

FROM THE GROUND UP

December 2007

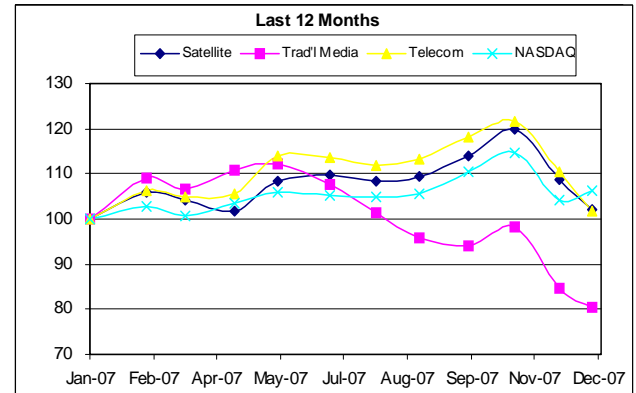


HAPPY HOLIDAYS

Inside this Issue:

- Page 1: **The Way We See It...**
Satellite, Telecom and Media News
- Page 2: **From the Deal Side**
Media 2007: The year that wasn't, the year that was, and the year that will be
- Page 6: **Yearly Round-Up**
The Space Industry: Backwards and Forwards
- Page 12: **Guest Corner #1**
Introducing the Space Foundation Index
- Page 14: **Guest Corner #2**
Foreign Satellites in the Indian Market: A Faustian Bargain?
- Page 17: **Near Earth Analysis: Market Comparables**
- Page 18: **Near Earth Analysis: M&A Transactions**

Near Earth Market Indices



See page 17 for details on index constituents.

THE WAY WE SEE IT...

Satellite:

As a testament to the value of ATC spectrum, **SkyTerra**, the parent of **MSV**, was able to sell \$150 million of senior unsecured notes due 2013 to the hedge fund Harbinger Capital Partners. This is encouraging news for the MSS sector as significant capital will be needed in 2008 to make up for the sector's difficulties attracting strategic partners. In satellite broadband, **Hughes** took possession of Spaceway 3 from **Boeing**, assuring it significant new Ka-band capacity to market to residential and enterprise customers. Meanwhile, **Wildblue**, Hughes' major competitor in the U.S. market, inked a deal with **Google** to be its partner for web services. (See our **Yearly Round-Up** column in this issue for an overview of 2007 in the satellite industry.)

Media/Communications:

In a presumed bid to strengthen an ailing newspaper industry, the **FCC** has approved changes to cross-ownership restrictions previously in place, making it easier for operators to own newspapers, television stations, and radio properties in the same market. On the other hand, the commission also moved to place a cap on cable ownership nationwide, setting a limit of 30% of television households. The distinction between the two actions seems to be one of encouraging product consolidation on one hand, versus discouraging geographical consolidation of a single product on the other. The only cable operator impacted by the national cap seems to be **Comcast**, while numerous media companies stand to benefit from market consolidation. **Viacom** and **Microsoft** entered into a pact for the companies to collaborate on advertising, content distribution, event promotions and games over the next several years. In addition to Microsoft's previously announced strategic alliance with and investment in **Facebook**, the more current transaction further attests to the software giant's ongoing effort to expand its presence in media, keeping up with similar efforts by **Google**. (See our **From the Deal Side** column in this issue for a discussion about the year ahead in media.)

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Media 2007: The year that wasn't, the year that was, and the year that will be

...2007 may well be the year we look back upon as the pivotal time of transition from old to new media...

If any year in this decade will be seen as the pivotal time of transition from old to new in the world of media, 2007 may well be the one we will look back upon. At approximately this time last year, we presented a sector overview in this newsletter, in which we took the temperature of three high-profile and in our view landmark transactions for the traditional media industry, wondering how each of these would conclude and, more importantly, the impact of each on its respective sector in 2007 and beyond. It is in ways a reflection of that industry, that with twelve months behind us none of the three referenced deals has closed at the time of this writing – one having fallen apart outright and some uncertainty having continued to mark the others to varying degrees. Concurrently, operating results for traditional media operators – newsprint and radio in particular – have disappointed, and in many cases even deteriorated. This general lack of progress may lead observers like us to see 2007 as a year that was skipped over, as it were, by traditional media... particularly if contrasted with its counterpart, new media, wherein we have watched a series of transactions and strategic alliances taking center stage and causing our collective heads to spin. The themes of industry transition and consumer trends that underlie these and similar events shed light, no doubt, about 2008 on the horizon. Let's have a closer look:

Traditional media, the year that wasn't

...general lack of progress in traditional media leads us to see 2007 as a year that was skipped over, particularly in contrast to new media developments taking center stage and causing our collective heads to spin...

- Of the three indicative traditional media transactions, the **Cablevision Systems** going-private deal, which was in the throes of various proposals at this time last year, was finally approved by the company's board only to be rejected by shareholders subsequently. With that, the company's stock price commenced a downward slide (from a 52-week high of \$39.75 to its recent price of roughly \$24) to join the rest of its peer group, which had been heading in that direction for some time already.
- The two deals that are still hanging in, expected to close but still the subject of new rumors, speculations, and turns of financial tides, are the **Tribune Co.** and **Clear Channel** buyouts. While we await the conclusions of these situations (with Tribune especially considered now close to done), we continue to observe revenue growth challenges (to say the least) in both radio and newsprint, as advertisers continue to source new outlets for their campaigns. Credit market turmoil, to be sure, has not helped these situations; but healthy growth platforms, let's be honest, need not rely on high financial leverage to generate equity returns.

... which brings us, in contrast, to...

