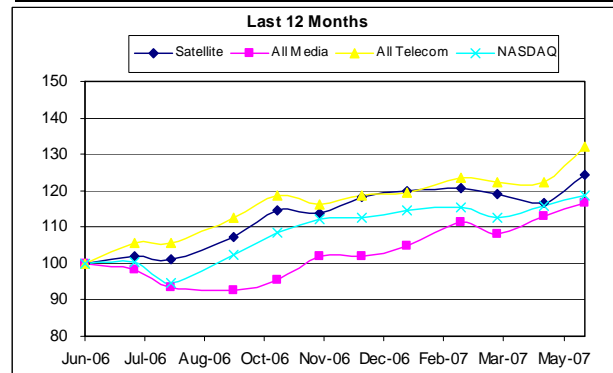


FROM THE GROUND UP

May 2007
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THE WAY WE SEE IT...

Satellite:

ORBCOMM priced a 7 million share secondary offering to strongly positive investor response. The issue traded up more than 20% from its offer price and the stock has settled near its 52-week high, underscoring both the company's post-IPO operating results and continuing investor appetite for the sector.

In addition to the broadly publicized and pending **SatMex** and **Intelsat** sale processes, a number of M&A transactions have recently closed, reflecting continued strategic and financial interest to consolidate the sector. These transactions include **L-3's** purchase of **GCS**, **Globecomm's** purchase of **Globalsat**, **Caprock's** purchase of **Arrowhead**, and **Helius's** purchase of **Pointecast**.

Media:

A wave of mergers and acquisitions, including previously publicized deals as well as new transactions in the market, seems to be swiftly progressing (see related "From the Deal Side" column in this newsletter for our commentary). These include going-private transactions for **Clear Channel** and **Cablevision**, the acquisition of **EMI** by Terra Firma, and the exploration of strategic alternatives by broadcasters **LIN TV** and **Nexstar**. On a smaller but perhaps more strategically significant scale, **Amazon.com** agreed to buy **Brilliance Audio**, an independent publisher of audiobooks, signaling the acquirer's evolving interest in the downloading boom.

CBS Corporation has acquired **Last.fm**, a global, community-based, music discovery network for \$280 million in cash. Last.fm currently has more than 15 million active users in more than 200 countries. Only a few days prior to the announcement of this transaction, **Sprint** agreed to offer personalized streaming radio channels through a partnership with **Pandora**, the Internet radio service which creates personalized music stations based on individual preferences. Both transactions demonstrate that, the ongoing royalty rate uncertainty for Internet radio notwithstanding, the technology continues to gain significant traction and has rapidly become a "player" to be reckoned with.

Telecom:

Terabeam announced that its Proxim broadband wireless equipment division has executed a reseller agreement with satellite broadband equipment supplier **Gilat**. Not to be outdone, **Hughes Communications** (known for their HughesNet satellite broadband service) entered a distribution agreement with wireless broadband service provider, **Mobilepro**. Given the synergies between satellite broadband and wireless broadband, we expect future co-marketing agreements and potential M&A activity in the future.

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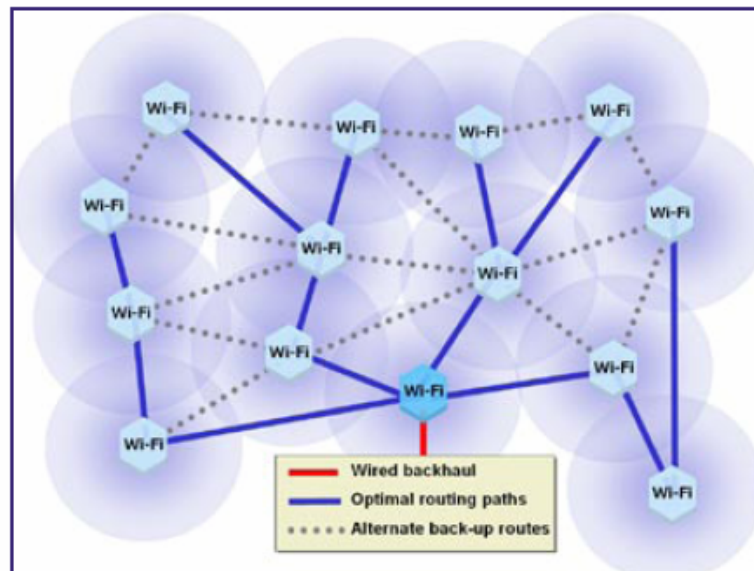
The Current Spot-Beam

