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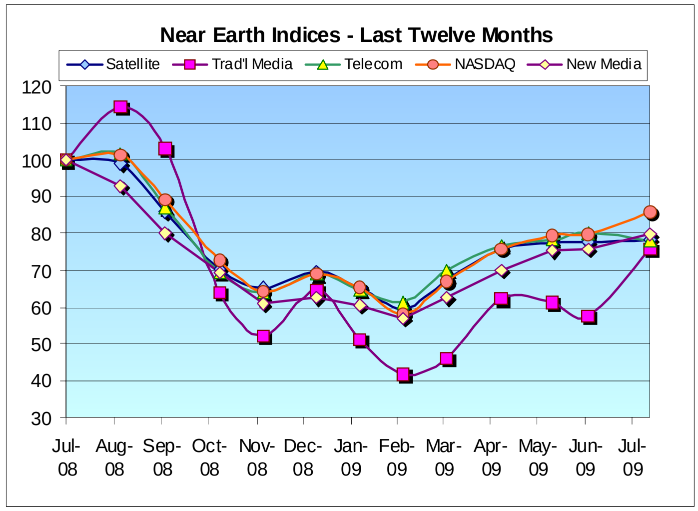
SPECIALISTS IN SATELLITE, MEDIA AND TELECOM INVESTMENT BANKING

FROM THE GROUND UP

August 2009

Inside this Issue:



See page 9 and 10 for details on index components

THE WAY WE SEE IT…

Satellite:

Virgin Galactic sold a 32% stake (and certain marketing rights) for $280 million to **Aabar Investments** of Abu Dhabi; additional strong evidence of growing financial support from institutional investors for this emerging industry. With this very real validation of investor demand, we expect other nascent efforts such as **XCOR Aerospace** will garner added attention, and perhaps capital. FCC grants a permanent operating license to **Row 44** for its in-flight WiFi service. **Protostar** sought bankruptcy protection and put its assets up for sale as its customers deserted it due to licensing issues. We expect investors will allocate additional attention to getting regulatory ducks in a row before funding additional projects like this – and that **Protostar's** assets will wind up with one of the larger players a little earlier than expected…

Telecom:

Sprint announced an acquisition of **Virgin Mobile** for $483 million in stock, continuing consolidation in the mobile sector. As we note elsewhere in this issue, this could be more than a simple vertical integration play, however. Elsewhere in wireless, low cost leaders **Leap Wireless** and **MetroPCS** both had their stock prices hit the skids after reporting disappointing earnings. While this may reflect short term competitive pressure, as our above referenced article notes their expanding customer bases may have additional value. **Spectrum Bridge** announced that its SpecEx license brokerage service had facilitated $8 million in transactions in the second quarter. While a fairly small number, we believe the transparency SpecEx is bringing to the market for license assets is revolutionary and over time will have a major impact on the market and increase utilization of these assets for the public good.

Media:

The long awaited deal between **Microsoft** and **Yahoo!** is finally announced. The 10 year deal puts **Microsoft's** new search engine, Bing, in front of **Yahoo!** users in return for a split of the ad commissions. No advances were part of the deal. Given the direction of each company's stock since the announcement, it seems Microsoft got the better part of this deal… On the defensive is search king **Google**, which is now staring straight at a rival with 28 percent of the search market. In late breaking news, **Facebook** acquires social aggregator **FriendFeed**, accelerating the social network's efforts to make it look and feel more like rival **Twitter**…

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Being part of an investment banking boutique focused on small mergers and acquisitions provides an interesting view on today's marketplace for strategic transactions. These smaller deals (defined here as between $10 million and $100 million in value) generally get very little attention from the major banks and financial institutions or from the financial press. The fee potential for Wall Street and the impact on industry sectors have typically been too low to be of much interest. However, these smaller deals have always represented the vast majority of the number of transactions consummated and can be a good indicator of the vitality and innovation occurring in our economy as well as buyer confidence in the future, seller receptivity to market valuations and the availability of credit (both for distressed sellers and eager buyers).

…there comes a time when a small firm realizes it needs greater size, higher efficiencies and broader distribution to grow and compete outside of its original niche …

Most of these small deals represent financial exits by entrepreneurs and their backers and the next step in their corporate evolutions. In general, there comes a time when a small firm realizes it needs greater size, higher efficiencies and broader distribution to grow and compete outside of its original niche. In an economy like today's, the advantages of scale are even more important as subscale companies seek improved access to credit and less nervous customers. In addition, with increasing taxes and regulation likely in the near term, having the scale to spread such overhead costs should become increasingly important.

