize that as something that we're obligated to do, and we do want to both educate as well as provide a key set of metrics that we can report and you can monitor and measure and understand our progress into the marketplace. So that is something that we're working on. Don't have an exact date to give you when we're going to be able to share that. But hopefully, within the very near term, we'll be more able to provide you that color. We do think it's a very exciting business, by the way, with lots of opportunity. And it's up to us to help you understand that from an investor perspective.

Operator

And our next question is from the line of Louie Dipalma of William Blair.

Louie Dipalma - *William Blair & Company L.L.C., Research Division - Associate*

Hi. Can you hear me?

Jeffrey A. Leddy - *Global Eagle Entertainment Inc. - CEO & Director*

Yes, we can now.

Louie Dipalma - *William Blair & Company L.L.C., Research Division - Associate*

Sorry about that. I was wondering, are you able to disclose how many of the flydubai MAX order that you have won?

Joshua Benegal Marks - *Global Eagle Entertainment Inc. - EVP of Connectivity*

We anticipate short-term installations on 8 737 MAX, 8 aircraft. Beyond that, we're in active discussions, but flydubai is yet to firm up the delivery timetable related to that. So as they firm it up, we expect we'll be able to confirm that.

Louie Dipalma - *William Blair & Company L.L.C., Research Division - Associate*

Great, Josh. And can you comment on your previous connectivity deal with Jet Airways? As I'm sure you know, it appears that aircraft for Spice Jet and Jet Airways [730 MAX] are going to come pre-installed with connectivity. Was your previous arrangement prevented from happening due to, like, the regulatory environment there? And what's your take on how that regulatory environment is changing?

Joshua Benegal Marks - *Global Eagle Entertainment Inc. - EVP of Connectivity*

Yes. So the Indian government continues to study the activation of in-flight connectivity and the space segment and ground segment requirements that are going to be necessary in order to execute that. We continue to install our wireless IFE system on Jet Airways 737NG aircraft. Decisions have not yet been made beyond that by Jet Airways as to what they're going to be doing. We are in active discussions related to the timing of when those aircraft will be upgraded to full connectivity. So clearly, we're all waiting for the Indian government to give approval and go-ahead before we announce specific contract amendments and a timetable for upgrading those aircraft with connectivity antennas.

Louie Dipalma - *William Blair & Company L.L.C., Research Division - Associate*

Okay. And a question that we've been asked just because of comments made by Panasonic in the media, is has Southwest provided any indication to Global Eagle that it will be deinstalling GEE equipment from any aircraft prior to 2025?

Joshua Benegal Marks - *Global Eagle Entertainment Inc. - EVP of Connectivity*

At this time, we have no knowledge of any retrofits that might happen in the future. We have nearly 700 aircraft installed today with Southwest. We expect a material number of additional Southwest installations before the end of the year. And as I said during my talk, we have provisioned 100% of the capacity on an additional inclined satellite to support the growth in the Southwest network. Anything beyond that, you'd have to ask Panasonic or Southwest, but that should give you an indication of how we feel. We are very positive on the Southwest relationship. We have more than doubled capacity on the network this year with a significant additional capacity coming, and it's resulted in a number of installations the second half of the year and into 2018 that we had not originally forecast.

Louie Dipalma - *William Blair & Company L.L.C., Research Division - Associate*

Great. And on that subject of satellite capacity and cash flow, how much of the $37 million purchase price for the Eagle-1/AM3-C satellite has already been paid? And when were those payments made?

Paul Rainey - *Global Eagle Entertainment Inc. - CFO & Executive VP*

We have made approximately $27 million of payments thus far this year.

Louie Dipalma - *William Blair & Company L.L.C., Research Division - Associate*

Okay. And was that in the second quarter?

Paul Rainey - *Global Eagle Entertainment Inc. - CFO & Executive VP*

They've been in every quarter just throughout the year. At certain increments, we've made payments.

