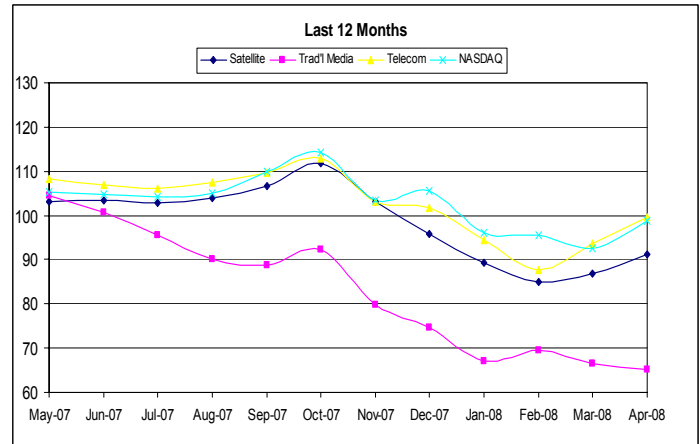


# FROM THE GROUND UP

**April 2008**
**Inside this Issue:**

- Page 1: **The Way We See It...**  
Satellite, Telecom and Media News
- Page 2: **From the Deal Side**  
Free the content! Power to the people!
- Page 5: **The Current Spot Beam**  
Twins separated at birth? or ICO and TerreStar: A study in contrasts
- Page 8: **Conference Round-up #1**  
PodCamp NYC 2.0
- Page 10: **Conference Round-up #2**  
24th National Space Symposium
- Page 13: Near Earth Analysis: Market Comparables
- Page 14: Near Earth Analysis: M&A Transactions
- Page 15: Near Earth Announcements
- Page 16: **Press Release**  
Granahan McCourt Acquisition Corporation to Merge with Pro Brand International, Inc.



See page 13 for details on index constituents.

**THE WAY WE SEE IT...**
**Satellite:**

**DigitalGlobe** filed the registration statement for an IPO valued at up to \$250 million, joining its competitor **GeoEye** as a public company. Given the strong price performance for GeoEye in the last year, we expect strong demand for DigitalGlobe as well. On April 14<sup>th</sup>, **ICO** successfully launched the ICO G1 satellite, becoming the first 2 GHz MSS firm to launch a satellite, and beginning the long transition from a development stage firm to a MSS/ATC operator. Two days later, ICO's competitor **TerreStar** reduced headcount significantly and several key executives departed. For more on both firms, see the related "Spot Beam" article in this newsletter. **Granahan McCourt Acquisition Corporation** (AMEX: "GHN") issued a press release today regarding its planned acquisition of **Pro Brand International, Inc.**, a leading provider of DBS antenna systems and Near Earth client. A copy of the press release has been included in the "Near Earth Announcements" section herein.

**Media:**

While we continue in a holding pattern with respect to the **XM Satellite Radio** and **Sirius Satellite Radio** merger (still under FCC review and the companies extending their deal deadline by two weeks to May 15), and the **Clear Channel Communications** buyout (still in litigation), continuing weak macro indicators for traditional radio would seemingly reduce the success probability of both situations. In the meantime, deteriorating circulation and revenues in newspapers continues, and the **Tribune Co.** is therefore accelerating asset sales to generate cash for debt reduction. The company seems on the verge of selling its **Newsday** asset to **NewsCorp** for \$580 million, creating a New York powerhouse for NewsCorp, with area holdings already including the **New York Post** and the **Wall Street Journal**. Regulators, however, are taking note, and at least one possible competing offer (by **Cablevision**) has been reported. Separately, **Time Warner** has announced that it will separate its cable business out of the conglomerate, providing little detail on proposed structure but triggering follow-up questions about the fate of **AOL**. On all of the above, we stay tuned... as we also do with respect to the **Microsoft** acquisition offer for **Yahoo!** As the bid deadline has recently passed, the silence is deafening.

Hoyt Davidson  
[hoyt@nearearthllc.com](mailto:hoyt@nearearthllc.com)  
 (212) 551-7960

John Stone  
[john@nearearthllc.com](mailto:john@nearearthllc.com)  
 (646) 290-7796

Dan Ramsden  
[dan@nearearthllc.com](mailto:dan@nearearthllc.com)  
 (646) 843-9799

Kuni Takahashi  
[kuni@nearearthllc.com](mailto:kuni@nearearthllc.com)  
 (646) 843-9806

Chris Nakamura  
[chris@nearearthllc.com](mailto:chris@nearearthllc.com)  
 (646) 290-7794

### Free the content! Power to the people!

The increasing gravitation of advertisers towards the web...has led research firms to forecast double-digit annual growth to continue.

The love affair between Google and the advertising world is old news, but still the company's results never cease to amaze. And so a positive earnings "surprise" from Google, prompting its shares to surge by some 20% (as if these were undervalued), is notable not only in its contrast to lackluster capital markets and even more pronounced softness in traditional media, but as further evidence of the robust advertising engine that is the Internet. The increasing gravitation of advertisers towards the web – with its large but easy to target audience, easily tracked responses, and accurately assessable ROI – has led research firms to forecast 23% growth in U.S. Internet ad spending this year (eMarketer), to more than \$25 billion, and a continuation of double-digit growth rates into the next decade. According to analysis by Veronis Suhler Stevenson, U.S. Internet ad spending will exceed that of all other media by 2011. In this context, we make special note of what has been a nearly unprecedented proliferation of new Internet platforms in the past 6-12 months that in key ways seem to replicate the Google formula with tremendous popular results. Although at no cost to the user, we should expect significant revenues to follow, in fulfillment of advertising growth prophecies indicated.

To be sure, none of these services are search engines properly speaking, but all offer their wares according to a similar blueprint:

- user-generated content (the lowest-cost content available)
- searchable, targeted, and easy to manage content
- remotely and centrally stored, universally accessible
- absolutely free of charge

These new [free] web services now seem to cover the mass market at every turn...and venture capital is taking note, and funding.

These new web services now seem to cover the mass market at every turn not only with content, but also portable widgets, enabling technologies, and feature-rich web destinations in fields as wide-spread as blogging, music, and social networking. Moreover, venture capital is taking note, and funding. Here is a sample cross-section:

- **Imeem.** With the full support of the major music labels and countless independents, this music discovery and social networking site offers free access on demand to millions of tracks through almost as many playlists supplied by its rapidly growing user base. Imeem also provides free access to videos, blogs, and user generated news items related to the nearly endless library of worldwide artists featured on its site. According to compete.com, there were more than 10 million unique visitors to Imeem in March 2008. Its latest round of institutional finance was reported in the

## ***From the Deal Side (cont.)***

---

current month, provided by Sequoia Capital and Morgenthaler Ventures.

- **Twitter.** “What are you doing?” In response to this inquiry, Twitter’s rapidly growing user base posts blurbs about no topic that is too trivial or complex. Users may also follow their friends with automated alerts, and are able to search through all of the site’s public “tweets.” Twitter is not merely a teen sensation either, but now involves corporations, news outlets, celebs, and even presidential candidates. This month the company has rolled out its Twitter Japan service in response to existing English language popularity there. According to compete.com, Twitter’s traffic had nearly doubled in the recent calendar quarter, to roughly 1 million monthly uniques as of March... but this is probably a significant underestimate as there are numerous ways to access Twitter outside of the core website. Institutional funding so far has been provided by Union Square Ventures and Charles River Ventures.
- **Meebo.** With a single account, Meebo users have immediate access to all of their instant messaging accounts – including AIM, Yahoo! Messenger, Google Talk, and Windows Live Messenger. All contacts across all networks can be seen in a single list, and the look and feel is that of desktop client, with click and drag features, widgets, chat rooms, and a variety of other easy to use consumer applications. By some estimates, Meebo users exchange more than 60 million instant messages daily, and, as in the case of Twitter, it would be imprecise to rely strictly on Meebo’s web traffic figures. Funding was supplied by Draper Fisher Jurvetson and Sequoia Capital.