…Media & Entertainment and Telecom represent 12.5% and 7.9%, respectively, of deal activity year to date by deal value. This is strong performance … but in a very dismal year …

So if small M&A deal flow is a good barometer of the economy, where are we exactly? In the last ten years, the number of small deals has gone from a low of 4,004 in the post-Internet/telecom bubble recession year of 2002, to a high of 7,294 in the nirvana LBO deal year of 2007, to a dismal 1,597 deals year to date[1] (2,626 on an annualized basis). The current deal rate when annualized is roughly two-thirds of the rate of the worst year in the last decade and roughly a third of the peak year 2007 rate. The impact has been even greater on larger acquisitions which are at only roughly one fifth of their 2007 peak rate due to the lack of credit for large acquisitions. If one excludes hot sectors like healthcare, energy, and metals/mining the view looks even bleaker. These three sectors alone represent 48.1% of globally announced deals year to date by deal value. Our industries of focus, Media & Entertainment and Telecommunications, however represent 12.5% and 7.9%, respectively, of deal activity year to date by deal value. This is a strong performance relative to other industries, but in a very dismal year.

It should also be noted that while year to date announcements are still paltry by historical standards the activity has in fact picked up considerably from the first quarter of 2009 where the annualized rate was less than half

[1] Thomson Financial, announced transactions globally between $10 - $100 million

that of 2002. The recent pronounced uptick in the public equity markets is clearly having a positive effect.

Deal Size	10-Yr Low 2002	10-Yr Hi 2007	Annualized 2009 YTD	2009 YTD vs. 2002	2009 YTD Vs. 2007
$10-$100 Million	4,004	7,294	2,626	66%	36%
$100-$500 Million	1,540	2,879	932	61%	32%
$500 - $1 Billion	295	706	191	65%	27%
Over $1 Billion	322	861	179	56%	21%

… We believe there are many small companies and Boards of Directors searching for safe havens in these challenging times, a nice comfortable home at a stable parent company …

So, what do we expect going forward? We believe there are many small companies and Boards of Directors searching for safe havens in these challenging times, a nice comfortable home at a stable parent company, but have previously been turned off by the abysmal equity valuations. Many of these small firms are finding growth and even working capital hard to fund. Interest rates remain low, but banks continue to shepherd capital for their larger and safer clients. Many smaller firms have thus been all but abandoned by their banks with liquidity and even solvency a growing risk. As a result of the economy and this lack of credit, the one booming area of M&A, as reported in today's Wall Street Journal, is distressed takeovers, with $84.4 billion worth of deals to date or roughly double the rate of 2008.

As we bounce off this recessionary bottom and hopefully sustain a rally, some of the pressures to sale or merge may diminish, but the ultimate need to seek scale and financial exits will not go away. If not for absolute economic survival, prudence will suggest to many smaller firms that they at least be open to inquiries from suitors. With those inquiries increasingly, if still slowly, being based on improving valuations, we would expect the rate of M&A deal announcements to continue to accelerate, especially for the smaller and easily financed deal sizes.

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One might also expect that the larger strategic buyers, having suffered major hits to their growth, profitability and stock prices, would be eager buyers at these lower valuations. If your investors, and in fact your entire corporate structure, is based on growing at say 6% and you are now growing at 2%, or not at all, there is only one sure fire way to quickly boost growth and that is by acquisitions. This assumes, of course, that the larger companies have the cash and/or borrowing capacity to consummate deals. In fact, quite a few of the larger companies, such as Apple, Cisco, Google and TimeWarner have very strong balance sheets and plenty of cash for acquisitions. Some have even issued debt or equity for the purpose of building acquisition war chests. There are also several private equity firms sitting on billions of recently raised funds very focused on exploiting these valuations. From our perspective, this "side line" cash and growth imperative have led to a lot of window shopping this year by the better positioned strategic and financial buyers.

… why not more deal flow? The answer is two fold: valuation expectations and fundamental performance.…

So, if the buyers are looking and the sellers are at least talking, why not more deal flow? The answer is two fold: valuation expectations and fundamental performance. It is only natural that the founders, investors and management of small companies would be reluctant to sell when there is “blood in the street”, but now that the blood letting is abating and the street sweepers are out, the valuation gap between buyers and sellers should continue to close. Of course if the recent improvement in equity values sharply reverses itself all bets could be off, but for now the valuation news is moving in the right direction for sellers and still attractive to buyers versus historical multiples. All else being equal, this should result in continued increases in announced deal flow.