Wither Municipal WiFi

One of the most interesting (and sometimes confusing) aspects of following the wireless broadband industry is the plethora of competing and emerging technologies. Whether it's a flavor of WiMax (choose pre/proto, fixed, nomadic or mobile, and season to taste), cellular 2.5G or 3G, WiFi or its more expansive relative mesh WiFi, there are a lot of ways to get bits back and forth to that Point Of Presence.

In all these approaches, you've got to start out with a user, and make that first hop into the service provider's infrastructure. Most of us understand that when we're on a cellular call, it's going over one of those oh so attractive towers we don't want in our neighborhood. In the local Starbucks, it's going over a WiFi router hidden behind the cappuccino machine. In the case of mesh WiFi networks, the range of the transmitter infrastructure is short enough that you need a lot of them – and more often than not, that pushes service providers to deploy the network in public rights of way, typically on streetlamp posts - making most mesh WiFi municipal WiFi as well. The typical network topology is shown below:

... while Earthlink remains committed to completing and operating its rollouts... it clearly is taking a "wait and see" approach regarding additional projects.



Source: Tropos Networks

While each of the previously listed approaches has its fans and naysayers, of late mesh WiFi (and the municipal variety in particular) has been the subject of some rebuke – so let's look a little deeper, shall we? While the clouds started gathering earlier (e.g. Mobilepro withdrawing its proposed Sacramento deployment), the recent spate of negative press seems to have been kicked off by the April 26th remark of EarthLink's CFO Kevin Dotts that his company would "study" the performance of the networks it has committed to build and operate before proceeding with further commitments. So, while Earthlink remains committed to completing and operating its rollouts in Philadelphia, New Orleans, Anaheim and Milpitas, it clearly is taking a "wait and see" approach regarding additional rollouts.

The Current Spot-Beam (cont.)

Propagation effects in the case of municipal WiFi means higher deployment expenses along with lower revenues.

Why the hesitation? Let's just say it's a case of optimism meeting reality. In the case of municipal WiFi, this means higher deployment expenses along with lower revenues. The former problem comes largely from propagation effects with WiFi translating into the need for denser clustering of the mesh components, which drives up capital expense. For example, Earthlink is finding that 30-40 nodes per square mile are required to get adequate performance – twice its original projection. The latter problem comes from lower than projected take rates by paying customers, at least partially due to strong competition from incumbent telephone and cable operators.

Does this mean that municipal WiFi is likely to be stillborn? A May 21st AP article suggested as much (“Cities struggle with wireless internet”) and promptly gathered scathing reviews from WiFi boosters across the blogosphere.

Here at Near Earth, we remain cautiously optimistic. Start with the fact that the installed base of WiFi access cards is staggering – hundreds of millions – and continues to grow. This phenomenon is in turn self reinforcing through the power of learning curve effects that drive equipment prices lower. Together, these factors provide deployments that use them with a powerful advantage – low to no subsidies for “Customer Premises Equipment” (which, as we note, may leave their premises from time to time anyway). While WiFi suffers from short range coverage, it can be very cost effective in relatively dense urban environments that ensure usage will be high enough to justify rollout costs. Transferring municipal traffic to the WiFi network also provides an anchor tenant that can help close business cases.