While these are only a few indicative examples, the list goes on and on. Other popular destinations include Seesmic (video widgets for social networks) and Tumblr (a multi-media long-form blogging website). Likewise, “older” platforms such as Pandora and Last.fm, both of which are based on similar principles of user-controlled content that is searchable and easy to manage, remotely stored, and universally accessible, remain enormously popular (roughly 2 million and 1.5 million respectively, based again on compete.com stats). And, of course, there is YouTube...

Though many of the listed web destinations are, for the time being at least, chasing audience rather than revenue – as evidenced by minimal or outright absence of advertising on many of these free consumer services – the Google results and aggregate industry data give comfort that revenue cannot be far behind. As advertising technologies and models also evolve and become more sophisticated with time, the form of ads

As advertising technologies and models also evolve and become more sophisticated, substantial numbers of non-paying users should lead to advertising revenue opportunities that a much smaller number of paying subscribers could not replicate.

## ***From the Deal Side (cont.)***

---

may not necessarily be traditional banners...but in any case the substantial numbers of non-paying users should lead to advertising revenue opportunities that a necessarily smaller number of paying subscribers could likely not replicate.

It is by the same token, perhaps, that beyond the newly evolving music, social networking, and other user-created and controlled content platforms described, the web has quickly become the home of free content even for services that until recently came with a subscription fee. To wit, major newspapers have made their daily product available online, at no cost, and network television rebroadcasts its weekly episodes on demand through the web... to cite only two of the more obvious traditional media examples. Many of us probably did not think it likely, even a few years ago, that we would see television reruns on demand without paying for DVR service or spending money on DVDs. Some may not have imagined, say, a decade ago, when we were still writing checks for our favorite publications, that all news content would soon be free of charge... and that, in fact, the quality and quantity of this content would simultaneously improve.

As we watch these trends continue – and there is little reason to forecast a reversal while the onslaught of new and improved free services shows no signs of slowing – anticipating an era when all content is offered profitably but at no cost to the audience, supported by advertising in a variety of forms and models, cannot be so far-fetched. And bringing the case back full-circle to the opening observation about Google’s revenue “surprise,” we note that Wall Street was caught off-guard largely by a negative Comscore report in advance of Google’s positive announcement, which report, it turned out, was focused on the U.S. market only, a limitation that Google’s actual results corrected. By the same token, the primarily U.S.-focused overview in this article probably understates the opportunity rather substantially.

There is little reason to forecast a trend reversal while the onslaught of new and improved free services shows no signs of slowing...

By Dan Ramsden  
Near Earth LLC

# The Current Spot Beam

---

## Twins separated at birth? or ICO and TerreStar: A study in contrasts

From a regulatory perspective, the Mobile Satellite Service (MSS) companies ICO and Terrestar look remarkably the same. Granted, they followed different paths initially (I could write a whole separate story on that, but will save it for another time...), but eventually wound up with similar spectrum assets: 2x20 MHz of spectrum in the 2 GHz band, not far from the wildly popular PCS band used by Sprint and other carriers. This spectrum is licensed for providing MSS, but more importantly comes with authorization for Ancillary Terrestrial Components (ATC), more commonly know as cell towers. Augmented with this capability, this spectrum is technically capable of providing a wealth of services like broadband wireless internet, mobile broadcasting, telematics, and perhaps most notably, communications very much like the economically proven PCS.

... this spectrum is technically capable of providing a wealth of services like broadband wireless internet, mobile broadcasting, telematics, and communications very much like PCS...

So far, so good. Where it gets interesting, is noting how differently these two firms have decided to address the opportunities this spectrum resource makes possible. This is particularly topical given the recent developments at the respective firms: In ICO's case, the successful launch of the ICO G1 satellite this month (which successfully deployed its antenna this week), and in the case of TerreStar, the departure of its CEO, COO, CMO and EVP Finance followed by massive layoffs of nearly half the firm's workforce.

Some idea of the contrast is evident in the following table:

|  | ICO                    | TerreStar           |
|--|------------------------|---------------------|
| Number of Employees (12/07)                | 46                     | 175                 |
| Satellites Ordered to Date                 | 1                      | 2                   |
| Terrestrial Repeaters Ordered (in dollars) | 0                      | \$400 million       |
| 2007 Operating Expenses                    | \$51mm                 | \$183mm             |
| First Satellite Launch Date                | 4/2008                 | ~1/2009             |
| Affiliations                               | ClearWire, Craig McCaw | EchoStar, Harbinger |

Source: Near Earth LLC

One doesn't have to be a rocket scientist to see that ICO is being run more economically than Terrestar, recent cuts notwithstanding. This is largely a reflection of approach – ICO is initially offering a MSS service they call ICOMims – a mobile video, navigation, emergency text and assistance bundle targeted at motorists. While actual commercial service launch is more than a year away (at least), the overall service seems to be more of an MSS offering than a PCS like service with heavy deployment of terrestrial repeaters.

... ICO is being run more economically than Terrestar, recent cuts notwithstanding...

## The Current Spot Beam (cont.)

---

We think that a part of the reason for this is the technical difference between the respective satellites (ICO's bird uses a 12 meter reflector with 250 beams, while TerreStar's uses a 20 meter reflector with 500 beams – allowing for lower power, smaller terminals). Simply put, ICO's satellite is better suited for communicating with vehicles (which have less power and size constraints) than handsets, so instead of bringing out a handheld service that would be hard pressed to compete with TerreStar, ICO has opted for a cheaper to offer service that can be upgraded later with larger, more powerful satellites if warranted. And, in the process, they have held off on constructing their second satellite, which is required for MSS/ATC authorization but not pure MSS authorization. In the process, they have taken the lemon of having a tougher (i.e. quicker) regulatory implementation schedule (that, in turn, forced them to buy a technologically less advanced satellite) and made the lemonade of having substantially reduced cash burn while they wait to see how the market for their service, and more importantly their spectrum pans out.

... ICO's satellite is better suited for communicating with vehicles (which have less power and size constraints) than handsets ...

At TerreStar, the approach has been decidedly bolder. As a *de facto* spinoff of L band MSS operator Mobile Satellite Ventures, TerreStar has always had a similar strategic focus on providing what they call “transparency” – a service that users find virtually indistinguishable from conventional cellular service. This is no mean feat, as it requires a very robust terrestrial network and a powerful satellite with breakthrough technology that even today is resulting in slipping satellite delivery dates. And, it requires two such satellites (one a ground spare), since nationwide ATC is an integral part of the overall system. None of this capability comes cheap, or easy, and spending the cash to make it happen with no customer identified represents a big wager.

... TerreStar has focused on providing what they call “transparency” – a service that users find virtually indistinguishable from conventional cellular service...

Here at Near Earth, we have always believed that to maximize the value of the spectrum assets held by these companies, it will be necessary for them partner or be acquired with wireless or other telecomm firms. [Form more on this subject, see our white paper *Mobile Satellite Service with valuation of Ancillary Terrestrial Components*, available for free download at <http://www.nearearthllc.com/analysis/whitepapers.asp>] Thus, we've watched with some interest the recent investments (and spectrum license contributions) that have brought TerreStar close to satellite television provider Echostar, as well a financial investor Harbinger Capital.

TerreStar's bolder construction approach offered potential advantages of permitting more rapid entry to market, with the risk that the market itself might not be ready. [We note that the company has frequently cited a strategy of being a “carrier's carrier”, which could lead to it being independent indefinitely.]

