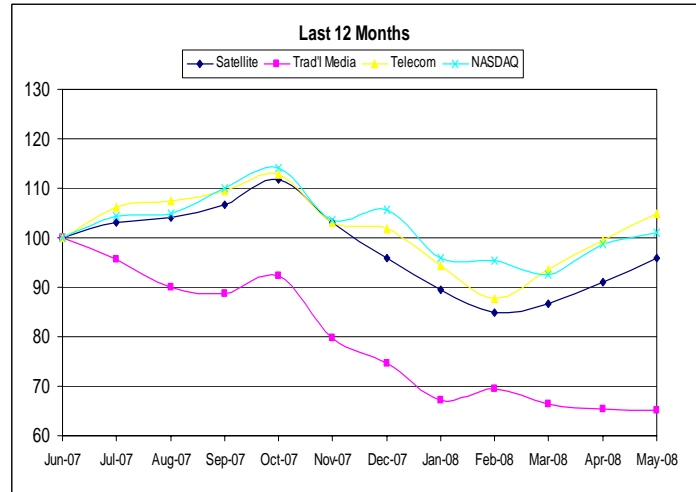


FROM THE GROUND UP

May 2008
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THE WAY WE SEE IT...
Satellite:

On May 7th, **Orbcomm** inked a \$117 million deal to buy at least 18 satellites from the **Microsat** unit of **Sierra Nevada Corporation** to replenish its constellation, with options for 30 additional birds. Clearly, Orbcomm is here to stay. Then, on May 12th, **Radyne Corporation** agreed to be acquired for \$223 million by its sometimes rival **Comtech Telecommunications** in a transaction that creates a satcom powerhouse and underscores the continuing urge to merge in the sector.

Media:

While much of what is going on in new media these days seems driven by audience rather than revenues (as for example the popular but revenue-free web messaging platform **Twitter** is reportedly about to close a highly valued venture round), the revenue models of the more established new media competitors are showing noteworthy patterns. To wit, the Wall Street Journal reported the following headline this morning: "**Google Paid Clicks Rise; Microsoft's, Yahoo's Fall**"... suggesting that not all audiences are equally efficient for advertisers, (see our related Deal Side column in this issue). On the subscription side of the new media sector, in the meantime, **Netflix** rolled out a new and fairly low-cost set-top box product (using **Roku** technology) which will allow its subscribers to receive streamed titles on-demand directly to their television sets. The company's CEO, Reed Hastings, predicted that its core DVD by mail business would peak within the next 10 years, while streaming video would double the size of its subscriber base: "We named our company 'Netflix' and not 'DVD By Mail' for a reason."

Near Earth congratulates founding partner Hoyt Davidson for receiving the National Space Society's "2008 Space Finance Award" for his significant contributions to the space community. We also congratulate our former partner J. Armand Musey for summiting Mt. Everest on May 24, and achieving his goal of ascending the "7 Summits" (www.museyeverest.com).

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When complexity overwhelms, simplicity becomes a value

...when one can no longer rely on the framework that one had been taught to accept, a form of anxiety sets in, which we may now be seeing in the media deal markets...

In a recent Radiolnk article, a series of blog excerpts were catalogued to highlight the range of attacks on traditional radio. These comments were of the doubt-stirring variety, such as “don’t believe radio salespeople for a minute”, and “they skip client’s ads on a regular basis”, and “broadcast is too expensive for most...” On the same day, Silicon Alley Insider published the results of a recent survey concluding that, despite much passionate debate regarding the merits and importance of DRM (or lack thereof), and the eventual concession by music labels to offer their titles DRM free, consumers in actuality do not care one way or the other. Reading through this and similar commentary that underscores uncertainty and fragile credibility in the media environment, one is reminded of those aspects of 20th century philosophy which point to the angst suffered by existential man in the face of crumbling values in an uncertain universe. As traditional values fall apart, so it goes – such as in the case of media, advertising models redefined by new modes of distribution, consumer offerings plagued by free content availability – and when one can no longer rely on the framework and parameters that one had been taught to accept, a form of anxiety sets in, which we may now be seeing in the media deal markets. Such a state is beyond the confusion that may be easily remedied by cyclical recalculation, but a more profound concern that old rules no longer apply and that new rules have not yet been established. Until such new rules and answers crystallize, any manifestation of simplicity and a pure phenomenon amidst chaos emerges as a welcome relief. To illustrate, we point to three volatile or crumbling transactions that may come to symbolize the deal market anxiety in environment described, and by way of contrast we highlight one unlikely success story, notable in the simplicity of its offering, that demonstrates the characteristics which investors now seem to prize.

What better example to illustrate sector confusion than recent events at YHOO...