The other factor effecting buyer appetite is the financial performance of the target. In a recession, the target’s financial performance will most likely have taken a hit and perhaps a meaningful one given the lack of scale and credit mentioned above. While easily accretive transactions are the holy grail for buyers, there has also been a sort of carpe diem interest in taking advantage of this market dislocation to gain market share and add key technologies, customers and people. Still, the underlying business has to prove sustainable and a true value to its core customer base, but with that value proposition established and some judicious pro forma adjustments for revenue synergies and cost savings, deals are starting to come together. As Dan Flatley, a banking partner of mine years ago, use to remind clients in tough markets “You can't always get what you want, but if you try sometime, you just might find… you get what you need!” (the Rolling Stones). For buyers, I would also add the advice of Rahm Emanuel: "You never want a serious crisis to go to waste.”

… “You can't always get what you want, but if you try sometime, you just might find… you get what you need!”.…

If more buyers and sellers follow this advice, as we think they will, years from now we would expect the corporate and financial worlds to look back on the 2009 vintage deals as having generated particularly strong corporate franchises and above average investor returns.

“Deal” or “No Deal”? we say “Deal”!

By Hoyt Davidson
Near Earth LLC

Verizon Wireless, member FDIC

While you haven't seen this just yet, this tongue in cheek title for my article this month helps illustrate what we view to be a often overlooked component of valuation for the mobile wireless firms. While analysts pore over ARPU, churn, maintenance Capex and the other metrics common to communications carriers when dissecting these firms, this overlooks an emerging source of value for these firms: financial services.

…they also are much more likely to be "unbanked" – that is they have limited or no banking relationships at all. In many cases, their financial relationship with their cellular provider…is their strongest or only accounting relationship

While venture capitalists have focused a lot of attention on mobile payments firms, funding upstarts such as Obopay and more recently Bling Nation, and giants such as MasterCard, Visa and Paypal launched their own initiatives, none of these starts out with the advantage the wireless operators already have: millions of prepaid customers. While often derided by analysts as being less profitable, we believe this viewpoint is short sited.

While prepaid customers typically have lower incomes and higher churn than postpaid (i.e. contract based) customers, they also are much more likely to be "unbanked" – that is they have limited or no banking relationships at all. In many cases, their financial relationship with their cellular provider through stored value in their accounts is their strongest or only accounting relationship.

However, rather than deriding it, we believe this relationship is a valuable foothold in becoming THE source of financial services to these customers. Just as Paypal leveraged its accounts to begin to offer additional financial services such as interest bearing accounts, and as Telmex levered its fixed subscriber relationships into providing financing and payment solutions to its customers, so we expect continued expansion of the financial relationships between cellular carriers and their customers – providing a whole new bundle beyond the quad play (i.e. voice, video, data and wireless) we are so used to hearing about.

… we think the cellular carriers have a lot more value than meets the eye…

This potential upside is not, in our view, reflected in the valuation of the wireless carriers. But, we think it is beginning to drive strategic action – most notably with the recent acquisition of prepaid virtual carrier Virgin Mobile by its affiliate Sprint, which also owns Boost Mobile – another prepaid leader. This could also lead to renewed interest in Leap Wireless and MetroPCS, both of which have substantial contract-free and prepaid exposure (and strong organic growth rates as well).

With accelerated growth from acquisitions and an expanded portfolio of services that capitalizes on the ubiquity of cellular data coverage and expanding financial relationships with millions of unbanked and underbanked customers, we think the cellular carriers have a lot more value than meets the eye. In time, we expect investors to concur.

By John Stone
Near Earth LLC

Bumming a ride to orbit

… As vast as the rest of the universe is, one of the greatest problems the users of space have is getting enough space…

An insightful thinker once opined that, of all the valuable things space has to offer us, quite possibly the most valuable thing is space itself. While we can't possibly delve perfectly into just what this deep thinker had in mind, in many ways it applies perfectly to the satellite operators. As vast as the rest of the universe is, one of the greatest problems the users of space have is getting enough space. With constraints ranging from launch vehicle weight and volume restrictions to limited power and frequency availability, space is always at a premium to the operator who always needs more capacity, more capability and more reliability. Now, in these days where more is not necessarily better, many are beginning to see just how valuable a little extra space can be.