While WiFi suffers from short range coverage, it can be very cost effective in relatively dense urban environments in which usage will be high enough to justify rollout costs.

Going forward then, we expect continued rollout of municipal WiFi, but suspect that cities are likely to find that the gravy train has pulled out of the station, as far as terms go. Consider that right now, the San Francisco city counsel is, for lack of a better term, “holding up” Earthlink and Google over terms, and meeting real resistance. While the depth of Google's pockets is well known, it very well could be that this is a reprise of the Mobilepro/Sacramento situation.

Could it be that, after all the hype, people actually have the nerve to want to make some money at this? Perhaps the return of financial discipline could be what municipal WiFi needs the most.

By John Stone
Near Earth LLC

Core and Everlasting Assets

At the time that this is being written, a flurry of acquisition activity has been underway in the media and communications industry, with new and more sensational headlines in the news each day. From board approval for the Clear Channel buyout, to similar progress in negotiations for Cablevision's going-private transaction, to the announced acquisitions of Alltel by Goldman Sachs, and EMI by Terra Firma, activity is percolating across a variety of media sectors. This assortment of transactions, spanning multiple facets of a dynamic but somewhat volatile industry of late, suggests growing buyer comfort with the sector's prospects. But there could also be an additional investment thesis in the buyers' calculations, supporting the strong valuations in this environment: In all the illustrated cases there is an underlying asset or set of assets that is generally unaffected by (and likely to withstand) changing technologies or consumer habits. We describe some of the noted examples.

- While Clear Channel's core radio revenue performance has been flat at best, and prospects remain uncertain in the midst of a competitive landscape that includes satellite radio, Internet radio, MP3 devices, and now also cell phones, the company also owns significant and difficult to replicate assets in support of a proposed EBITDA deal multiple in the low-to mid-teens. Within its assorted portfolio of holdings, for example, Clear Channel owns a substantial spectrum footprint (especially in large metro areas) and a sizable tower portfolio from which its signals are broadcast. We have seen how highly both spectrum and tower assets are regarded by capital markets as we watched the bidding in the recent AWS spectrum auctions, and as we watched tower companies such American and Crown ascend to ever rising valuation heights.
- Alltel's spectrum value – with a U.S. coverage map comprising 35 states – has no doubt also been factored into the buyout of this service provider, which ranks distantly behind Verizon, AT&T, Sprint, and T-Mobile, at a valuation of roughly 20x free cash flow and 30x earnings.
- While Cablevision's footprint is geographically more limited than Clear Channel's or Alltel's, Cablevision is the owner of a concentrated asset base in and around the nation's top media market that is almost unparalleled in its diversity and regional brand value. The portfolio includes properties such as Madison Square Garden and its assortment of entertainment and sports franchises, Radio City Music Hall, and the numerous regional (as well as some national) television networks that comprise Rainbow Media. There is, of course, also a cable franchise serving more than 3 million demographically desirable homes with state of the art telecom services. From a cash flow perspective alone, the proposed structure of Cablevision's going-private transaction will result in a debt multiple around the mid-teens, and it would seem that more than cash flow alone is needed to justify the leverage.
- Despite the music industry's well publicized struggles from which EMI is not immune, the value of this music company's portfolio – which includes more than a dozen labels, two major recording studios, a music catalog ranging from the Beatles to Sinatra, and a music publishing library

...supporting strong valuations are underlying assets unaffected by (and likely to withstand) changing technologies or consumer habits...

... in the generally acknowledged industry risk dynamic, the ownership of valuable assets provides important risk mitigation and financial advantages...

From the Deal Side (cont.)

ranging from ABBA to The Yardbirds – was apparently not lost on the private equity fund that has bid almost \$5 billion for a company with revenues that have been declining for the past two years.