- What better example to illustrate sector confusion than recent events at YHOO? Here we have the world’s most dominant software company (MSFT) seeing its long term prospects threatened by the world’s most dominant search engine (GOOG) and the world’s leading popular entertainment vendor (APPL), deciding as a result to try to acquire a platform that is both search engine and popular entertainment resource, though not particularly dominant in either. When Yahoo! balks at the grand pursuer’s best offer, buyer’s remorse causes the bidder to walk away. The target, now rejected (and dejected) and threatened by shareholder uprising, investigates an alliance with the aforementioned search engine, the outcome of which is really anyone’s guess, while the original grand pursuer is entertaining thoughts of a more selective pursuit, focusing on particular pieces of the target (and possibly just

From the Deal Side (cont.)

through a strategic alliance) rather than an acquisition of the whole... although specifics are fuzzy. At some point in the future, this may become a case study about unclear vision of both target and acquirer. We note that the result so far is (necessarily) characterized by delay and lack of clarity.

- Speaking of delay and lack of clarity, what's another six months when we've waited this long for the consummation of our favorite radio buy-out (CCU)? Although the litigious dispute with banks that stalled the deal's completion last month has been settled, this was by way of the private equity sponsors' consent to reduce the original offer price (some give!). It remains to be seen if the selling shareholders will approve these new terms come fall, but judging by the sigh of relief upon the settlement's announcement (the stage having been set by the panic of non-resolution at Yahoo!), a positive outcome is likely. As the target's core radio business has been flat at best since the original buyout announcement (and is showing no sign of revival), and given the unprecedented credit market disruptions concurrently, it may strike some as odd that a roomful of lawyers was required to reset deal valuation. Alas, such is the state of our current confusion.
- Although XM and Sirius thought they had a lock on regulatory uncertainty, in no small part due to fragile sector dynamics described herein, here comes BCE to prove that even when sector dynamics is not an issue, regulators will find new and creative ways to stir up trouble. As a result of BCE bondholder complaints, the Quebec Court of Appeal ruled to block the transaction as unfair to that particular group of stakeholders. Corporate directors, thus, must act in the interest of groups extending well beyond the owners who appointed them. The complexity of the debate is staggering, and one has to wonder where if at all the line is to be drawn. One also wonders if here too the net result will be a lower valuation that will ironically be met with celebration by sellers.

While highlighted transactions are in various stages of disarray, redefinition, or collapse, we look twice when a highly positive deal outcome occurs... Twitter, the popular web messaging service, is reported to have raised additional growth capital...

While the highlighted transactions are thus in various stages of disarray, redefinition, or collapse, we are bound to look twice when a highly positive deal outcome occurs, and our eyes may even open wider when this turns out to be a company with (a) no revenues, (b) an undefined business model, and (c) a technical platform that is almost as renowned for the frequency of its downtime as it is for its two or three features. Twitter, the popular web messaging service, is reported to have raised additional growth capital, in what was rumored to be a competitive auction environment, at a valuation of somewhere between \$80-100 million, depending on the rumor and the pre- vs. post-money assumption.

Relative deal size aside, what does Twitter have that is eluding Yahoo! and others? In the context of a deal market as precarious and chaotic as

From the Deal Side (cont.)

the one described, here is an initial itemization of what we see as Twitter's edge:

- The company has a clear purpose and focus.
- Its worldwide popularity is growing by leaps and bounds, among individual as well as enterprise users.
- As already alluded, the product is almost eerily simple.
- Twitter's capital structure does not take appellate judges and astrophysicists to interpret.

In short, at a time when circumstances conspire to make deals difficult, the deal market may be seeking out simplicity.

In short, at a time when circumstances conspire to make deals difficult, the deal market may be seeking out simplicity. When questions about the long term value of Windows, the direction of Apple, the possibilities of Google, the relevance of DRM, the value proposition of terrestrial radio, the limits of Internet radio, are prone to give some dealmakers headaches that keep them from focusing properly on leverage covenants, MAC clauses, activist shareholders, and the responsibilities of corporate boards, it must be comforting to some of them to find a transaction in which the only real due diligence focus is audience measurement. Twitter's entire product line is based on the answer to one straight-forward question: "What are you doing?" Although each of its millions of users has a different answer, there must be a way for Yahoo! and others to at least move towards the general direction of Twitter's elemental and basic purity.

By Dan Ramsden
Near Earth LLC

Content delivery: find your partners!

When commoditization is combined with a vast array of market participants and a continued flux of new entrants, it's time to consolidate!

During our visit to Streaming Media East last week, we had a chance to tour the exhibit hall. We found there a host of Content Delivery Networks (i.e. the companies providing the distribution infrastructure for streaming video and audio, such as Akamai, Limelight and others), all competing for content aggregators' and owners' business. While there was definite differentiation in terms of bundled services (i.e. DRM, usage metrics, ad insertion, billing and other capabilities), we were struck more by the sameness than the differentiation these competitors were trying so hard to achieve.