In an era of tight credit markets and already highly-levered operators trying to find new and more creative financing, attention has turned to how to better use the space they already have. More and more interest has gone into the hosting of so-called secondary payloads – additional smaller instruments mounted onto an existing satellite, usually from a third party. For operators, it is an opportunity to offset the cost of their core operating assets. For smaller satellite communication companies, especially those who neither need nor can afford a full satellite system; these hosted opportunities provide an alternative access to orbit. For start-up ventures, or scientific programs or even militaries looking for low-cost ways to augment their constrained communications capacity, the hosted payload opportunity is a bonanza and often the preferred path to orbit.

… For those with a limited budget and a similarly limited payload, it makes sense financial and technical sense to share.…

Although riding aboard someone else's satellite represents a small loss of control, a hosted payload is moving into a space with all the amenities built-in – power, communications, control systems, the works. Consider also that the ride that it is hitching itself onto (in many cases a commercial telecom satellite), has every incentive to make it to its destination on schedule with a minimum of glitches. For those with a limited budget and a similarly limited payload, it makes sense financial and technical sense to share.

So far, hosted payloads have worked well for many operators. Satellites manufactured by Space Systems/Loral have already hosted a variety of payloads, including navigation services, military communications packages and even a Cisco router in space. Today, Intelsat's US government-focused subsidiary, Intelsat General Corp, has gone beyond selling satellite ground systems and solutions and now advertises its satellite platforms for custom US government payloads. More importantly, they have also been proven as a financing mechanism - the new Intelsat 22 satellite will in part be financed via a $167 million contract to host a UHF payload from the Australian Defence Force. No small victory for Intelsat, who in doing so keep their fleet fresh and keep themselves one step ahead of its competitors, even while up to their eyeballs in debt.

How far can this go? As hosted payloads become more popular, an increasing number of projects are depending on hosted payload sales to bridge gaps in financing. This is all well and good for the project sponsor, except that a hosted payload is nothing but an empty space on a satellite without a paying customer. Are there enough potential payloads with the right needs (orbits, communications, etc) and the right fit with the host satellite? Certainly, there are many entrepreneurs and scientists itching for access to orbit with many diverse ideas and plans. More importantly, are there enough of these payloads backed by enough dollars, especially in a difficult financing environment? If large players with access to capital like Intelsat are depending on hosted payloads to provide capital, what does it say for smaller players without the scale of Intelsat?

… If large players with access to capital like Intelsat are depending on hosted payloads to provide capital, what does it say for smaller players without the scale of Intelsat?…

Right now, the next generation Iridium NEXT constellation of low earth orbit satellites is probably the most impressive and ambitious opportunity yet for hosted payloads. As we've previously discussed here before ("Capital crashes more important than orbital crashes"), Iridium is hoping for hosted payload contracts to cover a material part of the estimated $2.7 billion cost of the new system, betting that the opportunity to use space aboard its new set of sixty-six satellites will prove irresistible to potential users.

By all accounts, many projects have explored the use of the new Iridium system. In some cases, the interest was short lived, as their requirements were found to be irreconcilable with the Iridium's core function, such as the wrong set of orbits or interfering communication and/or sensing frequencies. Even when a project might fit (such as for many innovative earth and environmental observation payloads), it still leaves open the question where the money will be coming from. Many environmental and earth observing projects rely on selling datasets to a small group of customers, often the US government through NOAA or the geospatial intelligence community. Kudos to these projects if they can win over an eager customer base and find financing, but it is at best a dicey proposition for Iridium to depend on them for up-front payments. Far more likely will be that many of these payloads will end up being operated directly by interested government agencies or militaries, many of whom can still write a big enough check up-front.

… growing availability and greater demand for hosted payloads will ultimately drive greater modularity and compatibility … which will increase access and flexibility and reduce lead times for getting a payload in orbit…

The better news in all this is that the growing availability and greater demand for hosted payloads will ultimately drive greater modularity and compatibility among the world's satellites fleet, which will increase access and flexibility and reduce lead times for getting a payload in orbit. It also means more instruments that would not have had access to space, including new and innovative technologies. It also means the prospect for more joint ventures, as enterprises and startups team up to build and finance two or more projects for just a little more than the price of one.

Bumming a ride to orbit (cont.)