New media and the year that was

Reflecting a shifting media terrain whereby rapidly growing and highly popular platforms, usually Internet based, are attracting both financial and strategic

From the Deal Side (cont.)

investor attention, we note the following sampling of key transactions in chronological order:

- **Google/YouTube.** Although technically a November 2006 event, this deal raised eyebrows and stirred up ripples that immediately crossed into the new year and continued well into 2007, not only by its roughly \$1.6 billion magnitude (for a company with \$13 million in annual revenue at the time of the transaction), but more importantly as a landmark announcing the mass market arrival of Internet video. The household broadcasting names soon enough followed suit, and we are now able to watch many of our favorite prime time episodes on the web, at our leisure, free of charge.
- **CBS/Last.fm.** On the Internet radio front, while much of the sector was fighting to stand its ground against a royalty hike by the copyright board, which was and may still be threatening the demise of the larger platforms through a vastly uneconomic royalty model, the globally popular though relatively upstart music/social networking site referenced was on May 30 acquired by the diversified media giant for \$260 million. Like YouTube previously and Facebook (see below), this transaction demonstrated the value of a large and defensible Internet presence, even if the revenue model has not yet caught up. Due to its emphasis on social networking, Last.fm may have been less exposed than others to royalty rate discussions, and along the same lines we parenthetically also note the emergence of a new Internet radio operator, **Slacker**, which was able to circumvent copyright board requirements altogether, having negotiated individual deals with music labels. With such reference points in addition to progress being made, albeit slowly, in ongoing royalty discussions by the industry, we clearly see lots of life in Internet radio yet.
- **CBS/SignStorey.** The supermarket-focused digital signage company was acquired on October 5 for a reported \$71.5 million to serve as the platform for what has become **CBS Outernet**, the media company's aggressive expansion in the digital signage arena. Combining CBS content and advertising muscle, this deal could be a breakthrough for a sector that has for several years now worked diligently and with mixed success to garner strength. Although the advertising community has been slow in showing support for digital signage technology, we continue to hear about growing allocations to this outlet in advertising budgets, and, as noted, the aggressive entry of CBS can only be positive for the sector.
- **Microsoft/Facebook.** Having repositioned itself as the social network of choice for the younger set and opened up its platform to software developers, this rapidly growing and enormously popular web destination announced on October 24 that it would accept a \$260 million investment from the software titan, presumably as the superior offer to **Google's** competing overture. Although a minority investment of 1.6%, the resulting enterprise valuation of \$15 billion would certainly be difficult to compete with. In parallel with this investment, Microsoft has entered into an advertising deal with Facebook which many analysts believe to be the real motive behind the investment transaction and an artificial driver

...while the transactions cited are a cross-section and not a comprehensive listing, these are exemplary of larger patterns and trends likely to continue...

From the Deal Side (cont.)

behind the startling valuation. Nonetheless, a \$260 million cash infusion for a company with annual revenues of less than half of that amount by some reports, would be a success even at, say, less than half of the valuation obtained.

The year that will be

While both the traditional and new media transactions cited are merely a cross-section of their respective realms and certainly not a comprehensive listing, we view these cross-sections as exemplary of larger patterns and trends likely to continue into the foreseeable future. The key takeaways:

- As observed in “the year that wasn’t” – declining newspaper revenues, flat and sometimes even declining radio revenues, and the pace of deals in these sectors that at least in part reflect this financial performance – there is a redirection of advertising dollars from traditional to new media that may rapidly pick up steam.
- Critical mass in new media is extremely valuable, even as revenues may still be lagging. We see this clearly in “the year that was.” The expectation is that revenues will arrive, and that those platforms with massive audience will be in the best position to attract advertising dollars.
- In regard to new media, however, advertisers are likely to measure audience size differently from that of traditional media outlets. For example, an Internet radio destination with more than even a million listeners, may as a result of its content and geographical diversity, actually present a target audience of far less than a million to any particular advertiser. We offer this in contrast to, say, a similar aggregate audience-size radio property, with a particular format and geographical concentration. The same issues of critical mass and audience dilution is seen in digital signage, a sector which is still far from having achieved ubiquitous market coverage, and for which the key selling challenge has been its ability to demonstrate compelling audience size to advertisers.
- With the above illustration as a backdrop, we note the vast valuation differentials between Last.fm (15 million users to-date, geographically and demographically fragmented audience, \$260 million), Facebook (50 million active users with well defined demographic focus, \$15 billion), and SignStorey (roughly 1,500 store locations with passive audience and short attention cycles, \$72 million). We believe this data to highlight the correlation between critical mass, but also audience type, to enterprise value.
- For advertising-based new media models, the focus should therefore be not only on audience quantity but also quality. While a narrow focus (in terms of geography, location, or content) may allow such platforms to demonstrate a well defined target demographic, this is unlikely to maximize audience size. Moreover, local/regional or other limited-scope advertising sales are a less efficient (i.e. more expensive to produce)

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From the Deal Side (cont.)

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revenue source than national advertising can be. The key for many new media companies will be to strike the right balance.

- Interestingly, the companies best positioned to succeed in new media may be traditional media companies. These have the most developed sales forces, established audiences and brand cache, and the ability to finance new media projects with (still) cash flow from existing operations at a (still) attractive cost of capital. The challenge for many traditional media operators has been to make the necessary transition, culturally and otherwise. It remains to be seen if market forces and necessity will expedite that process in 2008.
- Regardless of whether the traditional media companies mentioned in this article will complete their deals in 2008, we would expect these and many other operators in their peer groups to show a continuing emphasis on new media initiatives, consistent with the points raised herein. We would also not be surprised to see continuing consolidation in the sector, not only along geography but also product lines, pursuant to the FCC's cross-ownership vision as manifest in rules recently set in place, and further exemplified by the agreed-to acquisition of **Dow Jones** by **NewsCorp**.

We look forward to revisiting this article twelve months from now and reporting on our findings. In the meantime, here's to a Happy New Year and productive times ahead for everyone!

By Dan Ramsden
Near Earth LLC

The Space Industry: Backwards and Forwards

It's December and once again time to reflect on the major satellite industry events and trends of 2007 and perhaps extrapolate and squeeze out some predictions for 2008. It may be interesting to start by looking at those events that were expected or hoped for in 2007, but that for one reason or another just didn't happen. Some of these events may happen in 2008 as things frequently take longer than planned in the space business. Then it may be helpful to spend time following the longer term trends affecting the industry and together with the delayed events take an educated guess at 2008. With these goals in mind, let's take a look at the industry sector by sector.

We were expecting the economic logic of consolidation to prevail mightily in 2007 and did in fact see an impressive combination of Telesat and Loral.