The overall rapid growth of the content delivery industry (and especially leader Akamai), which continues unabated at present is being driven by growth at content aggregators such as Hulu, YouTube and others. For a while this will for a time allow smaller players to stay in the game, as the pie eventually starts growing more slowly, these firms are going to start to have to steal each other's lunches to grow themselves. When this relative commoditization is combined with the vast array of market participants, and the continued flux of new entrants, this banker's deal senses start to think: it's time to consolidate!

Consider the advantages to scale in the CDN industry:

- Cost advantages
 - Low cost access to bandwidth
 - Can amortize software development expenses over large base
 - Branding, marketing and advertising
- Negotiating leverage with similarly consolidated media counterparties
- Access to industry talent (i.e. people want to work for the leaders)
- Cheaper access to capital

The CDN industry consists of the whale Akamai, a few big Tuna (i.e. AT&T, Limelight, Level 3 and perhaps Internap's VitalStream) and a lot of minnows.

So, while technology and intellectual property provide some barrier to entry (as demonstrated by the successful Akamai suit against Limelight), the really sustainable competitive advantage is size itself.

Today, the CDN industry consists of the whale Akamai, a few big Tuna (i.e. AT&T, Limelight, Level 3 and perhaps Internap's VitalStream) and a lot of minnows. If you're one of the little guys, it's going to take a few decades of organic growth to get to par with the big guys, and realistically there isn't enough time for that (or patience on the part of their investors, who always keep an eye on the exit). So, we expect the management and owners of these smaller CDNs to realize that to get to a competitive scale, M&A isn't the best choice, it's the only choice.

The Current Spot Beam (cont.)

I don't mean to suggest that there isn't a role in the marketplace for smaller CDNs – there will always be a role for smaller firms that provide more specialized marketing or bundled services for niche or regional markets that large firms can't address economically. However, these firms are likely to operate at the margin and be of decreasing overall importance going forward.

By John Stone
Near Earth LLC

Space Investment Summit 4: Washington D.C. May 28, 2008

... entrepreneurial fervor and general interest in the commercial and civil space sectors are accelerating...

This summit just gets better and better and is now drawing top tier sponsorships and a sophisticated audience. Designed to promote and support innovation in space commerce worldwide, the twice a year Summits focus on seed and early stage investors, space entrepreneurs, and space commerce professionals from leading aerospace companies, government agencies, academia and non-profit organizations. The Summit was held adjacent to the International Space Development Conference, the annual conference of the National Space Society which served as host. Space Florida served as lead sponsor and was joined by Boeing, EADS Astrium, Honeywell and Lockheed. My three main take-aways were:

1. Excitement Level is High. The magnitude of entrepreneurial fervor and general interest in the commercial and civil space sectors is accelerating not abating during these questionable economic times – and it is a global phenomenon. There is also a growing, if largely unspoken, consensus that business as usual will just not cut it. The private sector will need to play a much larger role and the right blend of international cooperation and competition must be found.
2. Education is Key. If the private sector is to take the lead, a massive Vulcan mind meld needs to occur among entrepreneurs and investors. First, entrepreneurs must stop bad mouthing their competitors and adopt a more supportive posture to the industry as a whole. Second, entrepreneurs need to learn to perceive and analyze risks the way investors do and then focus their business plan execution on mitigating those risks and providing adequate investor returns and a reasonable exit opportunity. While institutional investors certainly need to be educated on new space business opportunities, they have supported new space-related businesses in the past and are willing to do so in the future. They also tend to be very quick learners and pile on quickly once they sense a fair risk/reward opportunity. The key with these investors is hard-nosed analysis versus wide-eyed enthusiasm.
3. Progress is Being Made. Many of the leading new space businesses, some of which were highlighted during the Summit, have been marching steadily toward their objectives. There is still a lot of hard work ahead to achieve any of these business plans, but as milestones are achieved the “snickers” get quieter and quieter. Success getting to the next level may be driven largely by their ability to attract sufficient capital from deeper pocketed sources.

Many of the leading new space businesses... have been marching steadily toward their objectives.

By Hoyt Davidson
Near Earth LLC

The end of the platform wars as we know it

Consider these trends: telcos launching satellite television, DTH operators providing telco/cable-friendly services, cable associations and MSOs launching satellite B2B offerings with DTH extensions, telcos obtaining last-mile capillarity through cable and wireless acquisitions... These statements might sound like wordplay, but they represent moves being made by major convergent service players in their efforts to diversify with bundles of telephony, video and Internet. As hybrid strategies help them fight churn and increase ARPU, "platforms" (in reference to distinguishing cable, telco and satellite) become less relevant in favor of retail reach, scale, branding and consumer preference for bundled services, all of which are critical success factors that determine who owns and bills the end customer.