Jeffrey A. Leddy - *Global Eagle Entertainment Inc. - CEO & Director*

We also made payments in 2016 as well.

Paul Rainey - *Global Eagle Entertainment Inc. - CFO & Executive VP*

Yes. So it's just about $10 million remaining to be paid.

Louie Dipalma - *William Blair & Company L.L.C., Research Division - Associate*

Okay. Got it. And the last one for me, what's the -- do you have any sense on what the share count is for the second quarter?

Peter Lopez

It's about [90 million to 91 million shares]. (corrected by company after the call)

Louie Dipalma - *William Blair & Company L.L.C., Research Division - Associate*

Okay. And is that pro forma the additional shares given to [every] partners for the final (inaudible)

Jeffrey A. Leddy - *Global Eagle Entertainment Inc. - CEO & Director*

That's correct. Yes, it is.

Operator

And our next question comes from the line of Dick Ryan of Dougherty.

Richard Allen Ryan - *Dougherty & Company LLC, Research Division - VP & Senior Research Analyst of Industrials*

Say, Wale, I was wondering on the Content side. Can you give us a sense of what might be coming up for renewal? Is the rest of 2017 active? Or how does the renewal pipeline look for 2018?

Wale Adepoju - *Global Eagle Entertainment Inc. - EVP of Media & Content*

For 2017, we're now already programming for November time, and so we know pretty well that we've retained most of our customers for the year. As I mentioned earlier, customers do fluctuate between the 2 major suppliers in the market. But I think this year, we have held on to our major customers and there's opportunity for us to grow. As we go into 2018, there are potentially a couple of large airline customers that will be up for tender during that period. Over the last couple of years, it's been a lot of our contracts that have been up for renewal, but we've been successful with that. So we see 2018 as a real growth opportunity with -- in terms of airline content. Now the dynamic that's changing, which I hinted at earlier, is this isn't just straightforward delivery of content. We are adding some of our digital media products into the mix now in terms of applications in the seat-back as well as mobile applications. Advertising sales also seems to be doing quite well with the airlines at this point.

Richard Allen Ryan - *Dougherty & Company LLC, Research Division - VP & Senior Research Analyst of Industrials*

Okay. So Paul, you mentioned, I think one of your last comments is you don't expect to violate financial covenants. And I'm not probably real fresh on that number, but I think that would probably indicate a number of $70 million, $80 million for EBITDA for -- is that a number that ties to what the covenants would suggest for 2017?

Paul Rainey - *Global Eagle Entertainment Inc. - CFO & Executive VP*

Yes. Your numbers are pretty accurate, they're aligned.

Operator

Thank you. And that does conclude today's Q&A session. I would like to turn the call back over to Mr. Jeff Leddy, CEO, for closing remarks.

Jeffrey A. Leddy - *Global Eagle Entertainment Inc. - CEO & Director*

All right. Thank you, everyone, for joining our call today. Again, hopefully, you got the clear message from the management team that we're very excited about our future. We've worked very hard this year to overcome some of the challenges that we've had to deal with. We've been very happy about the new additions we made to the company's leadership. The company is very much aligned and working together.

Appreciate the last question about Content because this business is more than just the connectivity aviation business. There are a lot of very exciting things happening. As Wale just expressed, the Content business is not just selling movies anymore. There's a lot more value-add that we've been able to offer to our customers and are excited about those opportunities. And the opportunity to truly integrate our content-related capabilities with our connectivity services, we think is actually becoming very real and we're getting more and more prospective customers who appreciate that differentiation.

So we're looking forward to exciting future. We're working through the final process of our filings to become compliant with all the public filing requirements. So again, we look forward to a very exciting future, and we will be sharing further information when we release our Q1 and Q2 results. And we'll work very hard to provide further insight on some of the metrics and parameters surrounding both the Maritime, Aviation and Content business.

So again, thank you much for your time today.

Operator

Ladies and gentlemen, thank you for your participation in today's conference. This does conclude the program. You may now disconnect. Everybody, have a great day.
