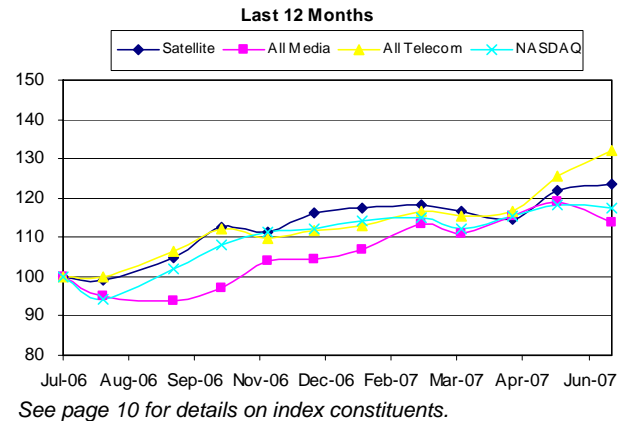


FROM THE GROUND UP

June 2007

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Near Earth Market Indices


THE WAY WE SEE IT...

Satellite:

ClearWire reached agreement with **Echostar** and **DIRECTV** to jointly market their respective services to create a triple play bundle. We think this is a logical extension of the DBS firms' existing distribution deal with satellite broadband provider **WildBlue**, and that it substantially addresses competitive pressures to have a bundled offering.

Satellite transponder leasing firm **Satmex**, which was the subject of a much anticipated auction process, drew much lower bids than many industry observers (including us) expected, leading its owners to abandon the effort (for now). Given the firm's strong geographic coverage and return to financial health following the launch of Satmex 6 last year, there clearly is some hair (perhaps due to excessive Mexican Government requirements) that isn't readily apparent from the outside.

British private equity firm BC Partners announced plans to purchase a 76% share of **Intelsat's** equity for \$4.6 billion (plus assuming a like share of the company's debt of \$11 billion) from Apax, Permira, Apollo and Madison Dearborn, raising the question "What do they know or believe that the other four don't?"

Wireless:

According to a Wall Street Journal article, **Sprint** is considering a spin-off, joint venture or seeking other external funding to assist in the projected \$3 billion in capex to roll out its WiMax network. Could this be a plan B for the DBS firms to keep ClearWire honest?

B2B WiMax provider **Towerstream** which went public via a reverse merger earlier this year, raised \$40 million in a secondary offering that values the \$6 million revenue firm at over \$125 million. With valuations like this, we expect a flurry of other WiMax service firms to seek to emulate this success.

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The Current Spot-Beam

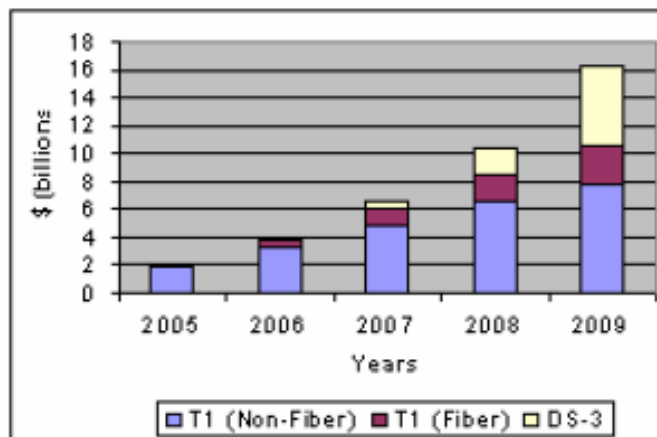
The Backhaul Conundrum

Mobile voice and data customers rarely give any thought to it, but whenever they hit “send”, their communications need to get from wherever they are to the Public Switched Telephony Network or the Internet backbone. While we all know that radio waves transmit the traffic from our mobile device to a router, base station or other receiver, things get a lot murkier shortly thereafter. This is the realm of backhaul – relaying voice and data traffic from receivers (typically located on cell towers or, in the case of mesh WiFi networks, frequently lamp posts) to the core network. And these days, backhaul is getting hot.