As hybrid strategies help them fight churn and increase ARPU, "platforms" become less relevant in favor of retail reach, scale, branding and consumer preference for bundled service...

Moderated by converging technology, players' power balance and evolving (yet heterogeneous) regulatory frameworks, service diversification has clearly accelerated, to a larger or lesser degree, for all players in all regions. Over the past few years we have seen anticipated patterns of behavior by the three "distinct" convergent platform players: cable, satellite and telcos. Cable companies are decisively adding VoIP to their Internet-TV combos and are even considering strategic entries in the mobile sector. DTH players seize their broadcast economics and HD readiness to continue leading on the basis of superior digital line-ups and time-shifting DVR, while exploring alternate paths for always-on two-way connectivity. Telcos have embraced IPTV to offset a declining switched telephony business and commoditized broadband market.

However, players are increasingly adopting pragmatic moves across traditionally competitive platforms with the goal of keeping and expanding their subscriber base, a process where the telco-cable-satellite competitive borders disappear. In the race for the multi-service network, transport technology now takes a facilitating, gap-filling role rather than a service defining one, so terms such as "satellite TV", "CATV" or "telcoTV" might eventually fall into disuse. This is, in a nutshell, the end of the platform wars as we know it, and recently a number of visible deals have started reinforcing this notion of technology irrelevance not only from the consumer standpoint, but from the provider's "identity" side as well.

One could not help but notice the iconic nature of the recent Orange-Eutelsat deal, where Orange partnered with Eutelsat to launch a new DTH service and complement Orange's DSL-based triple play offering. France leads Europe's IPTV market and, thanks to local-loop unbundling, counts with one of the world's most competitive Internet broadband environments. Still, Orange pragmatically made the decision to complement its DSL triple play offerings with satellite TV, expanding its video addressable market to

Guest Column #1 (cont.)

less dense areas where upgrades to their ubiquitous ADSL infrastructure is economically challenging against a satellite bypass with bandwidth-hungry television straight to consumer homes. NSR has highlighted these hybrid trends and opportunities in a number of research studies covering DVB-S2/MPEG-4, IPTV and WiMAX, and similar to the Orange-Eutelsat deal, one could also highlight other recent cross-platform cases including:

- EchoStar in the U.S. launching a telco-friendly satellite IP lineup to facilitate telcoTV even at the expense of some DTH cannibalization potential;
- WWIL (India's largest MSO) and DishTV (India's largest DTH) launching a HITS (Headend in The Sky) platform to facilitate cable digitization;
- Red InterCable offering Ku-band HITS in Argentina further empowering cablecos with DTH geographic extensions;
- BSkyB acquiring ISPs in the UK for two-way broadband independence;
- DirecTV and-or Dish partnering with a variety of two-way last mile technology players including Clearwire (WiMAX), AT&T (DSL), WildBlue and HughesNet (satellite), even PLC (Power Line Communications);
- Telmex making strategic cable, wireless and satellite acquisitions in Latin America for the last mile.

Players are clearly reassessing their short-to-medium term positions, focused on today's transitional competitive environment.

Players are clearly reassessing their short-to-medium term positions, focused on today's transitional competitive environment. Telecommunications and entertainment services are moving away from platform-bounded service silos towards the (still distant) vision of utility-like connectivity where IP transport (Mbps) eventually becomes unbounded and ubiquitous as electricity, enabling, on-demand, a host of new application "blends" and virtual services. This future seems inevitable, and Google has taught us that even with end customer gate-keepers, the IP world only has room for open wars in the long term. But it is during this transitional open-close phase when the real battle centers around who strengthens gatekeeping and owns the consumer with attractive service bundles, to fence off competition and "over the top" services like Internet TV and telephony. During this evolving scenario, one can consider the technology characteristics that bring distribution efficiencies, within the limits imposed by bandwidth demanding applications (video and Internet) and changes in consumer behavior.

The horizontally integrated hybrid offerings taking place really boil down to economics and the CAPEX/OPEX trade-offs associated with broadcast-type vs. unicast-type transport at different subscriber density points. Satellites are clearly on the broadcast end, while DSL is on the one-to-one connection-oriented end. With 800MHz of last mile spectrum, coaxial cable is somewhere in between.

Guest Column #1 (cont.)

Consumers are empowered to consume content and communicate in new ways.

NSR anticipates plenty of opportunities for players to explore synergistic satellite-terrestrial offerings...