Of course, we would never suggest that media is becoming an asset based industry in the same sense as real estate or manufacturing. But in light of the generally acknowledged industry risk dynamic – driven by almost perpetual emergence of new technologies and applications, new and rapidly changing consumer behavior patterns in response, and often diminishing barriers to competition in an Internet-based environment – the ownership of valuable assets provides two important risk mitigation and financial advantages:

... that attractive deals are getting done is a positive signal and vote of confidence that, after the dust has settled, the same key assets will remain central...

- To the extent that the asset is media or technology agnostic – so that for example the same EMI-owned title can be enjoyed on Clear Channel's radio broadcast, its Internet stream, downloaded over Cablevision's fiber or Alltel's wireless network – the underlying asset provides a sort of backstop to uncertain profitability.
- In the current high liquidity capital markets, in which credit capital constitutes an increasingly attractive and available form of finance, the underlying asset provides an added element of credit support that in many cases enables potential acquirers or investors to maximize financial leverage.

As long as the described risks in the current media and communications landscape persist, we would look for investors, lenders, and buyers to continue to seek ways to mitigate these risks with (and capitalize on) the value of strong underlying assets. That attractive deals are getting done, especially in light of the described competitive environment, is a positive signal and vote of confidence that, after the dust has settled, the same key assets (comprising both content and distribution) will remain central. In a sector almost defined by change, it seems some assets are everlasting.

By Dan Ramsden
Near Earth LLC

Discovering Hidden Assets in Media Properties

A newly acquired media property is more than just cash flow, ratings, price per pop, coverage maps, and technical equipment. In fact, as many buyers "look under the hood" they are sometimes surprised at what they find: some good, and some less so, but the real value of the asset – and the true upside of the investment – seems often to be well beyond the spreadsheet. More importantly, the answer is well within the buyer's reach – and yet, buyers sometimes overlook the easy to reach places discussed below.

Audience members hold ALL the keys to success and/or failure.

If you are a potential buyer, a key place to start is with the audience. Audience members hold ALL the keys to success and/or failure. These are the people your advertisers are trying to reach, who function as the media currency in terms of advertising rates as determined by ratings and circulation figures, and who have attitudes and perceptions about the product you offer, and the product that is offered by your competition. The audience is, ultimately, the basis on which the quality of your product is defined.

Regardless of product quality, the second place to look is within the advertiser community. This is where revenues are generated and any opportunities as well as potential pitfalls can be flagged most effectively by the people to whom you will try to sell. A quality product does not necessarily equate to revenues, and it is important to identify market realities as early as possible in the acquisition process.

The audience you serve will provide the truth, the whole truth, and nothing but the truth.

Listening to Your Audience

A simple audience survey can lead you to all kinds of riches. For example you may find you have dominant on-air personalities who already work for you. You may find other personalities who are working for the competition who need to be lured away. Or you may find that a serious on-air reconstruction is needed to achieve your goals. Why spend valuable marketing and programming money if you don't have the right players on your team? The audience you serve will provide the truth, the whole truth, and nothing but the truth.

Take a look at your product while you are at it. What are the satisfaction levels among your target audience compared to the satisfaction levels with competitive products? Is there a "hole" in the market for new content that will address unmet audience needs? Are there certain audience groups who are being ignored? You may find a new product in your investigation of the market that comes directly from audience suggestions... and this may be the very roadmap for success.

Listening to Your Advertisers

The people who control the advertising dollars are a critically important part of the media asset you just acquired. Their perceptions of your product and the sales people who represent your product are what matter most. Once again, media buyers and planners can be surveyed. Local and national accounts can be surveyed. Have them compare your product offering to the competition. Have them evaluate your sales team, and let them identify the best players in the market. You may find rewarding results, but you may also find there is an almost

Guest Corner (cont.)

... unless the buyer strives to uncover the property's audience and advertiser dynamic, the true value opportunity may be overlooked...

insurmountable problem ahead. It certainly is better to know now, then to find out you have a problem three years into the acquisition.