Over 90% of cellular backhaul in the U.S. uses T1s despite problems with availability and cost.

Today, the most common means of backhaul is via leased T1 lines, typically from a Local Exchange Carrier. While these work well enough that over 90% of cellular backhaul in the U.S. uses T1s, there are two main problems: availability and cost. In the case of the former, there are many locations where people want a T1 and can't access one. In the case of the latter, T1s (which carry 1.54 mbps) cost several hundred dollars per month each. In the aggregate, over \$2.5 billion is spent every year for cellular backhaul. While this is a wonderful thing if you happen to be leasing T1's, it's a big problem for wireless carriers, and it's getting worse. The “culprit” is mobile broadband, which is growing rapidly and increasing the need for backhaul – with projections of a four-fold increase by 2010 as shown in the graph below.

U.S. Wireline Backhaul Spending



Source: GeoResults

To help address the weaknesses of T1s, a host of companies are positioning products and services that can replace them. Let's take a look at some of the key technologies and spectrum:

Outside the U.S. point-to-point microwave networks backhaul 60% of the base stations world wide.

- Microwave – While T1s dominate here in the U.S., outside the U.S. point-to-point microwave networks backhaul 60% of the base stations world wide. Microwave equipment is inexpensive and uses licensed spectrum to provide data rates of ~15 mbps over ranges of up to 20 miles. Typical equipment costs are \$8,000 to \$10,000 per link.
- WiMax – In addition to point-to-multipoint applications, WiMax can also be used for backhaul. Typical data rates of up to 50 mbps are achievable, with ranges of up to 20 miles. WiMax equipment is also quite cost

The Current Spot-Beam (cont.)

competitive (typically less than \$2,000 per link), but to ensure QOS licensed spectrum must be used.

We expect that [non T1] technologies are likely to see significant growth over the next couple of years.

- Millimeter Wave – An emerging technology is the use of point-to-point millimeter wave (sometimes called E-band) transmitters. These radios are capable of much higher data rates (up to 2.3 gigabits per second) over shorter ranges of a few miles. The transmission profiles for these radios are a pencil beam, which essentially means that there is no limit on the number of radios that can share the frequency in a given geographic region. Because of this, the FCC simply requires users to register rather than granting licenses over a geographic region. Millimeter wave transmissions are subject to rain fade, which reduces the range during heavy downpours. Typical millimeter wave equipment prices are around \$20,000 per link.
- Free Space Optics – This approach uses infrared lasers to transmit data at rates of up to several hundred megabits per second over ranges of several hundred meters. Like all light waves, these transmissions require a clear line of sight and are susceptible to interference from fog and, to a much lesser extent, rain. Typical FSO links are around \$10,000.
- Satellite – In many instances in the third world, the terrestrial infrastructure is absent or very distant. In these cases, backhauling traffic over satellite can be cost effective compared to multiple traffic hops. Satellite infrastructure also benefits from being more secure than terrestrial, reducing costs from theft and vandalism. While equipment costs for satellite backhaul are reasonably modest (several thousand dollars per site), bandwidth costs are significant. As such, satellite bandwidth is best reserved for use with voice, which has a higher revenue per bit than data applications.

We expect that all of these technologies are likely to see significant growth over the next couple of years, and that the companies operating in the sector will share in this growth.

The table on the following page lists just a few of the many, many substantial players in each of these technologies. For additional information please contact the author.

The Current Spot-Beam (cont.)

Company	Microwave	WiMax	Millimeter Wave	Free Space Optics
Advantech	•			
AirFiber				•
Airspan		•		
Alcatel Lucent	•			
Alvarion		•		
Bridgewave			•	
Dragonwave Communications			•	
E-band			•	
Ericsson	•			
Exalt Communications	•			
Flight Transport				•
Gigabeam			•	
Harris Stratex	•			
LightPointe				•
Loea			•	
Moseley Technologies	•			
Motorola	•	•		
Optical Access				•
Terabeam/Proxim		•	•	•

By John Stone
Near Earth LLC

Zoning the Beachfront

As the telecom industry gears up for a multi-billion dollar auction, divergent views on how the rules are set are center stage in a raging public policy debate.