It might sound like high bandwidth, but it is shared and, in what some cable experts have started naming "The Perfect Storm", the combination of ramping broadband speeds and HD channels is pushing cablecos to entertain "switched cable" initiatives bringing (again) a telco-familiar term into the picture. When looking forward on the future of these hybrid offerings, one also has to perform a forward-looking exercise of the evolving situation in the context of an increasingly personal and peer-to-peer world of entertainment and communications. Consumers are empowered to consume content and communicate in new ways. In what Wired Magazine editor-in-chief Chris Anderson terms "the long tail of content", the hits-driven culture that has dominated the broadcast and entertainment sector is increasingly giving way to a situation where decreasing costs of production (i.e. UGC) and wider distribution is facilitating the true curve of content demand to surface with more users interested in consuming niche content and participating as producers. As tracked by NSR in its satellite capacity demand assessment reports, the increasing number of video channels being transported over satellite is an indication that (as Chris Anderson puts it) the future is "selling less of more".

NSR anticipates plenty of opportunities for players to explore synergistic satellite-terrestrial offerings, particularly in the current transitional context of content abundance and last-mile bandwidth bottlenecks where video demands high bandwidth and leading DTH operators have not yet found a single ubiquitous non-competing last mile broadband technology for triple-play independence. Players can continue trailing new access technologies like WiMAX and PLC but in the end, this technology-agnostic war is really about winning those empowered consumers.

By Carlos Placido
Analyst, Satellite Communications for NSR

Carlos Placido has over twelve years of progressive experience in the areas of consulting, program management, research and engineering in telecommunications and entertainment. Mr. Placido is currently based in Buenos Aires, Argentina. He holds an engineering degree from the University of Buenos Aires and an MBA from the University of Maryland, Smith School of Business. He is fluent in Spanish and English.

Building new advertiser platforms for video content with short form video messaging!

As more consumers subscribe to high-speed Internet connections and wireless phone service -- far surpassing the current level of 260 million subscribers in the US alone, the need for platform operators to monetize the cost of video content grows.

And while the debate continues over which revenue model is best suited to monetize delivery of video content, a proven revenue model already exists that offers advertisers a targeted messaging platform that is non-intrusive on the viewing experience. Moreover, it is a model that has already received high marks from researchers and high praise from consumers.

That proven model is the 10-second short form video message, poised to pave the way for triple screen play – television, broadband and mobile -- resulting in an explosive demand for video content as well as services.

According to a study by Frank Magid Associates the length of a commercial generally has very little to do with its impact. Relevance, timeliness, topicality and content of the spot, are the key factors in retaining a consumer's interest.

Research has also shown that viewers have a very positive response to 10-second short form video messages. In another, earlier Frank Magid Associates study, funded by Sony, it was determined that overall, the aided recall level of a 10-second spot was 98% that of a 30-second spot. More importantly, in overall terms of impact on "favorable impressions of a brand and the likelihood to use or purchase", 10s and 30s were nearly identical, [although 10s did have a slight edge in both cases]. The study also concluded that viewers liked ads that were succinct and no-nonsense and felt the shorter ads were also effective as reminders and "call to action" for familiar products.

On another front, the Telecommunication Act of 1996 required broadcast, cable and syndication to be closed caption compliant by January 2006, allowing for a closed captioning component to be carried in-program. This integrated component utilizes a 3-second billboard with voice over that reads: "The following closed captioning is brought to you by [sponsor's name]"; and is followed by a sponsor's 10-second commercial.

This TIVO resistant, in-program environment allows an advertiser to distinguish its brand's message relative to other commercials. It is also shorter, easier to consume and the billboard introduction sets it apart from the commercial pod as the viewer prepares to watch his or her program.

That proven model is the 10-second short form video message, poised to pave the way for triple screen play...

Research has also shown that viewers have a very positive response to 10-second short form video messages...

Guest Column #2 (cont.)

Advertisers and their agencies are already committed to planning and developing 10-second commercials for TV.

Because the 10-second unit is long enough to carry a branded message yet short enough not to be intrusive, it compliments the viewing sensibilities of today's multitasking viewers who live by the mantra "show it to me now -- show it to me quickly!"

Along with connectivity comes content. Broadband and mobile have already launched ad-supported content. Advertisers and their agencies are already committed to planning and developing 10-second commercials for TV. These same spots can be easily migrated to both the broadband and mobile platforms, as they are timely, topical, targeted and relevant to the content environment.

Developing the right revenue model for new platforms is an ongoing process, but closed captioning and short form messaging allow platform operators the ability to monetize the cost of content while building their business and meeting their customers' needs.

By Robert Dahill
SVP General, Sales Manager
TV10s, New York

TV10s is a sales and marketing firm specializing in the sale of closed-captioning sponsorships and promotional advertising. The company is dedicated to the expansion of advertiser opportunities through 10-second short-form messaging in a variety of both existing and emerging media.