… secondaries are bringing just as much needed liquidity and just in time …

Demand and availability both increase, lowering prices but increasing the market – a win/win proposition for all.

In the financial markets, a secondary is someone who creates liquidity by being a buyer of assets after they are originated and sold the first time. In the satellite industry, secondaries are bringing just as much needed liquidity and just in time. In a tough economy, when many are being asked to cut back and reduce our environmental footprint, to the satellite operators of the world we say too - "Share your ride!"

By Ian Fichtenbaum
Near Earth LLC

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:		
		8/10/09	Market Value of Equity	Enterprise Value (a)	LTM Sales	LTM EBITDA	LTM EBIT	LTM EPS	Trailing EPS (b)	Forward EPS (b)
	Satellite Broadcast (DBS and DARS)									
BSY.L	British Sky Broadcasting (f)	£ 5.38	$15,534.03	$19,067.06	2.2x	10.3x	13.7x	33.2x	28.3x	23.9x
DISH	Dish Network Corp	$ 19.30	$8,600.08	$12,564.58	1.1x	4.1x	5.9x	9.0x	8.1x	8.5x
DTV	DirecTV Group Inc.	$ 24.15	$24,402.61	$28,438.61	1.4x	5.8x	11.6x	18.1x	17.0x	11.3x
SIRI	Sirius XM Radio	$ 0.53	$2,024.75	$4,979.50	2.5x	38.5x	n/m	n/m	n/m	n/m
				Mean	1.8x	14.7x	10.4x	20.1x	17.8x	14.6x
	Cable Television									
CMCSA	Comcast Corporation	$ 15.00	$43,209.60	$72,443.60	2.1x	5.2x	9.7x	13.6x	14.0x	12.9x
MCCC	Mediacom Communications Corp.	$ 5.70	$383.27	$3,730.86	2.6x	7.2x	12.9x	n/m	9.5x	8.6x
TWC	Time Warner Cable Inc.	$ 35.23	$12,415.05	$34,778.05	2.0x	5.5x	10.4x	5.4x	11.8x	10.0x
CVC	Cablevision Systems Corp	$ 20.86	$6,282.82	$17,633.93	2.3x	9.0x	21.0x	n/m	21.5x	14.7x
				Mean	2.2x	6.7x	13.5x	9.5x	14.2x	11.6x
	Television									
TVL	LIN TV Corp.	$ 3.67	$188.75	$859.41	2.3x	6.4x	10.9x	n/m	24.5x	9.4x
SBGI	Sinclair Broadcast Group	$ 2.74	$221.94	$1,553.73	2.2x	5.2x	10.5x	8.8x	n/m	5.4x
FSCI	Fisher Communications Inc	$ 19.15	$167.37	$231.35	1.4x	7.3x	n/m	1.8x	n/m	n/m
				Mean	1.9x	6.3x	10.7x	5.3x	24.5x	7.4x
	Radio									
CMLS	Cumulus Media Inc.	$ 1.55	$64.67	$696.38	2.5x	9.3x	11.1x	n/m	10.3x	n/a
ETM	Entercom Communications	$ 4.35	$164.69	$963.42	2.4x	8.8x	10.4x	n/m	4.0x	4.1x
				Mean	2.5x	9.1x	10.8x	n/m	7.2x	4.1x
	NewsPrint									
MNI	The McClatchy Company	$ 2.27	$189.89	$2,151.81	1.3x	6.7x	13.4x	n/m	16.2x	n/m
NYT	New York Times	$ 8.10	$1,166.32	$2,141.79	0.8x	9.2x	23.1x	n/m	n/m	n/m
WPO	Washington Post	$ 479.00	$4,502.60	$4,195.09	0.9x	7.1x	16.2x	n/m	30.2x	18.1x
				Mean	1.0x	7.6x	17.6x	n/m	23.2x	18.1x
	New Media									
MSFT	Microsoft Corporation	$ 23.42	$208,625.36	$182,923.36	3.1x	8.0x	8.8x	14.1x	13.9x	12.2x
AAPL	Apple Inc.	$ 164.72	$147,546.29	$123,324.29	3.6x	16.2x	17.9x	28.8x	28.2x	24.4x
YHOO	Yahoo! Inc.	$ 14.63	$20,418.36	$16,560.86	2.5x	11.7x	26.9x	n/m	n/m	36.6x
GOOG	Google Inc.	$ 456.61	$144,480.54	$125,136.53	5.6x	16.2x	20.3x	33.2x	21.0x	18.5x
IACI	Interactive Corporation	$ 18.50	$2,792.02	$1,053.07	0.8x	20.0x	n/m	10.2x	n/m	29.4x
ERTS	Electronic Arts Inc.	$ 20.74	$6,700.06	$4,421.06	1.1x	n/m	n/m	n/m	21.4x	16.5x
				Mean	2.8x	14.4x	18.5x	21.6x	21.1x	22.9x
	Satellite Imagery									
GEOY	GeoEye	$ 24.95	$463.07	$615.06	3.9x	16.4x	29.2x	17.1x	22.7x	16.3x
DGI	DigitalGlobe Inc.	$ 18.93	$822.70	$1,031.30	3.8x	5.9x	11.5x	16.4x	21.3x	24.3x
				Mean	3.9x	11.2x	20.4x	16.7x	22.0x	20.3x