Soon, perhaps by mid-July, the Federal Communications Commission will adopt new rules for the auction of 60 MHz of spectrum in the 700 MHz band – long regarded as beachfront spectrum for its excellent propagation characteristics. As the telecommunications industry gears up for an auction that is predicted to fetch upwards of \$15 billion, divergent views on how the rules are set are center stage in a raging public policy debate. Who is saying what, and why, speaks volumes about the current landscape, and how the FCC resolves the important policy questions will go a long way to determining who gets the penthouse condo on the beach and who gets stuck in quicksand.

Background. The 700 MHz band includes the 698-806 MHz band previously allocated to television channels 52-69. Under the Digital Television Transition and Public Safety Act of 2005, Congress required all television stations to migrate from these channels to digital television spectrum in lower frequencies, clearing 108 MHz for other uses. The digital television transition must be completed by February 17, 2009.

Meanwhile, Congress took steps to put the cleared TV spectrum to use, requiring the FCC to start the auction for the “recovered” spectrum by January 28, 2008 and collect auction revenues by June 30, 2008. Potential bidders have expressed a strong desire to have as long as six months from the day final rules are announced to obtain funding, create business models and develop auction strategies – a deadline that may be hard to meet.

Congress is requiring the FCC to start the auction by January 28, 2008 and collect auction revenues by June 30, 2008.

Before Congress established a date for the digital television transition, the FCC auctioned the Lower 700 MHz C Block (paired frequencies in the 710-716/740-746 MHz bands). Licenses were assigned according to 734 Cellular Market Areas (CMAs), with Aloha Wireless being the most successful high bidder. In rural areas, small telephone companies successfully obtained licenses that overlaid their telephone service areas. The FCC also auctioned the Lower 700 MHz D Block (unpaired frequencies in the 716-722 MHz band), with Qualcomm being the successful high bidder nationwide. The FCC also auctioned guard band in the 700 MHz spectrum. These are two MHz of spectrum in the A Block (paired frequencies in the 746-747/776-777 MHz band) and four MHz of spectrum in the B Block (paired frequencies in the 762-764/792-794 MHz band). Auction winners included Pegasus, Access Spectrum and Sprint Nextel. All told, these early auctions raised about \$700 million.

New Rules. In April, the FCC promulgated a first set of rules for the upcoming auctions. First, on the heels of a financially successful Advanced Wireless Services auction last year, the FCC adopted a “geographic mix” of licenses, but solicited further comment on how the bands should be divided. Licenses will be awarded for a term that will not extend beyond February 17, 2019, the ten-year anniversary of the digital television transition. If a license is not renewed, the spectrum is returned to the FCC for reauction.

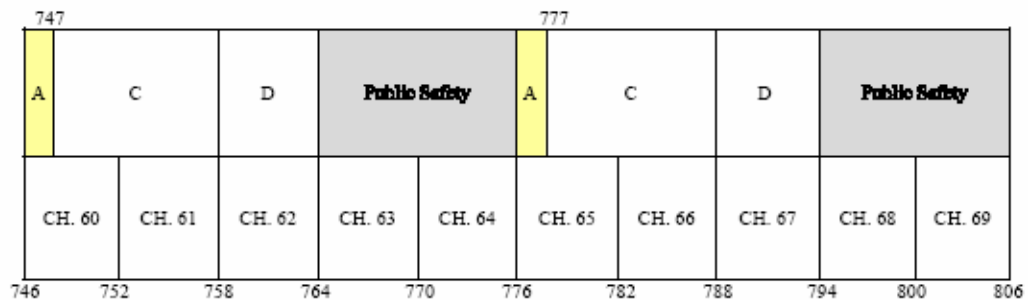
The FCC also adopted generous power limits. For both the Lower 700 MHz band (698-746 MHz) and the Upper 700 MHz band (746-806 MHz), licensees can operate base stations at an average power of 1 kW/MHz ERP. For example,