NEAR EARTH ANALYSIS: MARKET COMPARABLES

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

Ticker	Company	Stock Price: 5/28/08	Market Value of Equity	Enterprise Value (a)	Enterprise Value as a Multiple of:			Price as a Multiple of:		
					LTM Sales	LTM EBITDA	LTM EBIT	LTM EPS	2008E EPS (b)	2009E EPS (b)
Satellite Television (DBS)										
BSY	British Sky Broadcasting (f)	\$ 5.40	\$19,142.4	\$21,760.3	2.4x	10.9x	13.5x	19.4x	5.2x	3.7x
DISH	Dish Network Corp	\$ 35.00	\$16,107.6	\$19,121.4	1.8x	6.9x	13.6x	24.6x	15.9x	13.7x
DTV	DirectTV Group Inc.	\$ 27.56	\$31,749.1	\$33,538.1	1.9x	7.6x	13.0x	21.6x	18.4x	14.1x
	Mean				2.0x	8.5x	13.4x	21.9x	13.2x	10.5x
Television										
TVL	LIN TV Corp.	\$ 9.66	\$498.6	\$1,345.8	3.4x	8.0x	12.5x	15.9x	15.3x	26.1x
SBGI	Sinclair Broadcast Group	\$ 9.18	\$862.5	\$2,213.1	3.0x	6.8x	13.2x	10.6x	10.1x	13.1x
YBTV	Young Broadcasting Inc.	\$ 0.42	\$9.3	\$820.2	5.3x	18.7x	39.9x	n/m	n/m	n/m
	Mean				3.9x	11.2x	21.9x	13.2x	12.7x	19.6x
Satellite Radio (DARS)										
SIRI	Sirius Satellite Radio	\$ 2.60	\$3,836.3	\$4,866.1	4.9x	n/m	n/m	n/m	n/m	n/m
WRSP	Worldspace	\$ 1.64	\$69.4	\$174.2	12.6x	n/m	n/m	n/m	n/m	n/m
XMSR	XM Satellite Radio	\$ 10.82	\$3,350.7	\$4,875.1	4.1x	n/m	n/m	n/m	n/m	n/m
	Mean				7.2x					
Radio										
CCU	Clear Channel	\$ 34.93	\$17,338.8	\$23,139.1	3.4x	10.3x	13.7x	25.2x	22.2x	21.3x
CMLS	Cumulus Media Inc.	\$ 4.95	\$213.1	\$754.0	2.3x	8.8x	10.4x	n/m	23.6x	18.3x
CXR	Cox Radio Inc.	\$ 12.29	\$1,085.7	\$1,424.2	3.2x	9.5x	10.2x	9.2x	16.0x	16.2x
EMMS	Emmis Communications Corp.	\$ 3.15	\$116.2	\$737.8	2.0x	9.0x	10.6x	1.0x	n/m	n/m
ETM	Entercom Communications	\$ 10.69	\$403.4	\$1,340.7	2.9x	8.6x	9.8x	4.8x	8.2x	8.3x
ROIA	Radio One Inc.	\$ 1.19	\$117.5	\$924.5	2.8x	8.7x	10.2x	4.6x	10.8x	4.4x
	Mean				2.8x	9.1x	10.8x	9.0x	16.2x	13.7x
NewsPrint										
MNI	The McClatchy Company	\$ 8.90	\$731.4	\$3,211.4	1.5x	5.9x	8.1x	2.9x	9.4x	10.0x
NYT	New York Times	\$ 17.49	\$2,518.7	\$3,207.2	1.0x	8.5x	16.9x	25.1x	18.2x	19.9x
WPO	Washington Post	\$ 623.98	\$5,935.9	\$6,174.9	1.5x	8.8x	13.7x	22.6x	20.3x	18.5x
	Mean				1.3x	7.7x	12.9x	16.9x	16.0x	16.1x

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

High	12.6x	18.7x	39.9x	25.2x	23.6x	26.1x
Mean	3.3x	7.6x	11.6x	10.4x	10.8x	10.4x
Low	1.0x	5.9x	8.1x	1.0x	5.2x	3.7x