## ***The Current Spot Beam (cont.)***

---

... the fact that their spectrum is directly adjacent makes ICO and TerreStar a natural combination ...

Apparently in this latest move, TerreStar's board has decided to pull in its horns. Coming on the heels of the recent board additions its new investors have provided, we could be seeing a significant shift in TerreStar's approach – perhaps in a direction that leads to an eventual combination with Echostar, or at least a joint service offering, or perhaps just a reduction in monthly burn rate to wait out an eventual telco investment or sale of the firm.

Finally, we note that despite these divergent cultures, the fact that their spectrum is directly adjacent makes ICO and TerreStar a natural combination, assuming regulatory approval could be secured. As there would still be L-band competition, we would expect the regulatory approval would be easier than the proposed XM / Sirius merger, especially as there is no reason for NAB to fight it. Seeing which culture emerges after that merger would be interesting indeed.

By John Stone  
Near Earth LLC

# Conference Round-up #1

---

## PodCamp NYC 2.0; Polytechnic University; Brooklyn, New York; April 25-26

... A free conference...

with user generated content...

paid for by advertising sponsors...

talk about practicing what you preach!

Dubbed the “unconference,” PodCamp NYC 2.0 at Polytechnic University in Brooklyn, NY focused on the sharing of ideas and experiences with new media tools such as podcasts, videocasts, blogs, and newer platforms like the hugely popular Twitter. The conference was free and many of the sessions were heavily attended. The sessions were atypical to a conference panel or presentation. Although the sessions were moderated by industry participants, the conference attendees themselves were encouraged to speak and contribute more to the discussions. A free conference, with user generated content, paid for by advertising sponsors...talk about practicing what you preach! (See more about the trend towards free content in this issue’s “From the Deal Side” column.)

One of the sessions was called “Capturing the vibes of large scale change events in real time with Twitter”. Twitter received lots of press last October when residents, local news reporters and fire departments used Twitter to post real time updates and public service announcements about the Southern California wildfires. When asked “How would you describe Twitter?”, one participant answered, “Instant messaging meets blogging.” This short form of blogging or “micro-blogging” allows users to post messages of under 140 characters and follow each other to stay connected to other Twitter users. Many attendees were using Twitter during the conference to tell each other which sessions were the most engaging, so news got out pretty quickly if there was an interesting discussion happening.

... Micro-podcasting is an easier, faster and cheaper form of online voice communication

Another type of short form communication on display, but focused on voice rather than text communication, was PodGlo, a web based “micro-podcasting” platform. Micro-podcasting is an easier, faster and cheaper form of online voice communication. Voice messages can be added through widgets on websites or telephones while conversations can be distributed through RSS readers, email, IM, SMS or any website. The conversations are topic based and can be tagged with key words so that users can find and follow topics that are most interesting to them.

Lee Gibbons of Podango, an online network of podcasters, led a discussion on how to effectively apply new media tools in business. Businesses now have a wide array of tools (blogs, wikis, social networks, podcasts, videocasts, etc.) that can be used to connect with and receive feedback from their customers. JetBlue, Comcast and others are finding early successes in building an online community of engaged customers by using tools such as Twitter for corporate communication, customer service and marketing purposes.

## ***Conference Round-up #1 (cont.)***

---

The open forum of enthusiastic users, sharing their ideas and experiences, was certainly the appropriate format for a Web 2.0 conference, and a major theme among the products and services being showcased. Given the potential of new web-based tools such as the above to rapidly collect and share information and build loyal communities, we would expect more and more companies to explore such capabilities in their next generation of Internet presence.

By Kuni Takahashi  
Near Earth LLC

## Conference Round-up #2

---

### 24th National Space Symposium

... The four-day program brought together more than 7,500 participants to hear prominent speakers from the military, civil and commercial space communities ...

The 24th National Space Symposium in Colorado Springs, one of the premier annual gatherings of the global space community, came to a successful conclusion with featured remarks by noted astrophysicist Neil deGrasse Tyson, Ph.D., at the 20th Space Technology Hall of Fame Dinner. The four-day program brought together more than 7,500 participants to hear prominent speakers from the military, civil and commercial space communities on a wide range of timely issues and to engage in an extensive exhibit center representing more than 140 companies and organizations.

*"The Space Report 2008: The Authoritative Guide to Global Space Activity"* was released by the Space Foundation at the 24th National Space Symposium. The report revealed more than \$251 billion in global space activity in 2007. This represents a single-year increase of 11% from 2006. *The Space Report 2008* is a publication that thoroughly examines and analyzes the state of the space industry. The keystone product of the Space Foundation's Research and Analysis division, *The Space Report 2008* covers primarily 2007 data, contains information on global space budgets and revenues, a yearly summary and analysis of the Space Foundation Index, and, for the first time, addresses United States labor and workforce issues.

... *The Space Report 2008* revealed more than \$251 billion in global space activity in 2007. This represents a single-year increase of 11% from 2006. ...

The program opened on April 8<sup>th</sup> with speeches by two members of Congress, Sen. Wayne Allard (R-Colo) and Rep. Mark Udall (D-Colo). Both agreed on the importance of space to U.S. interests and the need to increase funding for NASA. Additionally, Allard stressed the need to address threats to national security and develop a specific national space security policy. James Albaugh, Executive Vice President of Boeing expressed concern that the United States currently risks losing its leadership role in space. He stated that the U.S. effort in manned space exploration requires commitment, leadership and innovation. Furthermore, Albaugh called for investment in high-risk, high-payoff technology, something that will require government and industry partnership. Several panels also took place on April 8<sup>th</sup> that addressed the retirement of the space shuttle and challenges on the road to the Moon and Mars, methods of fostering innovation, and operationally responsive space. Workforce development and the creation of a work environment that enables creativity were two common themes. Additionally, the importance of including the end user in the design process was stressed.

On April 9<sup>th</sup>, The Honorable Michael Wynne, secretary of the Air Force urged development and innovation in the space community. He stated that the best way to reduce vulnerability in space systems is to ensure the irrelevance of a single attack, buying time to engage in a coordinated

## Conference Round-up #2 (cont.)

---

... Panels addressed the issue of “colliding worlds” in developing a national space policy, evolving solutions for government requirements, and a forum comprised of former NASA Administrators focusing on future NASA endeavors....

defense. Lt. Gen. Michael Hamel, commander of Air Force Space Command called for a national space policy that puts national security as the top priority, clearly defines and prioritizes goals, while also laying out roadmaps and implementation plans. In effect, a national space strategy is required to ensure that the resources of various government agencies are used in a coordinated fashion. Panels on April 9<sup>th</sup> addressed the issue of “colliding worlds” in developing a national space policy, evolving solutions for government requirements, and a forum comprised of former NASA Administrators focusing on future NASA endeavors. Speakers also included Mr. Dean Cheng from the CNA corporation who discussed China’s involvement and possible future in space development, as well as Mr. Robert Bednarek, the president and chief executive officer of SES-New Skies. One theme that arose repeatedly was the need for government and the commercial space industry to improve their ability to communicate with each other. The government’s dependence on commercial services is expected to continue well into the future and it is important for everyone at the table to be speaking the same language so that the requirements of each party are properly understood.

The final day of the 24th National Space Symposium, April 10<sup>th</sup>, began with a talk by Dr. George Nield, the acting associate administrator for commercial space transportation at the Federal Aviation Administration. He discussed the development of the commercial space industry and how it will evolve based on business decisions, as opposed to NASA, which is driven by goals and funded by taxpayers. Nield does not view NASA’s five year hiatus from human spaceflight as a setback, but a different path of progress. In the latter half of the morning, a panel was held to discuss climate change, space, and the implications for national security. The panelists agreed that it is vital to establish baseline measurements and the capacity for continuous measurement from space so scientists can properly understand climate change and its effect on matters of national security such as the food supply.

