SPECIALISTS IN SATELLITE, MEDIA AND TELECOM INVESTMENT BANKING

FROM THE GROUND UP

February 2009

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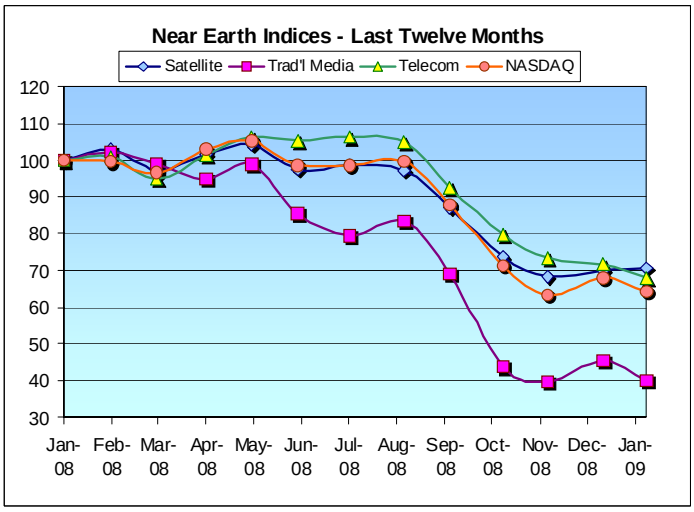

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THE WAY WE SEE IT…

Satellite:

Iran orbited its first satellite, causing much nail biting in the West, but proving once again that all nations see the importance of space and access to it (see article by John Stone herein). Despite bleak credit markets, **Intelsat** refinanced 7.625% notes due 2012 and 6.5% notes due 2013 with $400 million face amount of 8.875% notes due 2015, at an issue price of 88.5 (yield to maturity of 11.9%); evidence that gaining financial breathing room in this environment may be worth the higher interest rates. **Swedish Space Corporation** announced the acquisition of its global TT&C marketing partner **Universal Space Network**, which should make the service truly global. EMS Technologies signed an agreement to acquire **Satamatics**, a telematics applications company. **GeoEye** announced the start of commercial sales from GeoEye-1, the highest resolution color imagery available to the public (see related article by Ian Fichtenbaum herein).

Telecom:

On January 14th, **Nortel Networks** filed for bankruptcy protection, despite sitting on $2.4 billion in cash and facing no immediate liquidity crisis. We think this could presage additional "surprise" filings by other companies that appear well short of insolvency, and reflects on strained access to debtor in possession (DIP) capital.

Media:

Yahoo!'s new CEO, Carol Bartz, kicked off her tenure with emphatic indications that the company is not for sale. While we take this at face value, it was also interesting to note the company's strategic enthusiasm for content while it continues to investigate alternatives for the search business. It isn't surprising that the distant #2 search provider would come to such conclusions in advance of reports that **Google**'s share of U.S. searches had exceeded 72% in December. With **Yahoo!** focusing on content and **Google** on search, we wonder where **AOL** and **Microsoft** will fit in. The former's proprietary features and applications (for example, the AIM instant messenger and the **Platform-A** ad network business) could give it a differentiating edge, although **Time Warner** recently announced a roughly 25% decline in 4th quarter revenues (year-over-year) for **AOL**. The **New York Times** in the meantime has bought itself breathing room and a vote of confidence with the issuance of preferred equity to private investor Carlos Slim, at terms that may have been considered onerous in a different environment.

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Conventional wisdom is that the "long tail" opportunity presented by the Internet will continue to squeeze the life out of [traditional media].

Before launching into contrarian mode, a bit of backdrop from the world of media… Investment appetite for unprofitable business has substantially diminished, and even profitable businesses are seeing reduced valuation prospects; by far the greater transactional interest comes from the strategic front (rather than through financial wizardry); advertising expenditures are being consolidated for efficiency; and consumer spending is declining. This "new world" has materialized in just a few months' time, although it feels like decades, and perspective takes a while to sharpen. Conventional wisdom remains that traditional media, such as newspapers and radio in particular, are in mortal peril. Conventional wisdom is that the "long tail" opportunity presented by the Internet will continue to squeeze the life out of such sectors. Conventional wisdom had equity markets trading at a premium of almost 100% above current levels, less than twelve months ago. The "new world" is challenging conventional wisdom on several fronts. Here is a theory, only a theory: the market's perspective of the "long tail" is antiquated and flawed, and will in the current climate transform or else become meaningless.