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

Company	Stock Price: 5/28/08	Market Value of Equity	Enterprise Value (a)	Enterprise Value as a Multiple of:			Price as a Multiple of:			
				LTM Sales	LTM EBITDA	LTM EBIT	LTM EPS	2008E EPS (b)	2009E EPS (b)	
Satellite Capacity Leasing (FSS)										
LORL	Loral Space & Comm. Inc.	\$ 18.86	\$501.2	\$611.1	0.8x	7.4x	28.0x	28.0x	n/m	n/m
ETL-PA	Eutelsat Communications	\$ 19.47	\$6,633.1	\$10,216.9	7.7x	9.6x	17.3x	23.0x	24.6x	21.6x
SESG-PA	SES Global S.A. (c)	\$ 25.71	\$11,413.5	\$16,447.3	6.5x	9.6x	17.2x	18.0x	27.9x	27.4x
	Mean				5.0x	8.9x	20.8x	23.0x	26.3x	24.5x
Satellite Equipment Manufacturers & Integrators										
SATS	EchoStar Corp.	\$ 37.72	\$3,465.8	\$2,983.6	1.8x	n/m	n/m	n/m	36.6x	35.3x
HUGH	Hughes Communications, Inc.	\$ 47.23	\$907.1	\$1,374.0	1.4x	9.8x	15.6x	18.9x	27.1x	16.4x
ISYS	Integral Systems Inc.	\$ 31.45	\$271.3	\$262.0	1.7x	9.4x	10.2x	13.8x	30.0x	21.0x
GILT	Gilat Satellite Networks	\$ 10.82	\$456.7	\$333.8	1.2x	9.8x	18.5x	20.7x	18.3x	17.5x
GCOM	Globecom Systems Inc.	\$ 9.29	\$186.1	\$143.5	0.8x	7.8x	11.2x	13.9x	13.3x	15.5x
VSAT	ViaSat Inc.	\$ 19.59	\$632.9	\$502.1	1.1x	7.6x	16.0x	19.4x	14.2x	12.4x
ORB	Orbital Sciences	\$ 25.85	\$1,562.9	\$1,462.4	1.3x	13.6x	16.2x	26.5x	29.0x	24.2x
RADN	Radyn Comstream Inc.	\$ 11.19	\$210.5	\$181.8	1.2x	10.2x	12.9x	20.9x	17.8x	17.2x
CMTL	Comtech Telecommunications	\$ 44.43	\$1,219.2	\$983.2	1.9x	8.9x	9.8x	16.0x	15.0x	13.7x
CDV	COM DEV International (d)	\$ 3.43	\$234.1	\$229.9	1.4x	20.9x	n/m	31.0x	13.9x	8.9x
	Mean				1.3x	10.9x	13.8x	20.1x	19.8x	16.3x
Towers										
AMT	American Tower	\$ 44.32	\$17,539.6	\$17,424.7	11.7x	18.8x	n/m	n/m	n/m	n/m
CCI	Crown Castle	\$ 41.35	\$11,678.3	\$18,038.4	12.5x	23.3x	n/m	n/m	n/m	n/m
SBAC	SBA Communications	\$ 36.07	\$3,996.0	\$5,814.0	13.8x	27.6x	n/m	n/m	n/m	n/m
	Mean				12.7x	23.2x				
General Telecom										
T	AT&T	\$ 38.83	\$213,313.3	\$284,840.3	2.4x	6.7x	13.1x	17.0x	11.4x	10.2x
VZ	Verizon Communications, Inc.	\$ 37.38	\$109,237.7	\$172,997.7	1.8x	5.7x	10.7x	19.3x	13.8x	12.5x
S	Sprint Nextel Corporation	\$ 8.44	\$24,054.0	\$43,596.0	1.1x	4.7x	n/m	n/m	n/m	n/m
	Mean				1.8x	5.7x	11.9x	18.1x	12.6x	11.3x

TELECOM SERVICES INDEX (excludes Towers stocks)

High	13.8x	27.6x	28.0x	31.0x	36.6x	35.3x
Mean	3.8x	11.1x	10.4x	15.1x	15.4x	13.3x
Low	0.8x	4.7x	9.8x	13.8x	11.4x	8.9x

(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 1.56428 US \$ per Euro.

(d) Converted to US \$ from C\$ at an exchange rate of 1.01011 US \$ per C\$.

(f) Converted to US \$ from British Pound at an exchange rate of 1.98020 US \$ per British Pound.

n/m Not Meaningful.

Member of NEAR EARTH SATELLITE INDEX

NEAR EARTH ANALYSIS: M&A TRANSACTIONS

Selected Satellite, Telecom & Media Transactions

(US\$ in millions)