Several military leaders spoke in the afternoon, including Lt. Gen. Kevin T. Campbell, Gen. Victor E. Renuart, Jr., and Lt. Gen. Frank G. Klotz, all of the USAF. They addressed a wide variety of military space requirements, ranging from the needs of the warfighter overseas to the systems that provide defense for the American homeland. Lt. Gen. Klotz raised the possibility of cooperation with allies on national security space issues such as space situational awareness, and he also recommended joint training and exercises to improve interoperability. The sessions concluded with a talk by Brig. Gen. Jeffrey C. Horne, regarding the decision and execution process of the recent engagement with satellite USA-193. Horne emphasized the efforts of the United States government to conduct the shutdown operation in the most open and transparent manner possible, and to do its best to ensure the safety of the general public.

## **Conference Round-up #1 (cont.)**

---

*For additional information about a particular session, please see the 24th National Space Symposium Agenda which includes links to more extensive summaries than the ones above.*

*(<http://www.nationalspacesymposium.org/agenda>)*

By Micah Walter-Range and Stephanie Bednarek  
George Washington University's International Science and Technology Policy Program

Mr. Walter-Range is a Research Analyst in the D.C. office of the Space Foundation and graduated from Swarthmore College with a bachelor's degree in astronomy and political science. Ms. Bednarek is a Research and Analysis intern at the Space Foundation and graduated from the University of Virginia with a bachelor of science degree in Engineering.

# NEAR EARTH ANALYSIS: MARKET COMPARABLES

## Public Market Valuation Analysis of Selected Companies in the NEAR EARTH MEDIA INDEX

| (\$ in millions, except per share data) |                              | Stock Price: | Enterprise Value as a Multiple of: |                      |           | Price as a Multiple of: |          |         |               |               |
|---|------------------------------|--------------|------------------------------------|----------------------|-----------|-------------------------|----------|---------|---------------|---------------|
| Ticker                                  | Company                      | 4/28/08      | Market Value of Equity             | Enterprise Value (a) | LTM Sales | LTM EBITDA              | LTM EBIT | LTM EPS | 2008E EPS (b) | 2009E EPS (b) |
| <b>Satellite Television (DBS)</b>       |                              |              |                                    |                      |           |                         |          |         |               |               |
| BSY                                     | British Sky Broadcasting (f) | \$ 5.43      | \$19,353.0                         | \$21,983.8           | 2.4x      | 11.0x                   | 13.6x    | 19.5x   | 5.3x          | 3.7x          |
| DISH                                    | Dish Network Corp            | \$ 30.59     | \$13,974.6                         | \$16,458.2           | 1.5x      | 5.7x                    | 10.5x    | 18.5x   | 14.5x         | 12.4x         |
| DTV                                     | DirectTV Group Inc.          | \$ 25.25     | \$30,350.5                         | \$32,663.5           | 1.9x      | 7.8x                    | 13.1x    | 21.2x   | 16.8x         | 13.4x         |
|   | Mean                         |              |                                    |                      | 1.9x      | 8.2x                    | 12.4x    | 19.7x   | 12.2x         | 9.8x          |
| <b>Television</b>                       |                              |              |                                    |                      |           |                         |          |         |               |               |
| TVL                                     | LIN TV Corp.                 | \$ 9.85      | \$497.1                            | \$1,363.6            | 3.4x      | 8.1x                    | 12.4x    | 17.4x   | 14.3x         | 23.5x         |
| SBGI                                    | Sinclair Broadcast Group     | \$ 9.30      | \$809.2                            | \$2,135.7            | 3.0x      | 6.8x                    | 13.4x    | 16.9x   | 10.2x         | 12.6x         |
| YBTV                                    | Young Broadcasting Inc.      | \$ 0.58      | \$13.0                             | \$812.4              | 5.2x      | 18.8x                   | 40.6x    | n/m     | n/m           | n/m           |
|   | Mean                         |              |                                    |                      | 3.9x      | 11.2x                   | 22.1x    | 17.1x   | 12.2x         | 18.0x         |
| <b>Satellite Radio (DARS)</b>           |                              |              |                                    |                      |           |                         |          |         |               |               |
| SIRI                                    | Sirius Satellite Radio       | \$ 2.69      | \$3,935.4                          | \$4,810.5            | 5.2x      | n/m                     | n/m      | n/m     | n/m           | n/m           |
| WRSP                                    | Worldspace                   | \$ 1.38      | \$54.7                             | \$141.6              | 9.4x      | n/m                     | n/m      | n/m     | n/m           | n/m           |
| XMSR                                    | XM Satellite Radio           | \$ 11.72     | \$3,594.5                          | \$4,987.4            | 4.4x      | n/m                     | n/m      | n/m     | n/m           | n/m           |
|   | Mean                         |              |                                    |                      | 6.3x      |                         |          |         |               |               |
| <b>Radio</b>                            |                              |              |                                    |                      |           |                         |          |         |               |               |
| CCU                                     | Clear Channel                | \$ 29.70     | \$14,724.8                         | \$21,591.2           | 3.2x      | 9.8x                    | 13.1x    | 19.5x   | 18.9x         | 18.1x         |
| CMLS                                    | Cumulus Media Inc.           | \$ 6.26      | \$270.4                            | \$809.1              | 2.5x      | 9.6x                    | 11.7x    | n/m     | 27.2x         | 36.8x         |
| CXR                                     | Cox Radio Inc.               | \$ 11.70     | \$1,105.8                          | \$1,423.8            | 3.2x      | 9.3x                    | 10.0x    | 9.3x    | 15.6x         | 15.4x         |
| EMMS                                    | Emmis Communications Corp.   | \$ 2.76      | \$101.8                            | \$723.4              | 2.0x      | 11.3x                   | 14.6x    | 1.0x    | n/m           | n/m           |
| ETM                                     | Entercom Communications      | \$ 10.04     | \$383.8                            | \$1,346.6            | 2.9x      | 9.5x                    | 10.7x    | 5.1x    | 7.8x          | 7.8x          |
| ROIA                                    | Radio One Inc.               | \$ 1.07      | \$105.6                            | \$900.8              | 2.7x      | 8.2x                    | 9.6x     | 2.8x    | 9.7x          | 4.0x          |
|   | Mean                         |              |                                    |                      | 2.7x      | 9.6x                    | 11.6x    | 7.5x    | 15.8x         | 16.4x         |
| <b>NewsPrint</b>                        |                              |              |                                    |                      |           |                         |          |         |               |               |
| MNI                                     | The McClatchy Company        | \$ 9.94      | \$815.5                            | \$3,356.3            | 1.5x      | 5.8x                    | 7.9x     | 3.1x    | 9.8x          | 10.6x         |
| NYT                                     | New York Times               | \$ 20.88     | \$3,008.8                          | \$3,691.4            | 1.2x      | 8.6x                    | 15.5x    | 25.1x   | 20.5x         | 19.9x         |
| WPO                                     | Washington Post              | \$ 688.00    | \$6,542.2                          | \$6,722.7            | 1.6x      | 9.4x                    | 14.1x    | 22.7x   | 20.0x         | 20.7x         |
|   | Mean                         |              |                                    |                      | 1.4x      | 8.0x                    | 12.5x    | 17.0x   | 16.8x         | 17.1x         |

| MEDIA SERVICES INDEX (excludes Satellite Radio (DARS) stocks) |      |       |       |       |       |
|---|------|-------|-------|-------|-------|
| High  | 5.2x | 18.8x | 40.6x | 25.1x | 36.8x |
| Mean  | 2.1x | 8.2x  | 12.4x | 10.7x | 14.2x |
| Low   | 1.2x | 5.7x  | 7.9x  | 1.0x  | 3.7x  |