MEDIA SERVICES INDEX

	LTM Sales	LTM EBITDA	LTM EBIT	LTM EPS	Trailing EPS (b)	Forward EPS (b)
High	5.6x	38.5x	29.2x	33.2x	30.2x	36.6x
Mean	2.0x	9.2x	12.8x	11.7x	16.2x	13.9x
Low	0.8x	4.1x	5.9x	1.8x	4.0x	4.1x

(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 1.4139 US $ per Euro.
(d) Converted to US $ from C$ at an exchange rate of 0.9187 US $ per C$.
(f) Converted to US $ from British Pound at an exchange rate of 1.6471 US $ per British Pound.

n/m Not Meaningful.
n/a Not Available

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NEAR EARTH ANALYSIS: MARKET COMPARABLES

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

($ in millions, except per share data)			Stock Price: 8/10/09	Market Value of Equity	Enterprise Value (a)	Enterprise Value as a Multiple of: LTM Sales	LTM EBITDA	LTM EBIT	Price as a Multiple of: LTM EPS	Trailing EPS (b)	Forward EPS (b)
	Satellite Capacity										
ETL.PA	Eutelsat Communications (c)	€	18.95	$5,884.90	$9,386.92	7.3x	9.0x	21.0x	33.1x	25.0x	23.1x
SESG.PA	SES Global S.A. (c)	€	13.56	$7,660.98	$12,587.29	5.4x	7.9x	13.7x	13.9x	16.7x	15.6x
ISAT.L	Inmarsat (f)	£	5.53	$4,181.92	$5,599.82	5.5x	10.0x	15.1x	11.2x	26.6x	20.8x
					Mean	6.0x	9.0x	16.6x	19.4x	22.8x	19.8x
	Satellite Ground Segment										
CMTL	Comtech Telecommunications	$	32.68	$810.79	$683.24	1.1x	6.0x	6.0x	10.4x	19.1x	16.3x
GCOM	Globecomm Systems Inc.	$	7.37	$151.67	$107.53	0.6x	8.7x	15.7x	21.6x	n/m	23.0x
GILT	Gilat Satellite Networks	$	4.67	$186.15	$93.53	0.4x	7.2x	n/m	n/m	n/m	n/a
HUGH	Hughes Communications, Inc.	$	26.74	$575.18	$968.57	0.9x	7.3x	15.3x	n/m	n/m	14.2x
ISYS	Integral Systems Inc.	$	7.31	$126.10	$120.58	0.7x	5.0x	5.8x	9.2x	17.0x	13.3x
VSAT	ViaSat Inc.	$	24.06	$744.66	$681.17	1.1x	9.5x	15.4x	19.4x	14.3x	12.6x
					Mean	0.8x	7.3x	11.6x	15.2x	16.8x	15.9x
	Satellite Space Segment										
ORB	Orbital Sciences	$	14.00	$789.88	$567.37	0.5x	7.0x	9.2x	16.9x	24.1x	14.4x
CDV.TO	COM DEV International (d)	$	2.87	$179.93	$174.49	0.8x	5.8x	8.9x	10.7x	n/a	n/a
MDA.TO	McDonald Dettwiler and Associates (d)	$	34.29	$1,387.72	$1,750.82	1.8x	11.3x	14.1x	20.4x	n/a	n/a
OHB.DE	OHB Technologies (c)	€	8.00	$168.08	$118.56	0.3x	3.8x	4.9x	16.5x	16.4x	16.2x
					Mean	0.9x	7.0x	9.3x	16.1x	20.3x	15.3x
	Towers										
AMT	American Tower	$	32.37	$12,812.05	$16,926.94	10.3x	16.2x	26.6x	n/m	n/m	38.1x
CCI	Crown Castle	$	27.49	$7,929.77	$14,137.10	9.1x	16.3x	n/m	n/m	n/m	n/m
SBAC	SBA Communications	$	25.00	$2,916.00	$5,128.81	9.8x	17.3x	n/m	n/m	n/m	n/m
					Mean	9.7x	16.6x	26.6x	n/m	n/m	38.1x
	General Telecom										
S	Sprint Nextel Corporation	$	3.71	$10,655.12	$27,054.12	0.8x	3.8x	n/m	n/m	n/m	n/m
T	AT&T	$	25.58	$150,922.00	$220,697.00	1.8x	5.2x	9.9x	12.3x	12.3x	11.5x
VZ	Verizon Communications, Inc.	$	30.92	$87,831.66	$191,709.66	1.9x	5.5x	11.0x	14.8x	12.2x	11.7x
					Mean	1.5x	4.9x	10.5x	13.6x	12.3x	11.6x
						TELECOM SERVICES INDEX (excludes Towers stocks)					
					High	7.3x	11.3x	21.0x	33.1x	26.6x	23.1x
					Mean	1.8x	6.3x	11.1x	14.0x	14.1x	16.1x
					Low	0.3x	3.8x	4.9x	9.2x	12.2x	11.5x