FSS: We were expecting the economic logic of consolidation to prevail mightily in 2007 and did in fact see an impressive combination of Telesat and Loral. The long awaited sale of SatMex, however, cratered on low bids and rumored Mexican government intransigence. Instead of further consolidation, we saw Protostar emerge as a new viable source of Asian capacity and General Electric get back in the game through a swap of SES shares for satellite operating assets. Thus, the number of satellite operators did not really shrink in 2007, although capacity utilization did improve somewhat on more "rationally exuberant" capacity additions accompanied by continued growth in video and data applications and newer growth sectors like GSM back-haul in Africa. The industry can also breathe a sigh of relief after the ITU preserved C-band for incumbent satellite services.

Going forward, the strong economic growth in many regions of the world suggests further demand growth for satellite capacity...

Going forward, the strong economic growth in many regions of the world suggests further demand growth for satellite capacity, albeit offset partially by continued improvements in bandwidth efficiency. With these factors in mind, most analysts are predicting mid single digit revenue growth for the industry in 2008. The more interesting questions are the availability of free cash flow after debt servicing to fund growth and fleet replacement and how much of the growth in demand will need, for political reasons, to be served by indigenous suppliers versus the larger global operators. It has mostly been national pride and regulatory hurdles that has prevented further consolidation. The key decision point for these smaller operators comes generally when it is time to finance a satellite replacement, especially if the satellite is only partially filled. With smaller GEOs available and the emergence of new lower cost alternatives, particularly from China and India, we would expect the regional and national FSS companies to have a better chance of financing any required fleet replacements and perhaps avoid for a little while longer the consolidating arms of the giants. We may even see a counter trend of new market participants joining the party as every emerging country wants to join the space age.

From a Wall Street perspective the major players are fully levered and from an operating point of view perhaps dangerously so. Given the difficult debt financing environment due to the sub-prime mess, a lack of good consolidation opportunities may not be all bad as such deals would be challenging to finance anyway. However, the high leverage did not stop BC Partners from buying

Yearly Round-Up (cont.)

heavily into Intelsat, after Intelsat's successful integration of its PanAmSat acquisition. Let's hope the timing works out for them.

DBS & DTH: Many expected 2007 to be a tough year for DBS in the North American market given the competitive pressures of triple play bundled offerings from the cable industry, the emergence of IPTV, stepped-up investments by telcos in fiber offerings and continued growth in video streaming. Indeed it was, but once again the DBS sector managed to add video subscribers, although perhaps at a slower pace (1.19 million net new add for DISH and DIRECTV for the first 3 quarters of 2007 versus 1.32 million for the same period in 2006). The competitive threats are indeed still out there, but were kept at bay another year largely through significant HD and niche programming additions by DBS operators and larger subsidies for upgraded set top boxes with HD and DVR capabilities. As a result, DBS saw not only subscriber additions, but also increased ARPU and in the case of DIRECTV, lower churn. The question for 2008 and forward is one of economic sustainability as these investments in subscribers come at a material hit to cash flow and require significant ongoing investments in new satellites and the exploitation of new orbital slots and spectrum. EchoStar's acquisition of Slingbox was another example of an attempt to stay relevant in a rapidly evolving digital video marketplace.

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Meanwhile, the competitive threats should become even more pervasive and powerful as the years go on. FiOS and U-verse, in particular, collectively added 277,000 subscribers in a recent 3 month period, which could be a sign of things to come. With this magnitude of impending competition, something major may soon need to happen in the U.S. DBS market, either acquisitions of the DBS companies by Telcos or other strategic firms, or a merger of the two companies. As this article is being written, rumors of an AT&T acquisition of EchoStar are again rampant with a very serious stock price move at DISH. If strategic acquisitions of these firms do not happen in 2007-2009, we would expect them to have an excellent argument for a merger in the 2010 time frame, especially if the Sirius / XM deal gets approved. Alternative video competition should be well in evidence by then, even for the rural markets. Outside of the developed markets, the thirst for direct to home video remains insatiable, especially in Asia, blocked only by government interference and the difficulties of distribution and customer servicing.

In 2008, the trend seems to be a shift to factory installs as the key growth driver, as satellite radio is now becoming a standard option in more and more vehicle models.

Satellite Radio: XM and Sirius announced their intention to merge in early 2007 and have since each continued to add material numbers of new subscribers, although at a slowing pace. Sirius continued to close the gap with XM due largely to higher market share in the after-market from its slate of premium programming, in particular Howard Stern. In 2008, the trend seems to be a shift to factory installs as the key growth driver, as satellite radio is now becoming a standard option in more and more vehicle models. On the downside, meaningful cash generation has still been elusive with rising content costs and royalty rights now set in motion.

If ever there was a case for a benevolent "monopoly" this is it. The benefits to consumers are huge in our minds, not to mention some very much needed relief for satellite radio investors who to date have lost many billions of dollars. The FCC knew this would be a very tough business when they only allowed for two

Yearly Round-Up (cont.)

entrants. However, it turns out that two is a very big number in most sectors of the space industry. It is hard to predict whether or not rationality will prevail over knee jerk reaction and heavy NAB lobbying during an election cycle, but XM/Sirius is a merger that many believe should be approved.

Outside the North American market there is only Worldspace and a few early stage contenders like ONDAS hoping to develop services for Europe and elsewhere. In the case of Worldspace, even a “monopoly” position proved insufficient without the spectrum on the ground for terrestrial repeaters. The clock is ticking for WorldSpace and funds are scarce. If its trials in Italy and perhaps later China for the Olympics do not restore momentum, 2008 could be a very dismal year. As for the new entrants, satellite radio in Europe is a much tougher proposition than North America given the multitude of languages, pre-existing digital terrestrial radio, and fewer underserved rural listeners. We wish them success, but it will not be easy.

MSS: The big and little LEOs (Iridium, Globalstar, Orbcomm) followed up their recaps and rebirths of 2006 with continued growth in subscribers in 2007, but with the advent of serious technical issues plaguing Globalstar’s fleet and causing it to lose much of its momentum. Orbcomm’s public equity financings this year seem to cover much of its fleet replacement needs, which are expected to commence in early 2008. However, the ability of Iridium and Globalstar to replace their fleets in coming years is still somewhat in question.