From the Deal Side (cont.)

a licensee transmitting a signal across a six MHz block could transmit at 6 kW ERP over the entire 6 MHz, with each 1 MHz segment limited to 1 kW ERP. In rural areas – counties with fewer than 100 persons per square mile, licensees can operate base stations at an average power of 2 kW/MHz ERP so long as they coordinate with all non-public safety licensees authorized to operate within 75 miles of the base station in question. Incumbent C- and D-Block licensees in the Lower 700 MHz band, as well as licensees using unpaired spectrum, may employ power levels up to 50 kW if they do not produce signals exceeding a power flux density of 3 mW/m² on the ground within 1 km of the base station.

Licensees also will be subject to hearing aid compatibility and E911 requirements.

Proposed Band Plans. In April, the FCC invited comment on various band plans for the 700 MHz band. For the Lower 700 MHz, the FCC proposed to retain its earlier band plan, noting that the B Block would be attractive to an incumbent C Block licensee because the paired spectrum could be combined to create a larger pipe. The B Block also would be attractive to rural operators given the relatively small size of the CMAs, while at the same time creating a block of larger Economic Areas (EAs) that could be combined to create a national footprint. This band plan is depicted below.



Block	Frequencies	Bandwidth	Pairing	Area Type	Licenses
A	746-747, 776-777	2 MHz	2 x 1 MHz	MEA	52*
B	762-764, 792-794	4 MHz	2 x 2 MHz	MEA	52*‡
C	747-758, 777-788	22 MHz	2 x 11 MHz	REAG	12
D	758-764, 788-794	12 MHz	2 x 6 MHz	REAG	12

*Blocks have been auctioned

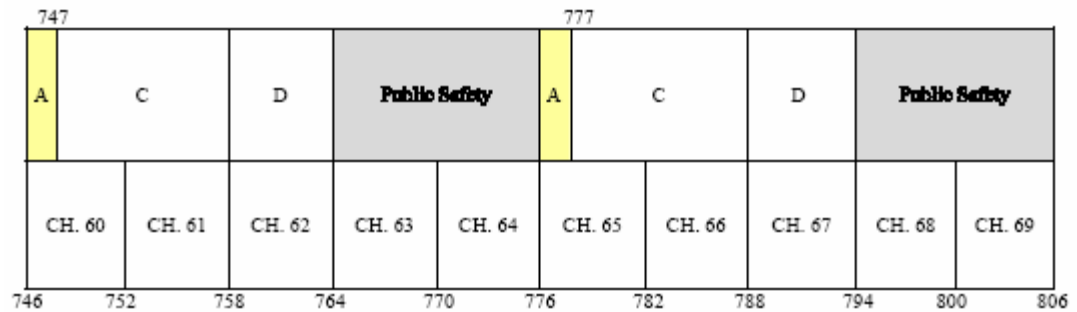
‡42 of 52 licenses nationwide held by the Commission, remaining licenses potentially grandfathered

The band plan for the Upper 700 MHz is much more contentious. The FCC has asked for comment on several different band plans, with incumbents seeking larger geographic areas, smaller entities asking for smaller geographic areas, the guard band licensees asking to relocate and Frontline asking for 12 MHz of spectrum to be allocated for public safety and wholesale obligations.

Proposal 1 would auction spectrum only according to Regional Economic Area Groupings (REAGs). A bidder could create a nationwide license by acquiring all 12 of the REAG licenses. This plan is disfavored with new entrants and by other carriers looking for additional spectrum.

The band plan for the Upper 700 MHz is much more contentious than the lower 700 MHz.

From the Deal Side (cont.)