Another interesting approach is to ask the buying community what they think would be a supportable product in print, radio, or TV. Ask them to describe the unmet audience targets, and what might be suitable for the advertisers they represent. If there is a match between unmet audience needs from your audience survey, and the unmet needs that come from the advertiser survey, you have a homerun opportunity! And the rest is execution.

Look Before You Leap

A vast amount of money is being spent these days on media properties as well as the talent, products, salespeople, and brands that accompany such acquisitions. But unless the buyer looks "inside" to the core, which is to say, unless the buyer strives to uncover the property's audience and advertiser dynamic, the true value opportunity may be overlooked. From an "outside" perspective, the buyer may well have secured a property with solid historical performance, but survey research will tell if history is indeed likely to continue, or if the buyer has invested in a house of cards. Extensive discussion with advertisers will tell if the revenue potential is being maximized, and how this can be accomplished.

As an investment, media acquisitions are sexy. But remember who pays the bills... the audience, and the media buyers. They hold all the cards. They dictate the future. The best news is they will show their hands if you just take the time and effort to ask them. There are no secrets out there. You just need to ask the questions.

By Ted Bolton, PhD
Bolton Research Corporation

Ted Bolton, PhD, is president of Bolton Research Corporation. He has advised media outlets, owners and financial institutions for over 20 years. Dr. Bolton has also owned, operated and sold 30 media properties across the United States.

If you are interested in his marketing seminars on Ratings, Ownership and Audience Marketing Strategies, he can be reached at brcted@aol.com or at 305-343-9999.

NAB, NCTA and ISCe: '07 Telecom Conference Update

Three important telecom conferences either have recently been or are about to be presented on the west coast, all three of which have important things to say to those in the satellite and related industries. By "related industries," I mean here cable, telephone, mobile, broadband, Internet Protocol TV (IPTV), Digital Video Recorders (DVRs), Interactive TV (iTV), Video On Demand (VOD), and High Definition TV (HDTV). I also mean those vendors in companies that work with and around these key named industry subsectors.

NAB '07 Las Vegas

Telecom providers provide competition to the cable monopolies and give broadcasters an additional platform to deliver their relatively high-value content.

There are but a few events that generally draw just about everybody in telecom, and where those that don't attend wonder why they didn't. The annual National Association of Broadcasters event is certainly one of those. Perhaps the only big telecom event in the U.S. that draws better is the annual Consumer Electronics Show (CES) which takes place on early January and is also held in Las Vegas. According to the NAB's website (www.nab.org), more than 108,000 people attended NAB '07.

At this year's NAB (held April 15-21), it was remarkably clear how firmly the telecom world has migrated from analog to digital, and more recently how it is morphing from digital to IPTV. From a broadcaster perspective, the industry is certainly embracing the entrance of telecom players into the video delivery arena, much of which comes via the deployment of IPTV by the telcos. Telecom providers provide competition to the cable monopolies and give broadcasters an additional platform to deliver their relatively high-value content.

One particularly effective NAB development was the second year of an on-the-show-floor theatre, stage and panel set of presentations hosted by the NAB, the Society of Satellite Professionals International (SSPI) and the World Teleport Association (WTA). Several days of well-attended and well-presented sessions offered top-level telecom executives who dealt with everything from, well, IPTV again, to HDTV and the top satellite media markets projected through 2011. Other top sessions dealt with distributing Internet and mobile channels, consolidation, VOD, and IP streaming, as well as mobile and handheld services and devices. NAB '08 will be held again in Las Vegas, NV, April 14-17.

NCTA '07 Las Vegas

The 56th Annual National Cable Telecommunications Association (NCTA) show, held on May 7-9, made its strongest case ever for the power of the triple play bundle of video, voice and data delivery. Moreover, top cable execs claimed that this "bundle" advantage is soon to be enhanced by the

Conference Roundup (cont.)