The year 2007 was also supposed to be a year of progress on the exploitation of ATC spectrum, particularly for firms like ICO, MSV and Terrestrial, but none of the ATC owners were able to line up the strategic relationships they need to build out their multi-billion dollar nationwide hybrid networks. Next year is looking like a pivotal year for these firms with satellite launches by ICO and Terrestrial in early 2008 and MSV in 2009 and cash coffers slowly dwindling. Luckily, with the AWS and 700 MHz spectrum auctions to be out of the way, ATC spectrum may be the next block of focus for wireless firms. We have long held that once the “easier” spectrum auctions were out of the way, it would only take one strategic ATC driven transaction to spark a domino effect and scramble for partners. Will 2008 be that year? It is hard to tell, but these firms will have to find some way of getting material value out of their expensive space segment and the market may not be large enough for all to do well. What this industry really needs is consolidation to provide larger swaths of spectrum to entice the wireless firms and greater satellite redundancy. So far, the only meaningful consolidation has been Inmarsat’s acquisition of ACeS. Perhaps Inmarsat will take another bite in 2008 if one of its competitors stumbles and becomes available at an attractive price.

Satellite Broadband & VSAT: One of the big stories in 2007 was the big successes of Wildblue and Spaceway. Finally there appears to be an attractive broadband alternative for the rural residential, SOHO and SME markets. Both firms added broadband subscribers at an impressive rate with their respective multi-beam Ka-band satellite systems. In the case of Wildblue, the company even had to curtail marketing efforts in some beams due to a sell-out of capacity. Similar gains were also achieved in the Canadian market. Outside of North America, there was less exploitation of the Ka-band, but sales of satellite

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Yearly Round-Up (cont.)

systems for broadband connectivity in the standard Ku and C-band frequencies continued to strengthen, especially in Asia. There may even be some progress in the European market in 2008.

The big questions are how long will the window stay open before terrestrial alternatives eat away most of the market and how big will the ultimate satellite-only market be.

Despite the onslaught of fiber around the world, the VSAT industry remained intact thanks to improving customer value propositions driven by year after year gains in bandwidth efficiency, the general explosion in digital connectivity demand and a proliferation of new private networks. The big questions are how long will the window stay open before terrestrial alternatives eat away most of the market and how big will the ultimate satellite-only market be. Those are difficult questions to answer other than to say that satellite infrastructure is ultimately a gap filler and a network back-up capability and at some point in the future the growth in demand we are enjoying will be offset by the dwindling geographic area of competitiveness. But, this cross-over point should not be reached for many years to come.

Satellite Manufacturing and Launch: The order backlog for U.S. and European manufacturers appears to have returned to historical levels, with some expectations for further growth. The ITARS driven transfer of market share from the U.S. to Europe seems to have abated somewhat in 2007, with strong gains by firms like Space Systems/Loral and Orbital Sciences with its smaller GEO offering. There are several potential explanations for the return of the U.S. manufactures, including a weak dollar, top tier technology and quality and more customer experience navigating the ITAR process. This year also saw the emergence of Chinese and India satellite manufacturers which over the longer term will not bode well for the current market share leaders in higher cost countries, but should not be too important a factor in 2008. We do expect the use of small GEOs to grow as new slots and frequencies are developed to serve hard to predict markets.

Over the long term, we believe it will be very hard for countries with high manufacturing costs to make money in the launch business without the support of their governments.

With Delta and Atlas leaving the commercial market and a failure at Sea Launch, launch capacity was somewhat constrained this year allowing for more robust pricing and a trend toward longer term and volume commitments. With a return of SeaLaunch and new vehicles from India and other countries set to join the market in 2008, the launch delays should be mitigated and competition should become more intense. We had expected SpaceX's Falcon to also join the field in 2007, but it looks like their success will have to wait until 2008. Over the long term, we believe it will be very hard for countries with high manufacturing costs to make money in the launch business without the support of their governments through mandated launch business or other subsidization. As more and more nations gain the required level of technical sophistication (rocket science isn't rocket science anymore), we believe most of them will view independent access to space as a critical national security priority. This fact should ensure the continued market presence of numerous competing launch vehicles.

Satellite Ground Segment: The satellite communications ground segment, including hardware and software providers, integrators and teleport operators, is still massively fragmented and in serious need of consolidation. There are dozens and dozens of firms that generate under \$50 million in annual revenues that struggle to sustain acceptable profit margins while keeping up with R&D requirements and funding global sales and marketing efforts. In 2006, we saw

the beginnings of a growing realization among the boards and senior management of these firms that they needed to either grow by acquisition or seek a buyer. Arrowhead was acquired by CapRock, GCS was acquired by L3, Globalsat was acquired by Globecomm, Pointecast was acquired by Helius and Wegener announced a strategic alternatives process. The economics of such consolidation is so powerful, that we would expect to see the pace pick up in 2008 regardless of the difficulties of negotiating relative valuations and navigating very personal issues like who gets to run the combined business. We also expect there will be a few new entrants in 2008 with disruptive technologies and experienced management teams to make things even more interesting.

Lastly, I would like to borrow some perspectives from two current New York Times best sellers, "The Black Swan, The Impact of the Highly Improbable" by Nassim Nicholas Taleb, and "The Age of Turbulence" by Alan Greenspan, in order to better inform our star gazing.

Age of Turbulence: According to Greenspan and others, we are living in an age of increasing turbulence marked by greater market and political volatility. This volatility is due to a greater globalization of the economy and the reliance on high-tech telecommunications for the unprecedented availability of instant information. Much of the friction that used to be inherent in our systems and that served to dampen wild fluctuations has been removed by light speed communications linking almost anyone, anywhere, anytime. Most trading is done by computers and capital can move quickly on the slightest rumor. Combined with tightly linked and highly levered global economies, we now live in a very fragile world. Greenspan also points to these same technologies and linkages as providing economies a much greater degree of resilience to unexpected shocks through better decision making and coordinated responses. Oddly, this turbulence and need for resilience may benefit the satellite industry. In times of market volatility, investors tend to prefer businesses like FSS that have long term contracts and high cash flow margins, even in cases where growth potential may be less than exciting. Secondly, turmoil tends to lead to more communications (not less) and a greater importance to assured communications, in both the commercial and government spheres. Video and audio distribution and broadband connectivity have also proven to be somewhat recession resistant and increasingly more of a staple than a luxury. As for resilience, satellite connectivity is increasingly seen as a vital means of back-up for the world's communication infrastructure.