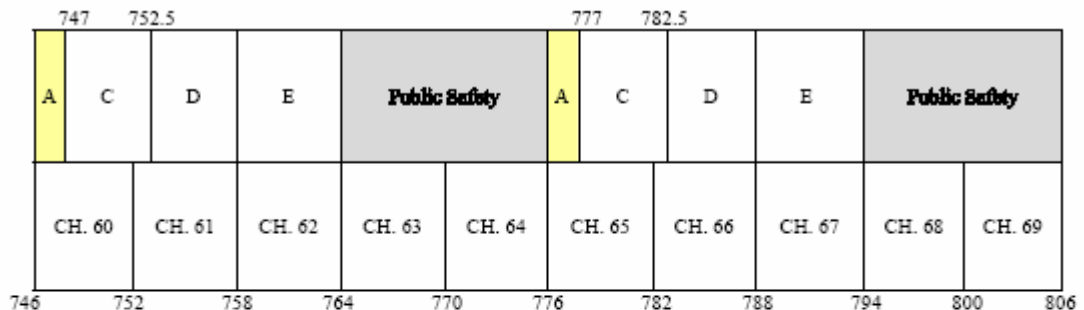


Block	Frequencies	Bandwidth	Pairing	Area Type	Licenses
A	746-747, 776-777	2 MHz	2 x 1 MHz	MEA	52*
B	762-764, 792-794	4 MHz	2 x 2 MHz	MEA	52* [‡]
C	747-758, 777-788	22 MHz	2 x 11 MHz	REAG	12
D	758-764, 788-794	12 MHz	2 x 6 MHz	REAG	12

*Blocks have been auctioned

[‡]42 of 52 licenses nationwide held by the Commission, remaining licenses potentially grandfathered

Proposal 2 is favored among new entrants because it would create an 11 MHz block of licenses auctioned according to CMAs or EAs, while also allowing a national carrier to acquire REAGs for nationwide coverage.



Block	Frequencies	Bandwidth	Pairing	Area Type	Licenses
A	762-763, 792-793	2 MHz	2 x 1 MHz	MEA	52*
B	762-764, 792-794	4 MHz	2 x 2 MHz	MEA	52* [‡]
C	747-752.5, 777-782.5	11 MHz	2 x 5.5 MHz	CMA or EA	734 or 176
D	752.5-758, 782.5-788	11 MHz	2 x 5.5 MHz	EA	176
E	758-764, 788-794	12 MHz	2 x 6 MHz	REAG	12

*Blocks have been auctioned.

[‡]42 of 52 licenses nationwide held by FCC, remaining licenses potentially grandfathered.

Proposals 3 and 4 involve relocation of the 700 MHz A Block and B Block guard band to contiguous spectrum in the upper portion of the band. The remaining blocks would be auctioned by REAG (two 11 MHz blocks) and EA (one 10 MHz block). The guard band licensees favor these proposals.

Another option involves a proposal by Frontline, which requests that the FCC alter the upper portion of the band plan to auction a single nationwide 10 MHz license (a new E Block) consisting of the paired 757-762 MHz and 787-792 MHz frequencies. Frontline also proposes that the licensee would be required to construct a common, interoperable network infrastructure for use by both the public safety broadband network and the "E Block" licensee's commercial network. The E Block licensee would be required to cover 75 percent of the

From the Deal Side (cont.)

The combined effect of the set-aside and wholesale-only model would likely reduce the number of bidders to a handful of new entrants.

United States population within four years of the 700 MHz “auction clearing date,” 95 percent within seven years, and 98 percent within 10 years. The E Block licensee also would manage and operate the public safety broadband network, and could collect a reasonable network management fee. Public safety broadband operations would be entitled to priority access during times of emergency. The license would have a 15-year term.

Two Frontline proposals have faced a tidal wave of criticism. First, incumbent wireless carriers and cable operators would be ineligible to obtain E Block licenses. Second, the licensee would be required to make its spectrum available on a wholesale basis. At least one economist has opined that the combined effect of the set-aside and wholesale-only model would likely reduce the number of bidders to a handful of new entrants.