Top cable execs claimed that this “bundle” advantage is soon to be enhanced by the launch of new data and voice services into small-to-midsized business/commercial zones.

launch of new data and voice services into small-to-midsized business/commercial zones. Indeed, the consensus of cable leaders speaking about the forthcoming choice between the focus on business services or new mobile business ventures, clearly chose the former. After all, with but one other major competitor currently monopolizing the field of telecom business services, i.e., the telcos, the good sense behind cable moving into commercial zones is self-evident. Conversely, the delivery of hardware and software to mobile devices and audiences on the move is currently fraught with complication and complexity, to say nothing of the number of competitors involved in just about every one of mobile’s industry subparts.

In addition, it is interesting to note cable’s competitors dealing with the overall superiority the cable industry currently offers. For example, in his quarterly analyst’s call on May 10, 2007, EchoStar CEO and Chairman Charlie Ergen commented (while responding to an analyst’s question), “I think that we [i.e., EchoStar as a Direct Broadcast Satellite (DBS) company] have a number of obstacles today. You mentioned one, which is the triple play.” Later in that call, EchoStar Vice-Chair and Director Carl Vogel also singled out the strength of the unified cable message at NCTA. Indeed, in this observer’s view, among the three – satellite, cable and telco – currently the best relative business advantage has clearly shifted from satellite to cable. The telcos, although also advantaged with a strong triple play product, are still years away from properly challenging the dominance of cable.

Next year’s NCTA show will return May 18-20, 2008, this time to a most-need New Orleans, LA, the site of many previous NCTA get togethers.

ISCE '07 San Diego

Scheduled to be held Tuesday-Thursday, June 5-7, in sunny San Diego at the Mission Bay Hilton Hotel, the 6th Annual ISCE show combines with The Carmel Group’s 12th Annual Five Burning Questions conference series on June 6, to produce five sessions dedicated to the emerging “hybrid” cable-telco-satellite networks. The sessions featured are titled, 1) “Industry Leaders Speak: Bringing the Internet, Telcos, Cable and Satellite Together,” 2) “Upstart Techies, Cable, Satellite and The Telcos: Where Are Cisco, Google, Yahoo and Ebay?,” 3) “IPTV: The Entertainment and Commercial Focus,” 4) “Hollywood, Satellite, Cable and The Telcos: Linking Disney, Warner Bros., Sony, Paramount, Fox and Universal,” and 5) “Mobile Content: Entertainment and Commercial.”

As suggested above, the theme for the 2007 ISCE event is the creation of a network, a so-called “hybrid” network, that becomes more and more tied to numerous alliances with numerous providers, similar, say to what SES Americom is doing today with telcos, cable operators and satellite providers. These type of wholesale satellite companies work with and

Conference Roundup (cont.)

deliver content on behalf of all of these players. That is more and more the future for all players in the telecom industry. Consolidation and partnering become the new mantra (and this includes for those in Hollywood and Silicon Valley communities).

A keynote address on the morning of June 6 will be presented by OpenTV CEO and president, Alan Guggenheim, wherein the interactive TV executive leader reviews the place for new digital, interactive, and participation television services and features, inside these new hybrid networks. Other high-level executives are expected from players such as Verizon, AT&T, SES Americom, Qualcomm, Sony/Universal, Intel, Entriq, Cisco, Arianespace, Loral, Tandberg and the National Rural Telecommunications Cooperative (NRTC).

Further information about the ISCe event can be accessed by going to the website www.isce.com. The website also lists sponsoring companies, highlighted by Boeing, Intelsat, the California Space Authority, EADS North America Defense, Paradigm and SES Americom. ISCe typically features a mixed audience, with financial, analyst, marketing, technical, software, hardware, telco, cable, sat, advanced services (e.g., VOD, DVR, iTV, HDTV), Hollywood, Silicon Valley, government, commercial and many other varied representatives seeking to gain insight, breadth and understanding in the burgeoning telecom industries.