Black Swans: A Black Swan is an event that lies outside the realm of regular expectations, carries an extreme impact, and in hindsight appears explainable and predictable (think 9/11). Black Swans are not by their nature predictable, but perhaps there are some Grey Swans that are a little more evident and yet still important to keep in mind. One example of a Grey Swan would be an attack upon commercial space assets. Commercial satellites are increasingly instrumental in today's war fighting, for example in Iraq and Afghanistan, and it would not be beyond comprehension to see an attack upon them. An article in the November issue of Discover is in fact entitled "The 8 Ways to Blow up a Satellite." China blew up one of its own in a test this year. The results of such an attack would be profound upon the future financing, insurance and operation of commercial space assets. FSS and MSS companies are in essence taking on

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Yearly Round-Up (cont.)

potentially catastrophic risks not necessarily priced into their current businesses. Other Grey Swans might include cyber attacks, terrorist events or extreme weather that shut down a nation's or region's telecommunications network. In these cases, the Grey Swan might have a positive impact on the satellite industry, demonstrating the ability of satellite systems to quickly restore vital communications links. That should have been obvious after Katrina, but the avalanche of orders is still awaited.

By Hoyt Davidson
Near Earth LLC

Introducing the Space Foundation Index

The Space Foundation unveiled a daily, web based version of the *Space Foundation Index* at the beginning of December. It is now available and updated daily on the Space Foundation's Website. Established in June 2005, the *Space Foundation Index* is a weighted index that tracks the market performance of 31 public companies that derive a significant portion of their revenue from space-related assets and activities. The Index was prepared by ISDR Consulting, LLC on behalf of the Space Foundation.

...the on-line Space Foundation Index also displays the performance of index companies versus the NASDAQ and S&P 500 from its inception as well as in daily, weekly, monthly, quarterly, and yearly intervals.

Since its inception through November 30, 2007, the *Space Foundation Index* has increased by more than 39 percent, significantly outpacing both the NASDAQ and S&P 500 indices, which grew 29 percent and 23 percent, respectively. Previously updated annually through *The Space Report*, the *Space Foundation Index* can now be used as an instrument to track the daily market performance of a selection of public companies representing the breadth and depth of the space industry. Marty Hauser, vice president, research & analysis at the Space Foundation adds, "We are excited that the Space Foundation Index can now serve as a practical and useful tool for individuals and businesses. The Space Foundation Index contains timely and critical information, showing market changes at both frequent and extended intervals. It provides tangible data on both the short and long term growth of this \$220 billion industry."

The on-line *Space Foundation Index* displays the performance of the index companies versus the NASDAQ and S&P 500 from its inception as well as in daily, weekly, monthly, quarterly, and yearly intervals. The *Space Foundation Index* is updated each business day, shortly after the markets close. In addition, most recent day's index information will appear on the Space Foundation's Website homepage for quick reference.

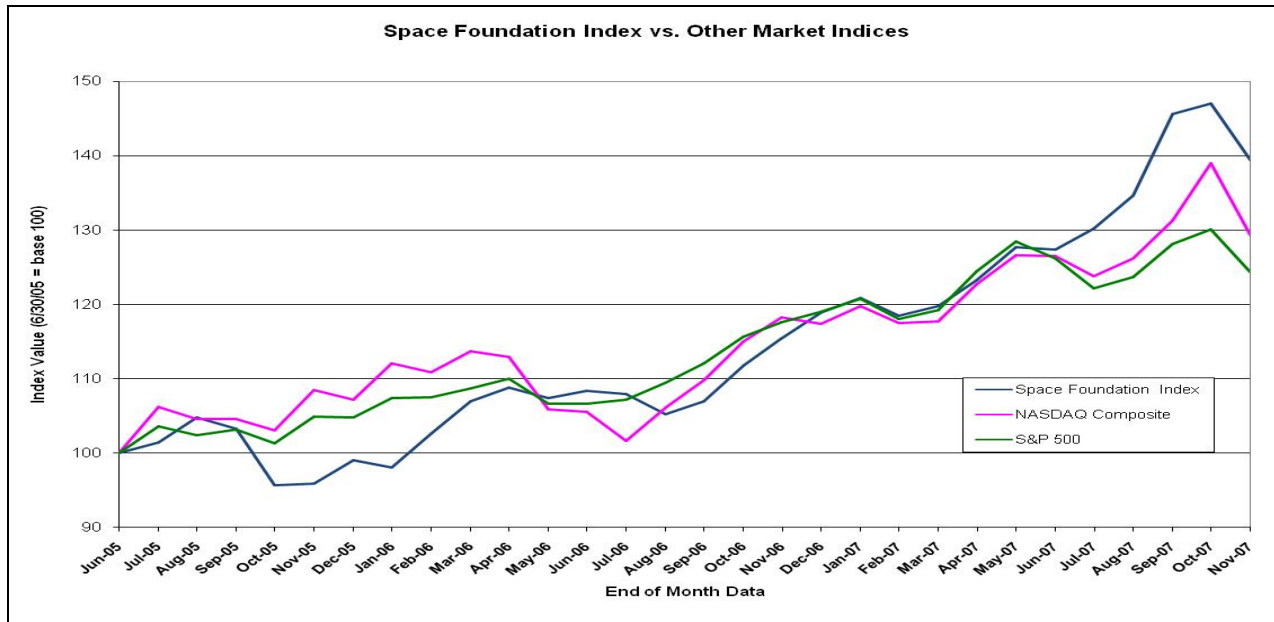
The *Space Foundation Index* increased by 34 percent between June 30, 2006 and Sept 30, 2007. This growth was fueled by the strong performance of the GPS equipment, direct-to-home television, and space infrastructure companies within the Index. However, since the end of September, the Index has dropped by 11%, impacted by several factors including:

- Uncertainty in the supply of mapping data to Garmin, the Index's largest GPS equipment company. Since Nokia's announced acquisition of NAVTEQ, Garmin's shares have been sliding and rebounding as a function of their announced need and plans to pursue alternative sources of mapping data.
- Market expectations surrounding the potential sale of EchoStar had buoyed the stock, but the stock has dropped more than 25% since its peak in the 4th quarter partly on uncertainty surrounding a potential acquisition.

Guest Corner #1 (cont.)

- The downturn in the subprime and other mortgage investment markets have precipitated an overall market correction that the Index has participated in.