Eligibility. Small businesses will be entitled to bidding credits of 15 percent (if attributable gross revenues for the previous three years do not exceed \$40 million) and 25 percent (if attributable gross revenues for the previous three years do not exceed \$15 million). The FCC declined to adopt spectrum set-asides or eligibility restrictions but sought comment on whether it should require incumbents to establish separate subsidiaries or spectrum caps or to restrict in-region incumbents. A trade association representing wireless ISPs asked the FCC to adopt an additional 20 percent bidding credit for just the rural CMAs where the bidder does not have a “material relationship” with a large wireless or cable carrier. Similarly, Alltel asked the FCC to impose a 25 percent “bidding premium” on ILEC-affiliated wireless carriers.

Public interest groups have asked the FCC to adopt an “open access” obligation for 30 MHz of the auctioned band.

In a very controversial proposal, public interest groups have asked the FCC to adopt an “open access” obligation for 30 MHz of the auctioned band. Under this model, a licensee would be required to interconnect any provider that wanted to use its network. Some 250,000 persons submitted letters to the FCC supporting this view, and lobbying activity is continuing.

Build-Out. The Rural Cellular Association proposed to modify the FCC’s “substantial service” rules, which are largely based on population coverage, in favor of a geographic-based performance requirement. Under this proposal, which the FCC has embraced, licensees would be required to cover 25 percent of their license areas within three years, 50 percent within five years and 75 percent within eight years (with government land excluded). The FCC also sought comment on a “keep what you use” component that would reduce the size of the licensed area if a licensee failed to meet a benchmark.

This proposal has been criticized by large carriers and rural interests alike. Large carriers argue that requiring geographic build-out is not market-based and will force them to either sit out the auction or cover areas with little or no economic value. Small carriers complain about the additional hardship associated with extending coverage to sparsely populated areas, though a few have asked the FCC to create an exemption for the rural CMA markets.

* * * * *

From the Deal Side (cont.)

Fierce lobbying on these issues will continue until the last minute. Then, the industry will hold its breath to see how the FCC will zone the last remaining lots of beachfront spectrum that we expect to see for a long time.

By Stephen E. Coran
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Mr. Coran has practiced telecommunications law for nearly 20 years, focusing on wireless, satellite and emerging technology transactions, public advocacy and regulation. Rini Coran, PC provides strategic, transactional, regulatory and governmental relations counsel to help clients succeed in a dynamic telecommunications, media and technology marketplace. Mr. Coran can be reached at 202.463-4310 and scoran@rinicoran.com.

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:		Enterprise Value as a Multiple of:			Price as a Multiple of:		
Company	6/26/07	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	\$ 49.99	\$1,001.8	\$1,141.9	1.3x	12.8x	n/m	n/m	n/m
SESG.PA	SES Global S.A. (c)	\$ 21.08	\$14,067.4	\$18,245.1	8.4x	12.5x	22.4x	24.0x	20.9x
				Mean	5.8x	12.4x	26.6x		
Satellite Equipment Manufacturers & Integrators									
GILT	Gilat Satellite Networks	\$ 9.37	\$381.4	\$278.2	1.1x	8.1x	20.7x	36.4x	19.5x
GCOM	Globecomm	\$ 14.30	\$235.6	\$205.8	1.5x	25.4x	40.0x	37.3x	30.4x
VSAT	ViaSat	\$ 29.74	\$904.8	\$828.9	1.6x	14.0x	25.4x	32.9x	19.8x
ORB	Orbital Sciences	\$ 20.74	\$1,264.0	\$1,201.2	1.4x	14.2x	17.3x	26.4x	25.3x
RADN	Radyne Comstream Inc.	\$ 10.46	\$197.2	\$167.7	1.3x	8.6x	10.5x	17.3x	15.8x
CMTL	Comtech Telecommunications	\$ 45.04	\$1,235.9	\$1,074.7	2.7x	13.0x	16.1x	25.0x	18.0x
CDV	COM DEV International (d)	\$ 5.04	\$354.1	\$340.8	2.3x	12.0x	15.9x	n/m	n/m
				Mean	1.7x	13.6x	20.8x	29.2x	21.5x
Towers									
AMT	American Tower	\$ 40.63	\$17,859.2	\$21,373.2	15.8x	25.6x	n/m	n/m	n/m
CCI	Crown Castle	\$ 34.08	\$9,319.4	\$15,531.7	16.9x	33.4x	n/m	n/m	n/m
SBAC	SBA Communications	\$ 32.30	\$3,413.0	\$5,098.5	13.5x	29.2x	n/m	n/m	n/m
				Mean	15.4x	29.4x			
General Telecom									
AT	Alltel	\$ 67.09	\$24,139.0	\$26,299.1	3.2x	9.7x	18.5x	31.9x	24.1x
T	AT&T	\$ 39.29	\$246,191.1	\$251,001.6	3.3x	9.0x	17.0x	28.2x	14.6x
VZ	Verizon Communications, Inc.	\$ 41.07	\$119,554.8	\$180,018.8	2.0x	6.3x	12.9x	22.4x	17.4x
S	Sprint Nextel Corporation	\$ 21.96	\$63,662.0	\$83,479.0	2.0x	7.2x	41.7x	n/m	25.2x
				Mean	2.6x	8.1x	22.5x	27.5x	20.3x
TELECOM SERVICES INDEX (excludes Towers stocks)									
				High	8.4x	25.4x	41.7x	37.3x	30.4x
				Mean	2.6x	12.7x	26.3x	25.6x	21.0x
				Low	1.1x	6.3x	10.5x	17.3x	14.6x