## Public Market Valuation Analysis of Selected Companies in the NEAR EARTH TELECOM INDEX

| (\$ in millions, except per share data)                    |                              | Stock Price:           | Enterprise Value as a Multiple of: |             |            | Price as a Multiple of: |         |               |               |       |
|--|------------------------------|------------------------|------------------------------------|-------------|------------|-------------------------|---------|---------------|---------------|-------|
| Company  | 4/28/08                      | Market Value of Equity | Enterprise Value (a)               | LTM Sales   | LTM EBITDA | LTM EBIT                | LTM EPS | 2008E EPS (b) | 2009E EPS (b) |       |
| <b>Satellite Capacity Leasing (FSS)</b>                    |                              |                        |                                    |             |            |                         |         |               |               |       |
| LORL   | Loral Space & Comm. Inc.     | \$ 21.98               | \$540.7                            | \$760.1     | 0.9x       | 15.2x                   | n/m     | n/m           | n/m           | n/m   |
| ETL.PA   | Eutelsat Communications      | \$ 18.56               | \$6,329.3                          | \$9,916.7   | 7.5x       | 9.3x                    | 16.8x   | 21.9x         | 23.5x         | 20.6x |
| SESG.PA  | SES Global S.A. (c)          | \$ 24.02               | \$10,662.6                         | \$15,738.8  | 6.2x       | 9.2x                    | 16.3x   | 16.7x         | 25.8x         | 25.4x |
|  | Mean                         |                        |                                    |             | 4.9x       | 11.2x                   | 16.5x   | 19.3x         | 24.7x         | 23.0x |
| <b>Satellite Equipment Manufacturers &amp; Integrators</b> |                              |                        |                                    |             |            |                         |         |               |               |       |
| SATS   | EchoStar Corp.               | \$ 29.75               | \$2,682.5                          | \$2,163.1   | 1.4x       | n/m                     | n/m     | n/m           | 28.9x         | 27.8x |
| HUGH   | Hughes Communications, Inc.  | \$ 54.00               | \$1,038.1                          | \$1,589.9   | 1.6x       | 12.3x                   | 19.0x   | 23.8x         | 31.0x         | 18.8x |
| ISYS   | Integral Systems Inc.        | \$ 31.45               | \$295.1                            | \$268.9     | 1.9x       | 28.2x                   | 39.4x   | n/m           | 30.0x         | 21.0x |
| GILT   | Gilat Satellite Networks     | \$ 10.70               | \$444.9                            | \$316.9     | 1.1x       | 9.0x                    | 18.2x   | 19.9x         | 18.1x         | 17.3x |
| GCOM   | GlobeComm Systems Inc.       | \$ 9.02                | \$178.6                            | \$129.9     | 0.7x       | 7.9x                    | 11.2x   | 14.4x         | 12.9x         | 15.0x |
| VSAT   | ViaSat Inc.                  | \$ 22.00               | \$710.8                            | \$580.0     | 1.0x       | 7.5x                    | 14.7x   | 21.8x         | 15.9x         | 13.9x |
| ORB  | Orbital Sciences             | \$ 27.60               | \$1,683.8                          | \$1,595.3   | 1.5x       | 15.4x                   | 18.5x   | 29.7x         | 31.0x         | 25.8x |
| RADN   | Radyne Comstream Inc.        | \$ 7.52                | \$143.1                            | \$118.3     | 0.8x       | 6.6x                    | 8.3x    | 13.9x         | 11.9x         | 11.6x |
| CMTL   | Comtech Telecommunications   | \$ 39.92               | \$1,128.0                          | \$892.0     | 1.8x       | 8.0x                    | 8.9x    | 14.8x         | 15.0x         | 13.7x |
| CDV  | COM DEV International (d)    | \$ 3.41                | \$232.2                            | \$228.0     | 1.4x       | 20.9x                   | n/m     | 31.0x         | 13.9x         | 8.9x  |
|  | Mean                         |                        |                                    |             | 1.3x       | 12.9x                   | 17.3x   | 21.2x         | 20.0x         | 16.2x |
| <b>Towers</b>  |                              |                        |                                    |             |            |                         |         |               |               |       |
| AMT  | American Tower               | \$ 43.58               | \$18,568.5                         | \$26,162.7  | 18.0x      | 29.0x                   | n/m     | n/m           | n/m           | n/m   |
| CCI  | Crown Castle                 | \$ 39.20               | \$10,973.5                         | \$17,281.3  | 12.5x      | 23.7x                   | n/m     | n/m           | n/m           | n/m   |
| SBAC   | SBA Communications           | \$ 33.15               | \$3,472.2                          | \$5,307.0   | 13.0x      | 26.6x                   | n/m     | n/m           | n/m           | n/m   |
|  | Mean                         |                        |                                    |             | 14.5x      | 26.4x                   |         |               |               |       |
| <b>General Telecom</b>                                     |                              |                        |                                    |             |            |                         |         |               |               |       |
| T  | AT&T                         | \$ 38.58               | \$219,268.8                        | \$281,413.8 | 2.4x       | 6.7x                    | 13.8x   | 18.3x         | 11.4x         | 10.2x |
| VZ   | Verizon Communications, Inc. | \$ 37.04               | \$106,675.4                        | \$168,967.4 | 1.8x       | 5.6x                    | 10.8x   | 19.4x         | 13.8x         | 12.5x |
| S  | Sprint Nextel Corporation    | \$ 7.91                | \$22,622.6                         | \$42,312.6  | 1.1x       | 4.3x                    | n/m     | n/m           | n/m           | n/m   |
|  | Mean                         |                        |                                    |             | 1.7x       | 5.5x                    | 12.3x   | 18.9x         | 12.6x         | 11.3x |

| TELECOM SERVICES INDEX (excludes Towers stocks) |      |       |       |       |       |
|---|------|-------|-------|-------|-------|
| High  | 7.5x | 28.2x | 39.4x | 31.0x | 27.8x |
| Mean  | 1.6x | 8.4x  | 11.0x | 18.2x | 14.0x |
| Low   | 0.7x | 4.3x  | 8.3x  | 13.9x | 8.9x  |

(b) EPS estimates from Thompson First Call. Near Earth does not estimate EPS and does not condone or validate these estimates.

(c) Converted to US \$ from Euro at an exchange rate of 1.56384 US \$ per Euro.

(d) Converted to US \$ from C\$ at an exchange rate of 0.985168 US \$ per C\$.

(f) Converted to US \$ from British Pound at an exchange rate of 1.99121 US \$ per British Pound.

n/m Not Meaningful.