The Space Foundation Index and additional information is available at www.SpaceFoundation.org.



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Foreign Satellites in the Indian Market: A Faustian Bargain?

Two quick facts that no one disputes: the Indian DTH market is on fire and there is a shortage of Ku-band capacity for DTH services in the country. With ISRO unable to launch Ku-band capacity on its own Insat fleet fast enough to meet the needs of new DTH players, it along with its commercial operating arm, Antrix, have been turning increasingly to foreign satellite operators to secure the Ku-band satellite capacity needed to fuel the Indian DTH market. SES New Skies has long had a deal in place to carry DISH TV and in the last few weeks Antrix signed contracts with MEASAT and ProtoStar to secure additional Ku-band capacity for two new DTH services.

... A closer look at the details shows that the Indian transponder market is not without its potential pitfalls.

At first glance this appears to be a great situation for satellite operators looking to build their businesses in India. But a closer look at the details shows that the Indian transponder market is not without its potential pitfalls. One of the biggest questions is just how many of the DTH platforms will survive long-term. In late October, Infinium Ltd of Ahmedabad announced that it was applying for a DTH license. Infinium, if it receives its license, would join six other commercial companies that are already in the market to one degree or another plus the essentially free-to-air DD Direct Plus platform from national broadcaster Prasar Bharati. It is NSR's view that India will buck the typical worldwide trend of only one or two DTH platforms per country. The enormous diversity of the country both in terms of language and culture makes India look more like a Europe when one is assessing demand for the number of DTH platforms. However, it also seems possible that one will see an eventual shakeout with the stronger DTH platforms picking up some of the smaller ones if for no other reason than to increase scale. The biggest unknown here, which no one can answer today, is when this might occur. For the satellite operator entering the market, the risk is being able to sign a capacity contract with the yet unknown winners so as to ensure long-term leasing revenues. Even if they end up carrying a DTH player that is eventually bought out, the satellite operator can hope that the new owner will maintain the capacity contact either for expansion or other uses, but it can be hard to sell this fallback position to one's board of trustees.

...ISRO has made no secret of its plans to launch several new satellites with the stated intention of migrating DTH services off of foreign capacity and onto national Indian Satellites

Adding further to the risk of the Indian DTH market, ISRO has made no secret of its plans to launch several new satellites with the stated intention of migrating DTH services off of foreign capacity and onto national Indian satellites. This is compounded by the fact that credible press reports have stated that the Indian DTH clients are paying around the equivalent of US\$1 million per year per transponder for Ku-band capacity on the Indian Insat fleet. Industry rumours are that the Indian DTH clients don't expect to pay significantly more than this amount for foreign Ku-band capacity as well and it is understood, though with little in the way of hard facts, that Antrix has been pushing quite hard at the bargaining table when it comes to the leases it signs with foreign satellite operators. For those not in the know, foreign satellite operators are not allowed to lease directly to the client in India, but instead must go through Antrix who acts as a reseller of their capacity to the Indian end users.

Guest Corner #2 (cont.)

Are foreign satellite operators entering into a sort of Faustian bargain in the hopes that the short-term gains are worth the risk of losing their proverbial souls in seeking to break into the Indian Market?

While there will be some variability, most in the industry will agree that a satellite operator needs to earn an average of at least US\$1.1 million per leased transponder for the typical Western produced satellite in order to have some hope of replacing the satellite at the end of its service lifetime and to pay to operate it, cover insurance and debt, market and sell the capacity, and have some modicum of profit at the end of the day. All of the above issues raise the question of why would a foreign satellite operator lease capacity into a market where there are so many DTH players it is hard to predict the long-term winners, the stated intention is to replace them as soon as national satellites can be launched, and to negotiate capacity contracts that are just on the limit of, or even under, profitability? Are foreign satellite operators entering into a sort of Faustian bargain in the hopes that the short-term gains are worth the risk of losing their proverbial souls (or at least businesses) in seeking to break into the Indian market?

Of course, things are never quite so simple in either the satellite industry or India. There can be a number of other strategies that are being employed by foreign satellite operators that explain the apparent contradiction described above. One strategy is that a satellite operator is expecting growth to come from another (non-Indian) market a few years hence and is simply being opportunistic in leasing capacity that might otherwise sit largely unused for several years until the planned for demand growth occurs. In such an instance it makes perfect business sense to seek out a short-term lease, even at somewhat low lease rates, and to reallocate the capacity to the emerging (non-Indian) market where one can obtain much better pricing in a few years time.

Another strategy that may be employed is that the expectation of demand growth in India is so high that a more or less permanent situation of undersupply will exist. When short-term contracts expire, and a suitably large base of DTH subscribers are looking at the satellite in question (this assumes of course that one has signed with one of the winning DTH operators), then the satellite operator may feel that they will have the upper hand at the negotiating table because of the high costs of repointing dishes and lack of alternative capacity means that they can start to dictate capacity pricing that would recuperate earlier losses.

...there is also the unpredictable nature of the satellite market that could also sway the game.

Aiding in this position is the assumption that the companies behind the new DTH services in India, the likes of Tata, Reliance, Bharti, are big enough and have enough influence with the government that they could actually begin lobbying for the long hoped for "open skies" policy for satellite services in India. DTH in a few years time could be such an important business line for them that they are no longer willing to abide by the admittedly convoluted process they now need to go through to obtain the satellite capacity that is so critical to the success of their DTH businesses.

Besides, there is also the unpredictable nature of the satellite market that could also sway the game. It only takes a single launch or in-orbit failure to completely change the supply/demand situation such that those that appear to be in the driver's seat today are quickly superseded by those that seem to be

Guest Corner #2 (cont.)

disadvantaged by the current market structure. For example, another failure of an Insat satellite and the threat to move Ku-band capacity to another non-Indian market may be all that it takes for a satellite operator to essentially dictate their terms to ISRO and Antrix.

The Indian DTH players have been very fortunate that foreign satellite operators have, or will shortly, the capacity on orbit they need now and ISRO/Antrix have been able to lease said capacity. There is growth occurring throughout Asia for Ku-band satellite services and one could easily imagine a situation where India desperately needs capacity but none is to be found because foreign operators simply can get a better deal elsewhere.