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	6/26/07	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)	\$ 10.09	\$17,780.19	\$21,167.90	2.4x	8.9x	12.2x	16.0x	14.7x
DISH	EchoStar Communications	\$ 42.89	\$19,523.9	\$23,313.4	2.3x	9.0x	16.5x	24.2x	17.2x
DTV	DirecTV Group Inc.	\$ 23.35	\$26,665.8	\$27,691.3	1.8x	7.4x	10.8x	18.0x	14.8x
				Mean	2.2x	8.4x	13.1x	19.4x	15.6x
Television									
TVL	LIN TV Corp.	\$ 18.92	\$927.4	\$1,776.2	4.1x	11.7x	19.7x	n/m	26.6x
SBGI	Sinclair Broadcast Group	\$ 14.16	\$1,213.4	\$2,560.3	3.6x	12.4x	16.1x	41.6x	17.3x
YBTV	Young Broadcasting Inc.	\$ 3.40	\$75.0	\$825.9	3.7x	11.5x	30.1x	n/m	n/m
				Mean	3.8x	11.9x	21.9x	41.6x	22.0x
Satellite Radio (DARS)									
SIRI	Sirius Satellite Radio	\$ 2.93	\$4,269.0	\$5,072.6	7.1x	n/m	n/m	n/m	n/m
WRSP	Worldspace	\$ 4.71	\$183.7	\$229.4	15.1x	n/m	n/m	n/m	n/m
XMSR	XM Satellite Radio	\$ 11.24	\$3,438.1	\$4,671.4	4.7x	n/m	n/m	n/m	n/m
				Mean	9.0x				
Radio									
CCU	Clear Channel	\$ 37.42	\$18,518.0	\$26,198.0	3.6x	11.2x	15.3x	25.1x	22.8x
CMLS	Cumulus Media Inc.	\$ 9.30	\$472.7	\$1,041.3	3.1x	13.3x	17.0x	n/m	35.8x
CXR	Cox Radio Inc.	\$ 14.25	\$1,361.8	\$1,704.0	3.8x	10.6x	11.4x	19.0x	17.8x
EMMS	Emmis Communications Corp.	\$ 9.38	\$349.1	\$1,024.8	2.9x	14.0x	17.2x	n/m	n/m
ETM	Entercom Communications	\$ 23.97	\$944.1	\$1,628.6	3.6x	11.9x	13.5x	20.0x	16.6x
ROIA	Radio One Inc.	\$ 7.09	\$699.9	\$1,658.3	4.5x	11.7x	13.5x	n/m	n/m
				Mean	3.6x	12.1x	14.6x	21.4x	23.3x
NewsPrint									
DJ	Dow Jones	\$ 58.77	\$4,911.5	\$5,190.4	2.8x	19.2x	32.3x	40.0x	33.0x
MNI	The McClatchy Company	\$ 24.25	\$1,988.1	\$4,826.4	2.4x	9.1x	11.9x	14.9x	13.5x
NYT	New York Times	\$ 25.62	\$3,724.1	\$5,067.4	1.5x	10.9x	17.6x	23.9x	22.3x
TRB	Tribune	\$ 29.46	\$7,129.3	\$11,291.4	2.1x	8.9x	10.8x	16.6x	16.6x
WPO	Washington Post	\$ 771.70	\$7,413.0	\$7,537.7	1.9x	10.5x	15.5x	25.2x	21.6x
				Mean	2.1x	11.7x	17.6x	24.1x	21.4x
MEDIA SERVICES INDEX (excludes Satellite Radio (DARS) stocks)									
				High	4.5x	19.2x	32.3x	41.6x	35.8x
				Mean	2.8x	11.3x	16.5x	19.0x	20.8x
				Low	1.5x	7.4x	10.8x	14.9x	13.5x