Here is a theory: the market's perspective of the "long tail" is antiquated and flawed, and will in the current climate transform or else become meaningless.

To be clear, the concept in its original sense is very much thriving, but its meaning has over the years been distorted. Initially coined circa 2004 to refer to the e-commerce strategies of the likes of Amazon and NetFlix, both very successful even in our recessionary climate offering a wide variety of selections to a fragmented customer base at low cost, the term "long tail" has since been extended and diluted to encompass the audience traffic opportunities for non-mainstream platforms, generated by the fragmentary nature of the Internet. In recent years, the term has been used to explain the emergence and to justify the funding of narrow-appeal services and products outside of e-commerce – not only content (e.g., blogs), but also applications (e.g., iPhone apps), and distribution (e.g. digital music destinations) – in the tailwind of a growing economy and free-flowing capital environment.

… "head" has been analogous to premium and market leading, while "tail" equated to the more marginal and specialized opportunities, regardless of economic fundamentals

In this context, the "long tail" designation and its mass market opposite, the "head," also implied a value judgment, a qualitative commentary, in which "head" was analogous to premium and market leading, while "tail" equated to the more marginal and specialized opportunities, regardless of economic fundamentals. (In social networking, for example, Facebook would be considered "head," in relation to LinkedIn's much more specialized niche status, despite the latter's highly profitable business model in contrast to the former's negative cash flow.)

But now that the economy has stopped growing, and capital is much less flowing, the described way of seeing things seems more and more to teeter on the edge of obsolescence, and it may behoove us to revisit definitions. If both the investment community and strategic competitors seem to prize cash and cash flow above all else these days, why should

we not categorize media platforms (both old and new) on the same basis? And if industry participants demonstrate increasingly sharp focus on core markets, (e.g., Yahoo! contemplating the exit of search to focus on its much more valuable content business), why should we not assess market position based on a narrow and more meaningful boundary than, say, the worldwide web? It may be that a previously regarded "tail" enterprise would (and should) now qualify as "head" – with relative valuation and strategic profile in accordance – if assessed on metrics more pertinent to current realities.

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If the thesis holds, then such a product or platform or application could have greater strategic and financial interest than may have been heretofore recognized, and perhaps attract greater transactional attention than some of the "head" competitors in the "old world" sense of the word. Let's take the hypothetical scenario of a small local radio station with a small sales force that sells local ads to small local businesses in a small town; or let's take a limited circulation local flyer in the same community. Clearly, these are nothing in comparison to www.nytimes.com, or Pandora Radio. Were we, however, to consult with the local pizza parlor to see if the owner would rather spend $500 to run a local (analog) ad every Thursday, or far less, say, $20 for a banner on either of the enormously popular web destinations, the probability is very high that the decision would still favor local analog. And for this reason, the real-life counterparts of the two hypothetical media properties are very likely cash flow positive, whereas the two actual web businesses are by all accounts not.

… Because providers of capital, advertisers, and industry competitors, all define market segments carefully and plan spending, investment, and expansion strategies accordingly, labels and definitions do matter.

Of course we don't want to suggest that the local paper of a small town is worth more than the New York Times website, or that the possibilities for Facebook are less than those of Linked In. But we do offer for consideration that certain phenomena may warrant rethinking in the face of new realities that are more than a temporary correction, when these phenomena were born in an environment in which business objectives, as established by capital sources, were vastly different from what these objectives have become (and had been previous to a very unique time in the world economy). And again, we question the definition that would relegate that profitable local radio station that ranks at the top of its small market to niche ("long tail") status in the grand scheme, while in that same market only audiophile teenagers with little spending money fool around with the "mainstream" Pandora, deemed to be at the "head" of its addressable audience (the world).

The relevance of these questions and arguments is not merely academic. Because providers of capital, advertisers, and industry competitors, all define market segments carefully and plan spending, investment, and expansion strategies accordingly, labels and definitions do matter. As we

continue into an environment in which strategic considerations are likely to dominate the transactional dialogue, and in which cash and revenue sources are at a premium, fragmentary and dilute business models, even if serving a mass market, may have reached a point of diminishing returns.