By Jimmy Schaeffler
The Carmel Group

Jimmy Schaeffler is the founder, chief service officer and a senior analyst at The Carmel Group, a Carmel-by-the-Sea, Calif.-based conference organizer, publisher and consultancy. He is also on the Board of Advisers of Near Earth LLC. His company focuses on the study and analysis of the digital multichannel industry. Mr. Schaeffler can be reached at (831) 643 2222 or at jimmy@carmelgroup.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	5/22/07	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 (new)	\$ 46.37	\$929.3	\$1,069.3	1.3x	12.0x	n/m	n/m	n/m
SESG.PA	SES Global S.A. (c)	\$ 21.13	\$14,101.2	\$18,278.3	8.4x	12.6x	22.4x	24.1x	20.9x
	Mean				5.7x	12.1x	26.7x		
Satellite Equipment Manufacturers & Integrators									
GILT	Gilat Satellite Networks	\$ 9.48	\$385.8	\$282.7	1.1x	8.3x	21.0x	36.8x	19.8x
GCOM	Globecom	\$ 14.17	\$233.4	\$203.7	1.5x	25.1x	39.6x	37.0x	29.5x
VSAT	ViaSat	\$ 32.45	\$987.2	\$911.4	1.8x	15.4x	27.9x	35.9x	21.5x
ORB	Orbital Sciences	\$ 20.46	\$1,246.9	\$1,184.1	1.4x	14.0x	17.0x	26.0x	25.0x
RADN	Radyn Comstream Inc.	\$ 9.27	\$174.7	\$145.3	1.1x	7.5x	9.1x	15.3x	14.0x
CMTL	Comtech Telecommunications	\$ 45.69	\$1,253.7	\$1,092.5	2.7x	13.3x	16.4x	25.3x	18.0x
CDV	COM DEV International (d)	\$ 4.53	\$318.2	\$305.1	2.1x	10.9x	14.4x	n/m	n/m
	Mean				1.7x	13.5x	20.8x	29.4x	21.3x
Towers									
AMT	American Tower	\$ 41.38	\$18,188.9	\$21,702.8	16.1x	26.0x	n/m	n/m	n/m
CCI	Crown Castle	\$ 35.87	\$9,808.9	\$16,021.2	17.4x	34.4x	n/m	n/m	n/m
SBAC	SBA Communications	\$ 30.70	\$3,243.9	\$4,929.5	13.0x	28.2x	n/m	n/m	n/m
	Mean				15.5x	29.6x			
General Telecom									
AT	Alltel	\$ 68.78	\$24,747.0	\$26,907.1	3.3x	9.9x	19.0x	32.7x	24.7x
T	AT&T (new)	\$ 40.44	\$253,397.0	\$258,207.5	3.4x	9.3x	17.4x	29.0x	15.0x
VZ	Verizon Communications, Inc.	\$ 42.61	\$124,037.7	\$184,501.7	2.1x	6.5x	13.2x	23.2x	18.1x
S	Sprint Nextel Corporation	\$ 21.46	\$62,212.5	\$82,029.5	2.0x	7.1x	41.0x	n/m	25.0x
	Mean				2.7x	8.2x	22.6x	28.3x	20.7x
TELECOM SERVICES INDEX (excludes Towers stocks)									
	High				8.4x	25.1x	41.0x	37.0x	29.5x
	Mean				2.6x	12.6x	26.3x	25.9x	21.0x
	Low				1.1x	6.5x	9.1x	15.3x	14.0x