(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 1.34597 US \$ per Euro

(d) Converted to US \$ from C\$ at an exchange rate of 0.93414 US \$ per C\$

(f) Converted to US \$ from British Pound at an exchange rate of 1.999 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

NEAR EARTH ANNOUNCEMENTS

Near Earth LLC professionals will be at the following conferences. If you would like to schedule a meeting during one of these events, please email John Stone at John@nearearthllc.com

October 9 ISCe Satellite Investment Symposium NYC '07, New York, NY
October 10-11 SATCON 2007, New York, NY

Near Earth LLC runs an investment club called The Near Earth Investment Club and serves as the Club administrator/organizer as well as the primary sourcer and screener of investment opportunities. The Club periodically offers participations in primarily media, telecom and satellite industry-related, often uniquely structured, investments to its members. It is designed to provide active accredited investors with significant deal flow and issuers with access to "smart" and relatively "fast" capital.

- Diverse pool of Satellite, Media and Telecom-related investment opportunities from seed capital rounds to late stage capital and from restructurings and distressed opportunities to private investments in public companies. Club investment opportunities come from a variety of sources including transactions Near Earth LLC is engaged to complete and opportunities Near Earth or Club members find through their extensive industry contacts.
- Investments are screened by Near Earth LLC professionals and sometimes by Advisory Board or Club members with highly relevant backgrounds, before being presented to the full Club for investment consideration.
- Low minimum investment amounts (typically \$25,000 - \$50,000).
- Each member makes his or her own independent investment decisions on each investment opportunity and holds and votes their own shares.
- Near Earth charges no fund management fees and does not take any percentage of the investment upside. However, Near Earth may charge a 2% sourcing fee in certain cases where it receives no other compensation from the transaction. In no cases, will investors be charged a fee without notification in advance of making an investment decision.


If you would like to be considered for membership in this fund, please contact Dan Ramsden at dan@nearearthllc.com.

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



GE Commercial Finance

Valuation of Five Satellite Related Assets of SES Global



Near Earth LLC provided in-depth asset valuation and industry analysis




LINKSTORM

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




uplinkearth
web solutions worlds apart™

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 Network Systems

Valuation of spectrum related assets

Near Earth LLC provided in-depth valuation and analysis



INTERNATIONAL DATACASTING


International Datacasting, Corp.

Acquisition of PROLine B.V.

Near Earth LLC acted as strategic advisor to the acquirer

\$110,000,000


Pacific Corporate Group LLC
served as the lead investor in



Series B Redeemable Convertible Preferred Stock

Near Earth LLC acted as Financial Advisor to PCG

\$5,400,000



HorseTV

Series A Convertible Preferred Stock

The Near Earth Investment Club financed a portion of the round



SES AMERICOM
An SES GLOBAL Company

SES AMERICOM

Valuation of orbital slot

Near Earth LLC valued assets for expert witness testimony



Intelsat. Ltd.

Private sale of minority block of shares

Near Earth LLC acted as advisor to investor group



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

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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