By Dan Ramsden
Near Earth LLC

Informatics - Information wants to mash

On February 2nd, 2009, Google did something that made its users see red. This reaction was neither the embarrassed states of its many corporate rivals nor the rage of information privacy advocates, but instead the result of a new release of one of Google's most popular and acclaimed pieces of software, Google Earth. Tucked away in this shiny new version was a new feature sure to delight fans of planetary science and imagery – at last, users not only had the option of viewing the planet Earth, but the red planet Mars too. Through the imagery of NASA's Mars exploration fleet and the prowess of Google's image processing and geospatial capabilities, astronomical aficionados can explore the ridges and valleys of the red planet's surface with as much ease as they can now spy on the layout of their own home town. Mountains of imagery that often languished in large NASA databases have now become more accessible to a much larger audience. Returning back to Earth, it bears mentioning that so much has happened in how we use public and commercial satellite imagery that we ought to take a step back and see how far we've come and how fast.

… Mountains of data from …imaging satellites did indeed exist … but, they existed in an obtuse format useful sometimes to experts but inaccessible to the vast portion of the public

Only just over a decade ago, not only did Google Earth not exist, but almost the whole of the commercial satellite imaging market also did not exist. IKONOS, the first high-resolution commercial imaging satellite, would not be launched until late 1999 and other satellites years after that. Mountains of data from government-operated imaging satellites did indeed exist (as they still very much exist today) but, just like the Mars data, they existed in an obtuse format useful sometimes to experts but inaccessible to the vast portion of the public. Even when comprehensive imagery servers, such as the famed Microsoft TerraServer, came online in 1998, common users would still need considerable agility before they could even exclaim "I can see my house from here!"

… Human ingenuity has been exceedingly good at building machines that churn out petabytes for megabucks, but it has done a patch poor job of making the data actually useful

Underlining this is a fundamental problem with satellite imaging and remote sensing. Human ingenuity has been exceedingly good at building machines that churn out petabytes for megabucks, but it has done a patch poor job of making the data actually useful to people when they need it – that is, channeling information from photons to electrons to neurons exactly when those very same neurons need it most. It is here that image collecting meets its match and more sophisticated analysis comes to play. Over the last couple of decades, a very healthy industry has arisen to fill this need for geospatial analysis by bringing to bear processing techniques and interpretation algorithms to weave a fabric of knowledge from the wool of information. To some, this industry is known as geomatics, the gathering, storing, processing, and delivery of geographic information, or spatially referenced information.

We can go farther – take geospatial imaging and add the wonders of GPS-based navigation, a telecommunications network, databases of

transport networks, routing algorithms and some simple machine intelligence and now we have the fast growing multi-billion dollar industry of asset tracking and GPS navigation. This too has a name – many call it telematics.

… geomatics and telematics should not be thought of as two separate disciplines but rather as subsets of informatics – the analysis of information in general

Truth be told, both geomatics and telematics should not be thought of as two separate disciplines but rather as subsets of informatics – the analysis of information in general. Information about place, position and time are just a few different kinds of information that can be brought together to bring forth greater understanding of the world. To these we can effortlessly add demographic, cultural, medical, conversational, culinary, legal, horticultural, ethical, mathematical, conceptual and many, many more forms of information. Under the right circumstance, all of these strands can be combined together into something that can tell us more than the sum of its parts.

All of which brings us all the way back to Google Earth and its cousin, Google Maps. The real trailblazing part of the software and the service was not merely the accessible presentation of geography, but the open software architecture which allowed anyone to cross-reference map data against any other readily available data. Hence the phenomenon of the so-called mash-up: user-created real-estate maps drawn from classified listings, or charts of crime incidents drawn from police reports or many other similar creations. Informatics in the modern world not only means that all the aforementioned information sources will end getting mashed together, but will do so as a direct consequence of user demand.

… Commodity data providers will eventually find themselves either seeking greater scale along the horizontal … or expanding into informatics services themselves either through organic growth or by acquisition.