Member of NEAR EARTH SATELLITE INDEX

# NEAR EARTH ANALYSIS: M&A TRANSACTIONS

## Selected Satellite, Telecom & Media Transactions

(US\$ in millions)

| Date Announced                      | Acquiror                  | Target                                 | Equity Value (a) | Transaction Value (b) | Transaction Value/ |            |  |
|-------------------------------------|---------------------------|--|------------------|-----------------------|--------------------|------------|--|
|                                     |                           |  |                  |                       | LTM Sales          | LTM EBITDA |  |
| <b>Satellite Operators</b>          |                           |  |                  |                       |                    |            |  |
| 04/21/04                            | KKR                       | PanAmSat Corporation                   | \$3,532.0        | \$4,300.0             | 5.2x               | 7.7x       |  |
| 06/06/04                            | Blackstone Group          | New Skies Satellites NV                | 956.0            | 956.0                 | 4.5x               | 7.7x       |  |
| 08/17/04                            | Zeus Holdings             | Intelsat Ltd.                          | 3,100.0          | 5,000.0               | 5.2x               | 7.6x       |  |
| 08/29/05                            | Intelsat Ltd.             | PanAmSat Holding Corporation           | 3,065.0          | 6,271.1               | 7.5x               | 9.7x       |  |
| 12/14/05                            | SES Global                | New Skies Satellites NV                | 760.0            | 1,160.0               | 5.0x               | 8.0x       |  |
| 12/05/06                            | Abertis Telecom           | EutelSat (32% share)                   | 1,000.0          | 1,838.0               | 7.3x               | 9.7x       |  |
| 12/18/06                            | Telesat (new)             | Telesat (old)                          | 2,800.0          | 2,940.0               | 7.1x               | 12.0x      |  |
| 12/18/06                            | Telesat (new)             | Loral Skynet                           | 691.0            | 1,050.0               | 7.1x               | 19.6x      |  |
|                                     |                           |  |                  | Mean                  | 6.1x               | 10.3x      |  |
| <b>Ground Equipment</b>             |                           |  |                  |                       |                    |            |  |
| 12/06/04                            | SkyTerra / Apollo         | HNS (Hughes' VSAT, Broadband)          | \$110.0          | \$415.0               | 0.8x               | n/d        |  |
| 03/03/05                            | Radyne Comstream          | Xicom Technology                       | 41.0             | 46.0                  | 1.1x               | n/d        |  |
| 08/15/05                            | Stratos                   | Xantic                                 | 191.0            | 191.0                 | 1.1x               | n/d        |  |
| 11/11/05                            | SkyTerra / Apollo         | HNS (Hughes' VSAT, Broadband)          | 155.0            | 460.0                 | 0.8x               | n/d        |  |
| 11/21/05                            | Viasat                    | Efficient Channel Coding Inc.          | 25.5             | 25.5                  | n/d                | n/d        |  |
| 08/03/06                            | Thrane & Thrane           | Nera's Mobile Satellite Communications | 89.6             | 89.6                  | 1.1x               | n/d        |  |
|                                     |                           |  |                  | Mean                  | 1.0x               | n/d        |  |
| <b>System Integrators</b>           |                           |  |                  |                       |                    |            |  |
| 05/03/07                            | Globecomm                 | GlobalSat                              | 18.4             | 18.4                  | 0.9x               | n/d        |  |
|                                     |                           |  |                  | Mean                  | 0.9x               | n/d        |  |
| <b>Video Distribution Equipment</b> |                           |  |                  |                       |                    |            |  |
| 09/29/05                            | International Datacasting | Proflin (c )                           | 4.5              | 3.9                   | 1.1x               | n/d        |  |
| 11/18/05                            | Cisco                     | Scientific Atlanta                     | 6,900.0          | 5,300.0               | 2.7x               | 13.2x      |  |
| 02/08/06                            | Tandberg Television       | Skystream                              | 80.0             | 80.0                  | 2.6x               | n/d        |  |
| 07/25/06                            | Motorola                  | Broadbus Technologies                  | 181.0            | 181.0                 | n/d                | n/d        |  |
| 08/21/06                            | Cisco                     | Arroyo Video Solutions, Inc            | 92.0             | 92.0                  | n/d                | n/d        |  |
| 08/22/06                            | Harmonic                  | Entone Tech.                           | 45.0             | 45.0                  | n/d                | n/d        |  |
| 12/21/06                            | Motorola                  | Tut Systems                            | 39.0             | 39.0                  | 1.0x               | n/d        |  |
|                                     |                           |  |                  | Mean                  | 1.9x               | 13.2x      |  |
| <b>Towers</b>                       |                           |  |                  |                       |                    |            |  |
| 07/04/04                            | Global Signal             | Lattice Communications                 | \$115.0          | \$115.0               | 9.4x               | n/d        |  |
| 05/04/05                            | American Tower            | Spectrasite                            | 3,100.0          | 3,800.0               | 10.2x              | 17.0x      |  |
| 03/17/06                            | Crown Castle              | Trintel Communications                 | 145.0            | 145.0                 | 10.1x              | n/d        |  |
| 03/17/06                            | SBA Communications Corp   | AAT Communications Corp                | 1,002.0          | 1,002.0               | 12.0x              | 17.9x      |  |
| 05/08/06                            | Crown Castle              | Mountain Union Telecom LLC             |                  | 309.0                 | 11.9x              | n/d        |  |
| 10/06/06                            | Crown Castle              | Global Signal                          | 4,000.0          | 5,800.0               | 12.1x              | 26.6x      |  |
|                                     |                           |  |                  | Mean                  | 10.9x              | 20.5x      |  |
| <b>General Telecom (Wireless)</b>   |                           |  |                  |                       |                    |            |  |
| 02/17/04                            | Cingular                  | AT&T Wireless                          | \$40,770.0       | \$47,105.0            | 2.8x               | 10.7x      |  |
| 12/15/04                            | Sprint Corp               | Nextel Communications Inc              | 28,449.0         | 36,200.0              | 2.7x               | 7.1x       |  |
| 01/05/05                            | Alltel                    | Western Wireless                       | 4,300.0          | 6,181.0               | 3.2x               | 10.7x      |  |
| 07/01/05                            | Sprint Nextel Corporation | US Unwired, Inc.                       | 1,000.0          | 1,266.0               | 2.9x               | 13.2x      |  |
| 03/06/06                            | AT&T (new)                | Bell South                             | 67,000.0         | 89,000.0              | 4.3x               | 10.7x      |  |
|                                     |                           |  |                  | Mean                  | 3.2x               | 10.5x      |  |
| <b>Television</b>                   |                           |  |                  |                       |                    |            |  |
| 03/31/05                            | Lin TV Corp.              | WNDY-TV, WWHO-TV                       | \$85.0           | \$85.0                | 4.3x               | 12.9x      |  |
| 05/10/05                            | Various Acquirors (d)     | Emmis Comm TV Portfolio                | 1,350.0          | 1,350.0               | 5.2x               | 14.6x      |  |
| 06/30/05                            | Univision Communications  | WLII (2 TV Stations in Puerto Rico)    | 190.0            | 190.0                 | 4.0x               | 16.7x      |  |
| 03/29/07                            | Umbrella Holdings LLC     | Univision Communications               | 12,300.0         | 13,700.0              | 6.3x               | 18.1x      |  |
|                                     |                           |  |                  | Mean                  | 4.9x               | 15.6x      |  |
| <b>Radio</b>                        |                           |  |                  |                       |                    |            |  |
| 09/29/04                            | Capital Radio             | GWR Group                              | \$611.0          | \$728.0               | 3.1x               | 13.4x      |  |
| 06/21/05                            | Emap PLC                  | Scottish Radio Holdings                | 713.0            | 793.0                 | 4.5x               | 17.7x      |  |
| 11/01/05                            | Cumulus Media Inc.        | Susquehanna Radio                      | 1,200.0          | 1,200.0               | n/d                | 15.0x      |  |
| 02/07/06                            | Citadel Broadcasting      | Disney (ABC Radio)                     | 1,500.0          | 2,700.0               | 4.7x               | 13.5x      |  |
|                                     |                           |  |                  | Mean                  | 4.1x               | 14.9x      |  |
| <b>New Media</b>                    |                           |  |                  |                       |                    |            |  |
| 02/17/05                            | New York Times            | About, Inc                             | 410.0            | 410.0                 | 10.0x              | 30.0x      |  |
| 03/21/05                            | IAC                       | AskJeeves                              | 1,850.0          | 1,850.0               | 5.8x               | 19.0x      |  |
| 06/06/05                            | E.W.Scripps Co.           | Shopzilla Inc.                         | 525.0            | 525.0                 | 4.0x               | 15.9x      |  |
| 07/18/05                            | News Corp.                | Intermix (MySpace.com)                 | 580.0            | 571.0                 | 6.4x               | n/m        |  |
| 3/6/2006                            | NBC Universal             | iVillage Inc.                          | 600.0            | 550.0                 | 6.0x               | 32.4x      |  |
| 3/15/2007                           | Cisco                     | WebEx                                  | 2,900.0          | 2,900.0               | 7.6                | 29.3       |  |
|                                     |                           |  |                  | Mean                  | 6.0x               | 22.7x      |  |