(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 1.4139 US $ per Euro.

(d) Converted to US $ from C$ at an exchange rate of 0.9187 US $ per C$.

(f) Converted to US $ from British Pound at an exchange rate of 1.6471 US $ per British Pound.

n/m Not Meaningful.

n/a Not Available

Member of NEAR EARTH SATELLITE INDEX

Selected Satellite, Telecom & Media Transactions

(US$ in millions)

Date Announced	Acquiror	Target	Equity Value (a)	Transaction Value (b)	Transaction Value/ LTM Sales	Transaction Value/ LTM EBITDA
Satellite Operators						
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
12/18/06	Telesat (new)	Telesat/Skynet Combined	3,491.0	3,990.0	7.1x	13.4x
06/19/07	BC Partners	Intelsat	5,000.0	16,400.0	7.7x	11.3x
08/02/07	Abertis Telecom	Hispasat (28.4% share)	199.0	199.0	5.8x	7.9x
				Mean	6.3x	10.4x
Ground Equipment & Systems Integrators						
08/03/06	Thrane & Thrane	Nera's Mobile Satellite Communications	89.6	89.6	1.1x	n/d
03/19/07	CIP Canada Investment Inc.	Stratos Global Corporation	293.3	621.5	1.2x	2.9x
05/12/08	Comtech	Radyne	201.9	223.6	1.5x	16.0x
07/10/08	Nokia	Navteq	7,719.0	8,100.0	8.8x	29.5x
05/09/09	Rockwell Collins	Datapath	130.0	130.0	0.5x	n/d
06/01/09	Globecomm Systems	Telaurus Communications LLC	6.5	6.5	0.5x	n/d
				Mean	2.3x	16.1x
Aerospace and Defense						
04/23/07	Kratos	SYS Technologies	49.3	49.3	0.6x	n/m
05/03/07	Globecomm	GlobalSat	18.4	18.4	0.9x	n/d
07/31/07	LMI Aerospace, Inc.	D3 Technologies, Inc.	65.0	65.0	1.0x	7.2x
11/29/07	Finmeccanica SPA	VEGA Group PLC	59.2	56.2	0.9x	9.6x
05/12/08	Finmeccanica SPA	DRS Technologies Inc	3,358.0	4,930.0	1.4x	11.0x
05/13/08	Cobham plc	M/A-COM	425.0	425.0	0.9x	6.8x
06/04/08	Cobham plc	Sparta Inc	416.0	416.0	1.4x	12.1x
12/16/08	Sierra Nevada Corporation	SpaceDev, Inc.	31.7	26.6	0.7x	23.3x
				Mean	1.0x	11.7x
Video Distribution						
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
12/21/06	Motorola	Tut Systems	39.0	39.0	1.0x	n/d
04/23/07	Motorola	Terayon Communication Systems Inc.	139.7	127.2	1.9x	n/m
12/07/07	Macrovision Corp	Gemstar-TV Guide Intl Inc	2,842.1	2,325.1	3.7x	21.9x
03/12/09	Harmonic	Scopus Video Networks	78.3	47.6	0.8x	n/m
				Mean	2.1x	17.6x
Towers						
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	309.0	11.9x	n/d
10/06/06	Crown Castle	Global Signal	4,000.0	5,800.0	12.1x	26.6x
07/21/08	SBA Communications Corp	Optasite Towers	253.2	428.2	14.8x	n/m
				Mean	11.8x	20.5x
General Telecom (Wireless)						
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
Television						
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
01/18/07	Citadel Investment Group LLC	ION Media Networks Inc	98.8	1,654.3	7.1x	16.9x
03/29/07	Umbrella Holdings LLC	Univision Communications	12,300.0	13,700.0	6.3x	18.1x
				Mean	5.4x	15.8x
Radio						
07/29/08	Sirius Satellite Radio Inc.	XM Satellite Radio Holdings Inc.	2,301.7	3,957.7	3.4x	n/m
07/30/08	Bain Capital	Clear Channel	17,923.8	23,724.1	3.5x	10.8x
05/29/09	Cox Enterprises, Inc	Cox Radio	381.5	704.3	1.8x	6.2x
				Mean	2.9x	8.5x
New Media						
03/15/07	Cisco	WebEx	2,900.0	2,900.0	7.6x	29.3
01/31/08	Amazon.com	Audible	280.7	257.0	2.4x	n/m
02/11/08	Microsoft	Danger	-	500.0	8.9x	n/m
03/04/08	Demand Media	Pluck	-	75.0	7.5x	n/d
03/11/08	Google	DoubleClick	3,100.0	3,100.0	10.3x	62.0x
05/28/08	comScore	M:Metrics	-	44.3	4.0x	n/d
05/15/08	CBS	CNET	1,800.0	1,800.0	4.4x	n/m
07/02/08	Hellman & Friedman LLC	Getty Images Inc.	2,028.1	1,977.1	2.3x	7.0x
03/05/09	Barnes and Noble	Fictionwise	15.7	15.7	8.7x	n/d
				Mean	5.8x	27.0x