What will this mean for the business of information? First, as demand grows, expect to see raw data (ie. raw images and unprocessed databases) becoming more commoditized and for margins to shrink. Conversely, players on the right hand side of the value chain, those who specialize in processing, mashing and interpreting data for geomatics, telematics and informatics will boast heftier margins, but in a fragmented field. Commodity data providers will eventually find themselves either seeking greater scale along the horizontal (a satellite image company moving into other sources of images, such as aerial imagery) or expanding into informatics services themselves either through organic growth or by acquisition. Corporate strategists, however, should take note – if we've learned anything about the mash-ability of data, it's that the sophisticated end-product of today will eventually become a commodity data-point for another mashable tomorrow. The value chain is always moving to the right and they must be ready to move with it.

Perhaps the greatest opportunities exist for those who can build platforms for information that become the most widely accepted. Google's greatest success has been in becoming a de facto standard for serving up and

organizing the world's information. History shows that to have such a position is always an enviable one. As Jerry Seinfeld's neighbor, the hapless mailman Newman, wisely put it "When you control the mail, you control … information". If this is indeed the case, then one hopes that Google will use its dominant position in the marketplace more responsibly than Newman was often depicted. If not, its users will no doubt find more than a few reasons to see red.

By Ian Fichtenbaum
Near Earth LLC

… At the root of this scandal was the dual use capability that many satellite and launch vehicle technologies have in missile applications

In 1999, under the recommendation of a bipartisan commission headed by California representative Christopher Cox, the United States government instituted a sweeping change in its regulation of satellite and related technology exports. Previously, the export of these items had been regulated by the Commerce Department, and American satellites were sold and launched worldwide, including in China. Following a highly visible scandal concerning the unauthorized transfer of satellite launcher technology from American satellite manufacturers to Chinese launch vehicle manufacturers, the export of satellites came under much greater scrutiny. At the root of this scandal was the dual use capability that many satellite and launch vehicle technologies have in missile applications (recall that most early launch vehicles were, in fact, repurposed and modified ballistic missiles).

The form of this scrutiny was the International Trafficking in Arms Regulations (ITARs), under which satellites and satellite components were classified as munitions and exportation came under the purview of the State Department. Under this new regime, strict regulations and accompanying sanctions were instituted to prevent the transfer of technology from American Satellite manufacturers to their customers. While it was intended that implementation of these standards would prevent unwanted technology transfer (and that the cost of the standards would be borne by the purchasers), the Law of Unintended Consequences intervened.

… many satellite buyers simply took their business elsewhere. As a consequence, much of the commercial satellite business for non American customers migrated to European vendors, leading to a serious loss of market share

In particular, many satellite buyers simply took their business elsewhere. As a consequence, much of the commercial satellite business for non American customers migrated to European vendors, leading to a serious loss of market share (and related employment, tax revenues, R&D funding, etc.). In more recent times, fresh competition from Israeli, Chinese (e.g. Nigeria's NigComsat-1 and Venezuela's Simon Bolivar satellite) and Indian (e.g. W2M) satellite vendors has also emerged, with aggressive pricing and guarantees, if somewhat checkered results. China, in particular, seems to be using its space program as a means of diplomacy to win new friends in the developing world.

Now, the circle of spacefaring nations has grown again, with the successful launch of Iran's first indigenously developed satellite and launch vehicle. This feat was achieved not only with ITARs in place, but substantial additional international sanctions, as well.

From the perspective of this writer, ten years after the fact, applying ITARs to satellite exports appears to be a case of chasing a train that has left the station. An increasing body of evidence demonstrates the rest of the world appears quite capable of developing their own launchers and satellites without our "assistance". Needlessly punishing American firms

… With a whiff of change now detectable in Washington, we think it's high time to consider changing these regulations

that provide environmentally responsible, trade and budget deficit reducing, high paying technology jobs by effectively baring them from international markets seems counterproductive to say the least.

With a whiff of change now detectable in Washington, we think it's high time to consider changing these regulations to reflect the times. It's the least we can hope for.