(a) When Equity Value was not disclosed, Transaction Value was used

(b) Calculated as Value of Equity plus interest bearing liabilities and preferred stock, less cash & equivalents

(c) Values reflect closing figures. Converted at 1.1757 C\$ per US\$

(d) Transaction includes the divestiture of Emmis' TV portfolio to: Lin TV (\$260M), Journal Comm (\$235M), Gray (\$186M), Blackstone (\$259M)

It also includes estimated transaction value of \$410M for the final sale of 3 TV stations. This is predicted to occur sometime in 2005.

n/d Not Disclosed

n/m Not Meaningful

## **ABOUT NEAR EARTH LLC**

Near Earth is a specialized Investment Bank which brings the highest quality senior level attention to companies in the greater commercial satellite/space, telecom, media, entertainment, and technology industries.

Near Earth provides a full range of capital raising, advisory and consulting services to companies and their Boards. We also provide financial advisory services, valuation, structuring, and due diligence support to private equity, hedge and distressed debt funds. Please contact us if you would like our assistance with a contemplated satellite, telecom or media investment or portfolio divestment.

### ***Featured Transaction***



Slacker, Inc.

Financial and Strategic Analysis

Near Earth LLC provided in-depth  
valuation and industry analysis  
April 2008

For more information about our current assignments or about Near Earth LLC, please visit our website at [www.nearearthllc.com](http://www.nearearthllc.com) or contact us at our location below:

#### **Headquarters**

**380 Lexington Avenue, 17th Floor  
New York, NY 10168  
Telephone (212) 551-7960**

## **Granahan McCourt Acquisition Corporation to Merge with Pro Brand International, Inc.**

### **Highlights**

- **Designer and developer of advanced antenna and RF systems for the satellite industry**
- **Initial consideration of \$75.0 million includes \$55 million of cash and \$20 million of stock, plus earnout contingent on performance through 2010**
- **Granahan McCourt team adds many years of operating and strategic experience and key relationships with companies in Europe, Latin America and Asia, strengthening growth opportunities**
- **2007 revenue, EBITDA and net income were \$132.0 million, \$14.6 million, and \$8.7 million, respectively**
- **Blue chip customer base including leading North American DBS operators**
- **Multi-pronged growth strategy including further rollout of new products to existing customers, geographic expansion, expansion into related verticals, and pursuit of acquisition opportunities in fragmented market**
- **Lower P/E, enterprise value to EBITDA, and enterprise value to revenue than publicly-traded comparables**

New York, NY, April 30, 2008 – Granahan McCourt Acquisition Corp. (AMEX: GHN, GHN.U, GHN.WS) (“Granahan McCourt”) announced today that it has entered into a definitive merger agreement with privately-held Pro Brand International, Inc. (“PBI”), a leading designer and developer of advanced antenna and RF systems for the satellite industry, primarily serving Direct Broadcast Satellite (“DBS”) operators.

PBI’s current management team will remain in place to run the business following consummation of the acquisition. Mr. David McCourt will remain Chairman of the Board of Granahan McCourt. It is anticipated that, upon consummation of the acquisition, Granahan McCourt will change its name to “Pro Brand International, Inc.”

David McCourt, President, CEO and Chairman of the Board of Granahan McCourt, stated, “PBI has built a strong business in the high-growth DBS satellite sector and is well positioned to continue to gain market share going forward. A terrific engineering design and development team with, in my view, some of the most sophisticated satellite equipment and RF design experience in the industry, combined with a proven track record in the space, creates a solid foundation to pursue meaningful growth opportunities. In addition to providing capital and a public currency, we have partnered with PBI’s existing team to create a multi-pronged growth strategy for this new platform. We will be focused on executing international expansion, leveraging PBI’s design capabilities into adjacent verticals, rolling out additional products, and pursuing attractive acquisition opportunities in a fragmented industry.”

Mr. Philip Shou, Chief Executive Officer of Pro Brand, added, “We are very excited to be partnering with Granahan McCourt, as we believe their extensive operating experience, combined with the strategy we have developed over the past six months with the Granahan McCourt team, will take our company to the next level.”

### **Overview of the Business**

Founded in 1983 and headquartered in Marietta, Georgia, PBI is a leading designer and developer of advanced antenna and RF systems for the satellite sector, primarily serving DBS providers. PBI serves operators such as DIRECTV and EchoStar's Dish Network in the U.S., Star Choice in Canada and others in the DBS space, and its engineering team has extensive expertise in related verticals such as Very Small Aperture Terminals ("VSATs").

PBI leverages its advanced R&D labs and in-house engineering team to design complete end-to-end solutions for satellite antenna systems. PBI and Granahan McCourt have developed a multi-pronged strategy which they believe will enhance PBI's already-strong growth. PBI expects to be able to continue to bring to market leading-edge solutions to its existing and new customers and PBI's engineering excellence, advanced facilities and existing products and expertise provide many of the capabilities needed to address adjacent and growing markets such as VSAT. In addition, PBI has focused principally on the US and anticipates that the combination with Granahan McCourt will help identify and execute key geographic expansion opportunities. This, together with opportunities for consolidation of the satellite equipment sector, which is a fragmented market, provides meaningful opportunities for further growth in revenue and net income.

### **Summary of the Transaction**

Under the terms of the merger agreement, Granahan McCourt will acquire PBI for an aggregate purchase price of \$75.0 million, of which \$20.0 million will be paid in Granahan McCourt common stock, together with contingent earnout payments in 2009, 2010, and 2011 if PBI meets certain performance targets. Most of the common shares issued to PBI in connection with the transaction will be restricted from sale, hedge or pledge for up to six months following the closing pursuant to a standard lockup. Granahan McCourt will fund the acquisition with cash that is currently held in trust together with new shares to be issued.

The transaction is currently expected to close in the third or fourth quarter of 2008. The closing of the transaction is subject to customary closing conditions, including approval of the acquisition agreement by the stockholders of Granahan McCourt. In addition, the closing is conditioned on holders of less than 20% of the shares of Granahan McCourt common stock voting against the acquisition and electing to convert their Granahan McCourt common stock into cash, as permitted by the Granahan McCourt certificate of incorporation.

### **PBI Historical Financial Highlights and 2008 Outlook**

In fiscal 2007, total revenues were \$132.0 million, a 47% increase from \$89.6 million in fiscal 2006. EBITDA in fiscal 2007 was \$14.6 million, or 11% of revenues, a 79% increase from \$8.1 million, or 9% of revenues, in fiscal 2006. Net income in 2007 was \$8.7 million, an 86% increase from \$4.7 million in 2006. PBI has no long term debt and no preferred stock.

Based on current business trends, total revenues in 2008 are expected to be approximately \$160.0 million, EBITDA approximately \$18.0 million and net income approximately \$11.0 million. 2008 revenue, EBITDA and net income guidance does not include any potential acquisitions.

### **Conference Call Information**

Granahan McCourt will host a conference call to discuss the transaction at 10:00 a.m. Eastern Time tomorrow, May 1, 2008. Investors may listen to the call via telephone by dialing (800) 762-9439 (pass code 3875558), or for international callers, (480) 629-9041. A telephone replay will be available shortly after the call and can be accessed by dialing (800) 406-7325 (pass code 3875558), or for international callers, (303) 590-3030. The replay will be available until May 15, 2008, at 11:59 p.m. Eastern Time. The audio presentation and presentation slides will be webcast live and may be accessed by visiting the GMAC section of the Granahan McCourt website at [www.granahanmccourt.com](http://www.granahanmccourt.com).