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	5/22/07	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	\$17,790.08	\$21,133.30	2.5x	9.0x	12.3x	16.2x	14.9x
DISH	EchoStar Communications	\$ 48.43	\$22,045.7	\$25,835.3	2.5x	9.9x	18.3x	26.5x	19.4x
DTV	DirecTV Group Inc.	\$ 23.60	\$26,665.8	\$27,691.3	1.8x	7.4x	10.8x	17.6x	14.9x
	Mean				2.3x	8.8x	13.8x	20.1x	16.4x
Television									
TVL	LIN TV Corp.	\$ 19.40	\$950.9	\$1,799.7	4.2x	11.8x	19.9x	n/m	26.6x
SBGI	Sinclair Broadcast Group	\$ 15.81	\$1,354.8	\$2,701.7	3.8x	13.1x	16.9x	37.6x	22.3x
YBTVA	Young Broadcasting Inc.	\$ 4.15	\$91.5	\$842.5	3.8x	11.7x	30.7x	n/m	n/m
	Mean				3.9x	12.2x	22.5x	37.6x	24.4x
Satellite Radio (DARS)									
SIRI	Sirius Satellite Radio	\$ 2.80	\$4,079.6	\$4,883.2	6.8x	n/m	n/m	n/m	n/m
WRSP	Worldspace	\$ 3.75	\$146.3	\$192.0	12.6x	n/m	n/m	n/m	n/m
XMSR	XM Satellite Radio	\$ 11.16	\$3,413.6	\$4,647.0	4.7x	n/m	n/m	n/m	n/m
	Mean				8.1x				
Radio									
CCU	Clear Channel	\$ 38.11	\$18,859.4	\$26,539.4	3.7x	11.3x	15.5x	25.6x	23.1x
CMLS	Cumulus Media Inc.	\$ 9.48	\$481.8	\$1,050.4	3.1x	13.4x	17.2x	n/m	36.5x
CXR	Cox Radio Inc.	\$ 15.09	\$1,442.1	\$1,784.2	4.0x	11.1x	11.9x	20.1x	18.9x
EMMS	Emmis Communications Corp.	\$ 10.62	\$395.3	\$1,071.0	3.0x	14.7x	17.9x	n/m	n/m
ETM	Entercom Communications	\$ 27.61	\$1,087.5	\$1,772.0	3.9x	13.0x	14.7x	22.8x	19.0x
ROIA	Radio One Inc.	\$ 7.52	\$742.3	\$1,700.7	4.6x	12.0x	13.8x	n/m	n/m
	Mean				3.7x	12.6x	15.2x	22.8x	24.4x
NewsPrint									
DJ	Dow Jones	\$ 51.46	\$4,300.6	\$4,579.5	2.5x	16.9x	28.5x	34.5x	28.7x
MNI	The McClatchy Company	\$ 28.49	\$2,335.7	\$5,174.0	2.5x	9.7x	12.8x	15.3x	13.7x
NYT	New York Times	\$ 25.03	\$3,638.4	\$4,981.6	1.5x	10.7x	17.3x	22.5x	21.0x
TRB	Tribune	\$ 33.01	\$7,988.4	\$12,150.5	2.2x	9.5x	11.6x	17.4x	16.7x
WPO	Washington Post	\$ 766.00	\$7,358.2	\$7,483.0	1.9x	10.5x	15.3x	24.6x	20.9x
	Mean				2.1x	11.5x	17.1x	22.9x	20.2x
MEDIA SERVICES INDEX (excludes Satellite Radio (DARS) stocks)									
	High				4.6x	16.9x	30.7x	37.6x	36.5x
	Mean				2.9x	11.5x	16.8x	18.7x	21.2x
	Low				1.5x	7.4x	10.8x	15.3x	13.7x

(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 1.34576 US \$ per Euro

(d) Converted to US \$ from C\$ at an exchange rate of 0.92135 US \$ per C\$

(f) Converted to US \$ from British Pound at an exchange rate of 1.9724 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	Globecomm	GlobalSat	18.4	18.4	0.9x	n/d	
				Mean	0.9x	n/d	
Video Distribution Equipment							
09/29/05	International Datacasting	Proflite (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	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							
11/14/04	Dow Jones	Market Watch Inc.	\$519.0	\$463.0	5.7x	38.6x	
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	
9/12/2006	RealNetworks	WiderThan	350.0	240.0	2.0x	9.5x	
				Mean	5.7x	24.2x	

(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

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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