By John Stone
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:		
Ticker	Company	2/4/09	Market Value of Equity	Enterprise Value (a)	LTM Sales	LTM EBITDA	LTM EBIT	LTM EPS	2008E EPS (b)	2009E EPS (b)
	Satellite Television (DBS)									
BSY	British Sky Broadcasting (f)	$ 7.21	$12,608.0	$14,318.2	2.0x	10.2x	13.7x	20.8x	17.9x	15.1x
DISH	Dish Network Corp	$ 12.84	$5,906.9	$10,455.4	1.0x	3.8x	8.7x	9.1x	6.4x	5.9x
DTV	DirecTV Group Inc.	$ 22.98	$25,530.8	$28,463.8	1.5x	5.8x	10.4x	16.1x	16.5x	13.3x
				Mean	1.5x	6.6x	10.9x	15.3x	13.6x	11.4x
	Cable Television									
CHTR	Charter Communications Inc.	$ 0.07	$27.4	$20,124.4	3.2x	8.7x	20.1x	n/m	n/m	n/m
CMCSA	Comcast Corporation	$ 14.16	$40,643.9	$69,201.9	2.1x	5.4x	10.6x	14.3x	15.9x	13.9x
MCCC	Mediacom Communications Corp.	$ 5.18	$502.0	$3,695.4	2.7x	7.4x	14.3x	n/m	n/m	n/m
TWC	Time Warner Cable Inc.	$ 18.97	$18,556.5	$29,935.5	1.8x	4.8x	9.5x	13.8x	16.4x	18.2x
				Mean	2.4x	6.6x	13.6x	14.0x	16.1x	16.1x
	Television									
TVL	LIN TV Corp.	$ 0.63	$31.9	$850.9	2.1x	4.9x	7.1x	0.8x	n/m	3.5x
SBGI	Sinclair Broadcast Group	$ 1.60	$137.9	$1,539.6	2.0x	4.8x	8.9x	1.9x	2.5x	9.4x
YBTVA	Young Broadcasting Inc.	$ 0.05	$1.2	$805.2	5.3x	18.0x	n/m	n/m	n/m	n/m
				Mean	3.1x	9.2x	8.0x	1.4x	2.5x	6.5x
	Satellite Radio (DARS)									
SIRI	Sirius XM Radio	$ 0.14	$361.5	$3,374.6	1.4x	n/m	n/m	n/m	n/m	n/m
				Mean	1.4x					
	Radio									
CMLS	Cumulus Media Inc.	$ 1.93	$80.9	$590.6	1.8x	7.0x	8.3x	5.3x	3.9x	6.9x
CXR	Cox Radio Inc.	$ 5.16	$430.3	$843.5	2.0x	5.9x	6.3x	2.6x	6.9x	8.5x
EMMS	Emmis Communications Corp.	$ 0.37	$13.5	$583.5	1.6x	8.4x	10.7x	n/m	n/m	n/m
ETM	Entercom Communications	$ 1.37	$49.8	$923.1	2.0x	6.8x	8.0x	1.1x	n/m	1.7x
ROIA	Radio One Inc.	$ 0.41	$38.8	$774.6	2.4x	9.3x	11.9x	n/m	4.6x	2.9x
				Mean	2.0x	7.5x	9.0x	3.0x	5.1x	5.0x
	NewsPrint									
MNI	The McClatchy Company	$ 0.66	$54.4	$2,251.9	1.1x	6.8x	12.2x	2.2x	1.0x	2.0x
NYT	New York Times	$ 4.79	$688.7	$1,378.9	0.5x	4.0x	7.4x	6.3x	11.4x	13.3x
WPO	Washington Post	$ 414.34	$3,877.4	$4,150.4	0.9x	7.0x	12.9x	23.4x	15.2x	18.6x
				Mean	0.8x	5.9x	10.8x	10.7x	9.2x	11.3x
				MEDIA SERVICES INDEX (excludes Satellite Radio (DARS) stocks)						
				High	5.3x	18.0x	20.1x	23.4x	17.9x	18.6x
				Mean	2.0x	7.2x	10.6x	9.1x	9.9x	9.5x
				Low	0.5x	3.8x	6.3x	0.8x	1.0x	1.7x