(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

(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.

n/d Not Disclosed
n/m Not Meaningful

Space Investment Summit 7

Wednesday, September 30, 2009
8:15 am – 6:30 pm
Hynes Convention Center
Boston, Massachusetts

Information & Registration - www.spaceinvestmentsummit.com

Space Investment Summit 7 (SIS-7) features exclusive educational sessions with prominent investment leaders and a showcase of limited pre-qualified space-related business plans from reputable entrepreneurs. The Summit helps investors gain knowledge that might guide future investment decisions, and helps entrepreneurs gain from an increased investor interest in their efforts and development of new opportunities for partnership.

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Mark Sirangelo, Executive Vice-President, Sierra Nevada Corporation; Chairman of the Board, SNCSpace Systems; former Chairman and CEO, SpaceDev Inc

Miles O'Brien, 26-Year Broadcast News Veteran; Former CNN Science, Aerospace, Technology and Environment Correspondent

Lon Levin, Executive and Entrepreneur; President, SkySevenVentures

Per Wimmer, Global Financier and Entrepreneur; Founder and CEO, Wimmer Space and Wimmer Financial

Jeff Greason, President and Co-Founder, XCOR Aerospace

Amaresh Kollipara, Managing Partner, Earth2Orbit

Michael Leventhal, Attorney/Consultant, mc2 The Law Firm

Max Grimard, Vice President/Deputy Head, Strategy and Business Development, EADS Astrium

Brent Britton, Attorney/Chair of the Emerging Business Technology Practice Group, GrayRobinson

Rosanna Sattler, Partner, Posternak Blankstein & Lund LLP

Paul Eckert, PhD, International & Commercial Strategist, The Boeing Company

Entrepreneurial Business Plan Submission. Companies interested in presenting their business plans at the Summit are welcome to submit an application for judging. Applications are accepted and screened on a "first-come-first-screened" basis and selections to present are made now through the end of August, 2009. **Early submissions are encouraged.** Applications available at http://www.formspring.com/forms/?645537-mhiLyyvqNR.

Entrepreneurial Reception and Exhibition. The Summit will also include an exhibition of selected business plans and featured entrepreneurs. Entrepreneurs may be invited to 1) present a plan during the Summit and display the plan at the exhibition or 2) provide a display only at the exhibition. Exhibits will be limited to 6' table top displays.

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