## **About Granahan McCourt Acquisition Corporation**

Granahan McCourt Acquisition Corporation is a blank check company organized on July 10, 2006 for the purpose of acquiring one or more assets or operating businesses in the telecommunications and media industries through a merger, capital stock exchange, asset or stock acquisition or other similar business combination. Granahan McCourt Acquisition Corporation does not have significant operations.

Investor Relations Contact:

Erach Desai  
Integrated Corporate Relations  
617-956-6732

## **Use of Non-GAAP Financial Information**

This press release includes a presentation of EBITDA, which is a non-GAAP financial measure within the meaning of Regulation G promulgated by the SEC. Granahan McCourt and PBI believe that the presentation of EBITDA, or earnings before interest, taxes, depreciation and amortization, serves to enhance the understanding of PBI's financial performance and helps indicate the ability of PBI's assets to generate cash sufficient to meet capital expenditure and working capital requirements and otherwise meet its obligations as they become due. We have included a reconciliation of EBITDA to PBI's net income calculated in accordance with GAAP in the accompanying tables. However, EBITDA should be considered in addition to and not as substitutes for, or superior to financial measures of financial performance prepared in accordance with GAAP. PBI's calculation of EBITDA may not be comparable to similarly titled measures reported by other companies.

## **Forward-Looking Statements**

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "continue," or the negative of such terms or other similar expressions. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other Securities and Exchange Commission filings, including the Form 10-K for the period ended December 31, 2007. These risks and uncertainties also include risks and uncertainties regarding PBI, including, among other things, changes in demand for PBI's products, PBI's dependence on significant customers, the lack of long-term contracts governing PBI's customer and supplier relationships, PBI's ability to retain its management and key personnel, PBI's ability to adequately protect its intellectual property and its technologies, competition in PBI's markets, competitive pricing and continued pricing pressures in the DBS market, supplier constraints, the introduction of new products and services by competitors, the ability of PBI to manage costs and maintain production volumes, conditions in PBI's industry and economic conditions generally, PBI's ability to develop and market new technologies in a competitively advantageous manner, and PBI's success at integrating acquired businesses.

## **Additional Information and Where to Find It**

In connection with the proposed merger and required stockholder approval, Granahan McCourt will file with the SEC a proxy statement which will be mailed to the stockholders of Granahan

McCourt. Granahan McCourt's stockholders are urged to read the proxy statement and other relevant materials when they become available as they will contain important information about the merger with PBI. Granahan McCourt's stockholders will be able to obtain a free copy of such filings at the Securities and Exchange Commission's internet site (<http://www.sec.gov>). Copies of such filings can also be obtained, without charge, by directing a request to Granahan McCourt, 179 Stony Brook Road, Hopewell, NJ 08525.

Granahan McCourt and its officers and directors may be deemed to have participated in the solicitation of proxies from Granahan McCourt's stockholders in favor of the approval of the merger. Information concerning Granahan McCourt's directors and executive officers is set forth in the publicly filed documents of Granahan McCourt. Stockholders may obtain more detailed information regarding the direct and indirect interests of Granahan McCourt and its directors and executive officers in the merger by reading the preliminary and definitive proxy statements regarding the merger, which will be filed with the SEC.

**Pro Brand International, Inc. and Subsidiary  
Consolidated Statements of Income**

**YEARS ENDED DECEMBER 31,**

|  | <u>2007</u>         | <u>2006</u>         |
|--|---------------------|---------------------|
| REVENUES                                 | \$ 131,991,807      | \$ 89,626,360       |
| COST OF GOODS SOLD                       | <u>111,223,276</u>  | <u>74,060,923</u>   |
| GROSS PROFIT                             | <u>20,768,531</u>   | <u>15,565,437</u>   |
| OPERATING EXPENSES:                      |                     |                     |
| Selling                                  | 969,089             | 521,883             |
| General and administrative               | <u>6,849,232</u>    | <u>6,233,948</u>    |
|  | <u>7,818,321</u>    | <u>6,755,831</u>    |
| INCOME FROM OPERATIONS                   | <u>12,950,210</u>   | <u>8,809,606</u>    |
| OTHER INCOME (EXPENSE):                  |                     |                     |
| Interest expense                         | (240,642)           | (207,750)           |
| Loss from settlement with customer       | -                   | (2,170,000)         |
| Gain on settlement with supplier         | 800,000             | -                   |
| Gain (loss) on sale of investments       | (183,034)           | -                   |
| Loss from sale of fixed assets           | (20,857)            | -                   |
| Interest income                          | 29,852              | 77,990              |
| Other income                             | <u>277,649</u>      | <u>706,464</u>      |
|  | <u>662,968</u>      | <u>(1,593,296)</u>  |
| INCOME BEFORE PROVISION FOR INCOME TAXES | 13,613,178          | 7,216,310           |
| PROVISION FOR INCOME TAXES               | <u>4,871,106</u>    | <u>2,519,330</u>    |
| NET INCOME                               | <u>\$ 8,742,072</u> | <u>\$ 4,696,980</u> |

**Pro Brand International, Inc. and Subsidiary**  
**Historical EBITDA Reconciliation**

YEARS ENDED DECEMBER 31,

|                                   | <u>2007</u>          | <u>2006</u>         |
|-----------------------------------|----------------------|---------------------|
| <b>EBITDA Calculation:</b>        |                      |                     |
| Net Income                        | \$ 8,742,072         | \$ 4,696,980        |
| Plus: Depreciation & Amortization | 766,221              | 798,161             |
| Plus: Net Interest Expense        | 210,790              | 129,760             |
| Plus: Taxes                       | 4,871,106            | 2,519,330           |
| <b>EBITDA</b>                     | <b>\$ 14,590,189</b> | <b>\$ 8,144,231</b> |

## IMPORTANT DISCLOSURES AND INFORMATION ABOUT THE USE OF THIS DOCUMENT:

Near Earth, LLC ("Near Earth") has published this report solely for informational purposes. The report is aimed at institutional investors and investment professionals, and satellite, media and telecom industry professionals. This report is not to be construed as a recommendation or solicitation to buy or sell securities. The report was written without regard for the investment objectives, financial situation, or particular needs of any specific recipient, and it should not be regarded by recipients as a substitute for the exercise of their own judgment. The content contained herein is based on information obtained from sources believed to be reliable, but is not guaranteed as being accurate, nor is it a complete statement or summary of any of the markets or developments mentioned.

The authors of this report are employees of Near Earth, LLC, which is a member of FINRA. The opinions expressed in this report accurately reflect the personal views of the authors but do not necessarily reflect the opinions of Near Earth itself or its other officers, directors, or employees.

The portions of this report produced by non-Near Earth employees are provided simply as an accommodation to readers. Near Earth is under no obligation to confirm the accuracy of statements written by others and reproduced within this report.

Near Earth and/or its directors, officers and employees may have, or have had, interests in the securities or other investment opportunities related to the companies or industries discussed herein. Employees and/or directors of Near Earth may serve or have served as officers or directors of companies mentioned in the report. Near Earth does, and seeks to do, business with companies mentioned in this report. As a result, Near Earth may have conflicts of interest that could affect the objectivity of this report.

This report is subject to change without notice and Near Earth assumes no responsibility to update or keep current the information contained herein.

Near Earth accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this report.

No part of this report may be reproduced or distributed in any manner, via the Internet or otherwise, without the specific written permission of Near Earth. Near Earth accepts no liability whatsoever for the actions of third parties in this respect.