If there is one moral to take out of the satellite market in India, it is that at the end of the day both ISRO/Antrix and foreign satellite operators are dependent on one and another. It is growing ever more apparent, even if many in the Indian government refuse to see it, that ISRO cannot be the sole long-term source for satellite capacity for DTH services in the country. In every business, the maxim of diversification is always a key strategy and putting all the “eggs” of the growing DTH market into the “basket” of the ISRO fleet would almost certainly prove to be a poor decision at some point in the future.

...ISRO cannot be the sole long-term source for satellite capacity for DTH services in the country.

Conversely, foreign satellite operators must be reasonable in their expectations for the Indian market. Growth is certainly strong in India for DTH and numerous other applications, but the demand potential does have limits and throwing too much capacity, both current and future, at the market almost guarantees that the all too often repeated cycle in the satellite industry of oversupply will punish every satellite operator in the region, even if they are not at all involved in the Indian DTH market.

Finding the right balance between dependence on national satellite and foreign satellite assets in serving the Indian DTH market will not be easy and will most likely take time. Yet, NSR would claim that the sooner that such a balance can be reached, so much the better for all involved. Both foreign and national satellite operators will have profitable businesses in the country, users of satellite capacity will have access to a diverse base of capacity supplies from which they themselves can choose the best capacity for their application at the best price, and most importantly the Indian consumers will win because they will more readily benefit from the entire gamut of services that satellites make possible.

By Patrick M. French
Senior Analyst & Head of NSR, LLC Singapore Office

Mr. French joined NSR, LLC. in September 2003 and has since authored numerous studies, the most recent being the Global Assessment of Satellite Demand, 4th. Edition and Broadband Satellite Markets 6th. Edition. He holds a Bachelors of Science in Aerospace Engineering from Boston University and attended the 1999 ISU Summer Session in Nakhon Ratchasima, Thailand.

NEAR EARTH ANALYSIS: MARKET COMPARABLES

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

		Stock Price:		Enterprise Value as a Multiple of:			Price as a Multiple of:			
		12/18/07	Market Value of Equity	Enterprise Value (a)	LTM Sales	LTM EBITDA	LTM EBIT	LTM EPS	2007E EPS (b)	2008E EPS (b)
Satellite Capacity Leasing (FSS)										
LORL	Loral Space & Comm	\$ 35.93	\$786.2	\$1,005.6	1.1x	20.1x	n/m	n/m	n/m	n/m
SESG.PA	SES Global S.A. (c)	\$ 23.62	\$10,418.0	\$14,851.2	6.1x	9.2x	16.6x	17.2x	22.1x	19.2x
Mean					4.9x	13.7x	23.7x	17.2x	22.1x	19.2x
Satellite Equipment Manufacturers & Integrators										
GILT	Gilat Satellite Networks	\$ 10.30	\$429.2	\$317.5	1.2x	8.5x	18.4x	20.7x	19.8x	18.1x
GCOM	Globecomm	\$ 9.56	\$159.4	\$149.7	1.0x	14.0x	20.3x	19.1x	13.5x	14.3x
VSAT	ViaSat	\$ 31.59	\$1,018.2	\$891.6	1.7x	12.7x	26.8x	32.5x	21.3x	17.9x
ORB	Orbital Sciences	\$ 23.64	\$1,439.1	\$1,350.6	1.3x	13.7x	16.4x	24.4x	26.0x	23.6x
RADN	Radyn e Comstream Inc.	\$ 9.32	\$179.0	\$159.1	1.1x	8.1x	9.9x	15.3x	14.6x	n/a
CMTL	Comtech Telecommunications	\$ 51.59	\$1,424.0	\$1,186.1	2.7x	12.5x	14.0x	21.8x	15.0x	13.1x
CDV	COM DEV International (d)	\$ 3.46	\$233.2	\$225.1	1.4x	11.3x	17.6x	n/m	n/m	n/m
Mean					1.5x	11.6x	17.6x	22.3x	18.4x	17.4x
Towers										
AMT	American Tower	\$ 41.00	\$17,138.5	\$21,080.9	14.9x	23.9x	n/m	n/m	n/m	n/m
CCI	Crown Castle	\$ 39.17	\$11,068.5	\$17,252.3	14.1x	30.9x	n/m	n/m	n/m	n/m
SBAC	SBA Communications	\$ 32.76	\$3,413.2	\$5,274.8	13.3x	27.6x	n/m	n/m	n/m	n/m
Mean					14.1x	27.5x				
General Telecom										
AT	Alltel	\$ 71.46	\$25,689.9	\$27,460.3	3.2x	9.4x	17.9x	41.5x	24.6x	21.7x
T	AT&T	\$ 40.60	\$248,837.4	\$306,734.4	2.9x	8.0x	15.7x	23.2x	14.7x	12.8x
VZ	Verizon Communications, Inc.	\$ 43.81	\$126,610.9	\$158,744.3	1.7x	5.3x	10.2x	26.6x	16.2x	16.2x
S	Sprint Nextel Corporation	\$ 13.76	\$39,353.6	\$59,262.6	1.5x	5.6x	46.2x	n/m	16.2x	16.2x
Mean					2.3x	7.1x	22.5x	30.4x	17.9x	16.7x

TELECOM SERVICES INDEX (excludes Towers stocks)

High	7.5x	20.1x	46.2x	41.5x	26.0x	23.6x
Mean	2.1x	10.9x	23.7x	22.0x	18.5x	15.7x
Low	1.0x	5.3x	9.9x	15.3x	13.5x	12.8x