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

($ in millions, except per share data)		Stock Price:			Enterprise Value as a Multiple of:			Price as a Multiple of:		
	Company	2/4/09	Market Value of Equity	Enterprise Value (a)	LTM Sales	LTM EBITDA	LTM EBIT	LTM EPS	2008E EPS (b)	2009E EPS (b)
	Satellite Capacity Leasing (FSS)									
ETL.PA	Eutelsat Communications	$ 21.26	$4,596.2	$7,793.9	6.9x	8.9x	16.0x	19.5x	17.6x	16.9x
LORL	Loral Space & Comm. Inc.	$ 14.03	$283.2	$509.0	0.6x	4.3x	9.7x	n/m	n/m	n/m
SESG.PA	SES Global S.A. (c)	$ 18.05	$9,142.6	$13,665.6	6.6x	9.8x	18.2x	19.0x	13.0x	12.2x
				Mean	4.7x	7.7x	14.7x	19.2x	15.3x	14.5x
	Satellite Equipment Manufacturers & Integrators									
CDV	COM DEV International (d)	$ 2.59	$176.8	$189.5	1.2x	14.3x	33.7x	18.4x	12.8x	8.2x
CMTL	Comtech Telecommunications	$ 39.35	$1,158.6	$902.5	1.5x	5.9x	7.3x	13.7x	20.4x	9.1x
GCOM	Globecomm Systems Inc.	$ 5.19	$107.4	$50.8	0.3x	3.0x	4.5x	4.3x	18.5x	11.3x
GILT	Gilat Satellite Networks	$ 3.79	$160.3	$60.0	0.2x	2.7x	6.3x	13.2x	27.1x	11.8x
HUGH	Hughes Communications, Inc.	$ 11.00	$234.0	$619.7	0.6x	4.6x	9.1x	16.7x	16.4x	6.3x
ISYS	Integral Systems Inc.	$ 10.76	$185.8	$180.3	1.1x	8.4x	9.7x	16.2x	10.7x	9.4x
ORB	Orbital Sciences	$ 17.43	$1,015.3	$674.7	0.6x	5.2x	6.0x	12.4x	17.6x	19.4x
SATS	EchoStar Corp.	$ 15.40	$1,475.9	$872.7	0.4x	n/m	n/m	n/m	n/m	n/m
VSAT	ViaSat Inc.	$ 21.42	$688.4	$601.5	1.0x	10.7x	22.0x	n/m	13.7x	12.2x
				Mean	0.7x	5.8x	9.3x	12.8x	17.8x	11.4x
	Towers									
AMT	American Tower	$ 30.24	$11,912.8	$16,280.1	10.4x	16.6x	31.0x	n/m	n/m	n/m
CCI	Crown Castle	$ 19.96	$5,640.2	$11,970.4	7.9x	14.6x	n/m	n/m	n/m	n/m
SBAC	SBA Communications	$ 19.87	$2,315.7	$4,704.0	10.5x	19.8x	n/m	n/m	n/m	n/m
				Mean	9.6x	17.0x				
	General Telecom									
S	Sprint Nextel Corporation	$ 2.40	$6,852.0	$25,301.0	0.7x	3.3x	n/m	n/m	n/m	n/m
T	AT&T	$ 24.66	$146,431.1	$221,611.1	1.8x	5.1x	9.4x	10.2x	12.3x	10.9x
VZ	Verizon Communications, Inc.	$ 30.61	$90,838.5	$170,809.5	1.8x	5.5x	10.4x	14.5x	12.1x	11.4x
				Mean	1.4x	4.6x	9.9x	12.4x	12.2x	11.1x
				TELECOM SERVICES INDEX (excludes Towers stocks)						
				High	6.9x	14.3x	33.7x	19.5x	27.1x	19.4x
				Mean	1.6x	6.1x	12.5x	11.3x	14.8x	10.7x
				Low	0.2x	2.7x	4.5x	4.3x	10.7x	6.3x

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

n/m Not Meaningful.

(c) Converted to US $ from Euro at an exchange rate of 1.2854 US $ per Euro.

(d) Converted to US $ from C$ at an exchange rate of 0.8120 US $ per C$.

(f) Converted to US $ from British Pound at an exchange rate of 1.4469 US $ per British Pound.

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	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						
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
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
				Mean	1.1x	9.4x
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						
09/29/05	International Datacasting	Profline (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
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
				Mean	1.9x	13.2x
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	11.2x	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						
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
07/30/08	Bain Capital	Clear Channel	17,923.8	23,724.1	3.5x	10.8x
				Mean	4.1x	13.1x
New Media						
03/06/06	NBC Universal	iVillage Inc.	600.0	550.0	6.0x	32.4x
03/15/07	Cisco	WebEx	2,900.0	2,900.0	7.6	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
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
				Mean	5.4x	23.7x

(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$

n/d Not Disclosed

n/m Not Meaningful

(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.

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