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

		Stock Price:		Enterprise Value as a Multiple of:			Price as a Multiple of:		
		12/18/07	Market Value of Equity	Enterprise Value (a)	LTM Sales	LTM EBITDA	LTM EBIT	2007E EPS (b)	2008E EPS (b)
Satellite Television (DBS)									
BSY	British Sky Broadcasting (f)	\$ 12.04	\$21,566.0	\$24,196.7	2.7x	12.1x	14.9x	19.2x	17.6x
DISH	EchoStar Communications	\$ 37.01	\$16,896.7	\$20,704.4	1.9x	7.1x	12.8x	21.1x	15.7x
DTV	DirecTV Group Inc.	\$ 23.41	\$27,857.9	\$30,060.9	1.8x	7.5x	12.0x	19.7x	16.3x
Mean					2.1x	8.9x	13.2x	20.0x	16.5x
Television									
TVL	LIN TV Corp.	\$ 12.44	\$637.3	\$1,541.3	3.7x	10.1x	16.7x	n/m	17.0x
SBGI	Sinclair Broadcast Group	\$ 9.06	\$790.3	\$2,135.5	2.9x	7.2x	17.6x	19.3x	11.5x
YBTV	Young Broadcasting Inc.	\$ 1.00	\$22.7	\$827.0	3.9x	13.0x	36.9x	n/m	n/m
Mean					3.5x	10.1x	23.7x	19.3x	14.3x
Satellite Radio (DARS)									
SIRI	Sirius Satellite Radio	\$ 3.22	\$4,714.6	\$5,667.5	6.5x	n/m	n/m	n/m	n/m
WRSP	Worldspace	\$ 2.01	\$81.3	\$168.3	11.2x	n/m	n/m	n/m	n/m
XMSR	XM Satellite Radio	\$ 13.30	\$4,082.2	\$5,404.2	5.0x	n/m	n/m	n/m	n/m
Mean					7.6x				
Radio									
CCU	Clear Channel	\$ 35.95	\$17,816.1	\$18,804.7	2.6x	8.0x	10.9x	23.2x	22.6x
CMLS	Cumulus Media Inc.	\$ 7.69	\$332.7	\$891.2	2.7x	n/m	n/m	n/m	42.7x
CXR	Cox Radio Inc.	\$ 11.29	\$1,060.1	\$1,386.5	3.1x	8.9x	9.6x	15.1x	14.9x
EMMS	Emmis Communications Corp.	\$ 4.28	\$160.6	\$833.6	2.4x	12.4x	15.6x	n/m	n/m
ETM	Entercom Communications	\$ 14.62	\$550.6	\$1,275.0	2.7x	14.9x	18.3x	13.3x	12.0x
ROIA	Radio One Inc.	\$ 2.01	\$198.4	\$1,016.4	2.8x	17.4x	24.4x	18.3x	7.4x
Mean					2.7x	12.3x	15.8x	17.5x	19.9x
NewsPrint									
DJ	Dow Jones	\$ 59.98	\$5,216.5	\$5,568.9	2.8x	19.7x	32.9x	38.6x	31.5x
MNI	The McClatchy Company	\$ 13.05	\$1,070.6	\$1,048.2	0.4x	n/m	n/m	9.0x	10.0x
NYT	New York Times	\$ 16.84	\$2,426.6	\$3,107.3	1.0x	6.4x	11.0x	15.9x	14.5x
TRB	Tribune	\$ 33.31	\$4,197.1	\$12,335.6	2.3x	10.6x	13.3x	19.7x	24.5x
WPO	Washington Post	\$ 769.00	\$7,312.4	\$7,399.4	1.8x	9.9x	14.3x	25.9x	22.3x
Mean					1.7x	11.6x	17.9x	21.8x	20.6x

MEDIA SERVICES INDEX (excludes Satellite Radio (DARS) stocks)

High	3.9x	19.7x	36.9x	38.6x	42.7x
Mean	2.3x	9.7x	15.4x	17.2x	20.0x
Low	0.4x	6.4x	9.6x	9.0x	7.4x

(a) Calculated as Market Value of Equity plus total debt, minority interest and preferred stock, less cash & equivalents.

(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 1.43854 US \$ per Euro.

(d) Converted to US \$ from C\$ at an exchange rate of 1.003 US \$ per C\$.

(f) Converted to US \$ from British Pound at an exchange rate of 1.99650 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	
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	
				Mean	6.1x	10.3x	
Ground Equipment							
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	
System Integrators							
05/03/07	Globecom	GlobalSat	18.4	18.4	0.9x	n/d	
				Mean	0.9x	n/d	
Video Distribution Equipment							
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	
Towers							
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	
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	
03/29/07	Umbrella Holdings LLC	Univision Communications	12,300.0	13,700.0	6.3x	18.1x	
				Mean	4.9x	15.6x	
Radio							
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	
New Media							
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.

Recent Transactions

 Dominion Video Satellite Inc. Sale of DBS licenses to EchoStar Satellite Operating Corporation Near Earth LLC acted as financial advisor to Dominion	 Publisher of WATCHES AND COMPAGNONS has been acquired by MODERN LUXURY MAGAZINES Near Earth LLC acted as exclusive financial advisor to Tourbillon International	 Valuation of Five Satellite Related Assets of SES Global SES Near Earth LLC provided in-depth asset valuation and industry analysis	GUGGENHEIM Guggenheim Partners Valuation of international media firm and related assets Near Earth LLC provided in-depth valuation and analysis
 Series C Convertible Participating Preferred Stock The Near Earth Investment Club financed a portion of the round	Undisclosed Major Asset Management Firm Valuation and Strategic Analysis of Loral Space & Communications  Near Earth LLC completed in-depth analysis	 Luxmovera LLC d/b/a uplinkearth Financial and Business Analysis, Planning and Valuation Near Earth LLC acted as financial advisor to Luxmovera LLC	 Murray Capital Management Valuation of three telecom portfolio holdings Near Earth LLC provided in-depth valuation and industry analysis
HUGHES Hughes Network Systems Valuation of spectrum related assets Near Earth LLC provided in-depth valuation and analysis	 Intelsat, Ltd. Private sale of minority block of shares Near Earth LLC acted as advisor to investor group	\$110,000,000  served as the lead investor in  Series B Redeemable Convertible Preferred Stock Near Earth LLC acted as Financial Advisor to PCG	\$5,400,000  Series A Convertible Preferred Stock The Near Earth Investment Club financed a portion of the round
 International Datacasting, Corp. Acquisition of PROFile B.V. Near Earth LLC acted as strategic advisor to the acquirer	 XM Satellite Radio, Inc. Creation of Canadian joint venture Near Earth LLC acted as financial advisor to both parties	 XM Satellite Radio, Inc. \$435 million private placement Near Earth LLC acted as financial advisor to the issuer	SES AMERICOM An SES GLOBAL Company SES AMERICOM Valuation of orbital slot Near Earth LLC valued assets for expert witness testimony

For more information about our current transactions or about Near Earth LLC, please visit our website at www.nearearthllc.com or contact us at our location below:

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