Date Announced	Acquiror	Target	Equity Value (a)	Transaction Value (b)	Transaction Value/		
					LTM Sales	LTM EBITDA	
Satellite Operators							
04/21/04	KKR	PanAmSat Corporation	\$3,532.0	\$4,300.0	5.2x	7.7x	
06/06/04	Blackstone Group	New Skies Satellites NV	956.0	956.0	4.5x	7.7x	
08/17/04	Zeus Holdings	Intelsat Ltd.	3,100.0	5,000.0	5.2x	7.6x	
08/29/05	Intelsat Ltd.	PanAmSat Holding Corporation	3,065.0	6,271.1	7.5x	9.7x	
12/14/05	SES Global	New Skies Satellites NV	760.0	1,160.0	5.0x	8.0x	
12/05/06	Abertis Telecom	EutelSat (32% share)	1,000.0	1,838.0	7.3x	9.7x	
12/18/06	Telesat (new)	Telesat (old)	2,800.0	2,940.0	7.1x	12.0x	
12/18/06	Telesat (new)	Loral Skynet	691.0	1,050.0	7.1x	19.6x	
				Mean	6.1x	10.3x	
Ground Equipment							
12/06/04	SkyTerra / Apollo	HNS (Hughes' VSAT, Broadband)	\$110.0	\$415.0	0.8x	n/d	
03/03/05	Radyne Comstream	Xicom Technology	41.0	46.0	1.1x	n/d	
08/15/05	Stratos	Xantic	191.0	191.0	1.1x	n/d	
11/11/05	SkyTerra / Apollo	HNS (Hughes' VSAT, Broadband)	155.0	460.0	0.8x	n/d	
11/21/05	Viasat	Efficient Channel Coding Inc.	25.5	25.5	n/d	n/d	
08/03/06	Thrane & Thrane	Nera's Mobile Satellite Communications	89.6	89.6	1.1x	n/d	
				Mean	1.0x	n/d	
System Integrators							
05/03/07	Globecom	GlobalSat	18.4	18.4	0.9x	n/d	
				Mean	0.9x	n/d	
Video Distribution Equipment							
09/29/05	International Datacasting	Proflin (c)	4.5	3.9	1.1x	n/d	
11/18/05	Cisco	Scientific Atlanta	6,900.0	5,300.0	2.7x	13.2x	
02/08/06	Tandberg Television	Skystream	80.0	80.0	2.6x	n/d	
07/25/06	Motorola	Broadbus Technologies	181.0	181.0	n/d	n/d	
08/21/06	Cisco	Arroyo Video Solutions, Inc	92.0	92.0	n/d	n/d	
08/22/06	Harmonic	Entone Tech.	45.0	45.0	n/d	n/d	
12/21/06	Motorola	Tut Systems	39.0	39.0	1.0x	n/d	
				Mean	1.9x	13.2x	
Towers							
07/04/04	Global Signal	Lattice Communications	\$115.0	\$115.0	9.4x	n/d	
05/04/05	American Tower	Spectrasite	3,100.0	3,800.0	10.2x	17.0x	
03/17/06	Crown Castle	Trintel Communications	145.0	145.0	10.1x	n/d	
03/17/06	SBA Communications Corp	AAT Communications Corp	1,002.0	1,002.0	12.0x	17.9x	
05/08/06	Crown Castle	Mountain Union Telecom LLC		309.0	11.9x	n/d	
10/06/06	Crown Castle	Global Signal	4,000.0	5,800.0	12.1x	26.6x	
				Mean	10.9x	20.5x	
General Telecom (Wireless)							
02/17/04	Cingular	AT&T Wireless	\$40,770.0	\$47,105.0	2.8x	10.7x	
12/15/04	Sprint Corp	Nextel Communications Inc	28,449.0	36,200.0	2.7x	7.1x	
01/05/05	Alltel	Western Wireless	4,300.0	6,181.0	3.2x	10.7x	
07/01/05	Sprint Nextel Corporation	US Unwired, Inc.	1,000.0	1,266.0	2.9x	13.2x	
03/06/06	AT&T (new)	Bell South	67,000.0	89,000.0	4.3x	10.7x	
				Mean	3.2x	10.5x	
Television							
03/31/05	Lin TV Corp.	WNDY-TV, WWHO-TV	\$85.0	\$85.0	4.3x	12.9x	
05/10/05	Various Acquirors (d)	Emmis Comm TV Portfolio	1,350.0	1,350.0	5.2x	14.6x	
06/30/05	Univision Communications	WLII (2 TV Stations in Puerto Rico)	190.0	190.0	4.0x	16.7x	
03/29/07	Umbrella Holdings LLC	Univision Communications	12,300.0	13,700.0	6.3x	18.1x	
				Mean	4.9x	15.6x	
Radio							
09/29/04	Capital Radio	GWR Group	\$611.0	\$728.0	3.1x	13.4x	
06/21/05	Emap PLC	Scottish Radio Holdings	713.0	793.0	4.5x	17.7x	
11/01/05	Cumulus Media Inc.	Susquehanna Radio	1,200.0	1,200.0	n/d	15.0x	
02/07/06	Citadel Broadcasting	Disney (ABC Radio)	1,500.0	2,700.0	4.7x	13.5x	
				Mean	4.1x	14.9x	
New Media							
02/17/05	New York Times	About, Inc	410.0	410.0	10.0x	30.0x	
03/21/05	IAC	AskJeeves	1,850.0	1,850.0	5.8x	19.0x	
06/06/05	E.W.Scripps Co.	Shopzilla Inc.	525.0	525.0	4.0x	15.9x	
07/18/05	News Corp.	Intermix (MySpace.com)	580.0	571.0	6.4x	n/m	
3/6/2006	NBC Universal	iVillage Inc.	600.0	550.0	6.0x	32.4x	
3/15/2007	Cisco	WebEx	2,900.0	2,900.0	7.6	29.3	
				Mean	6.0x	22.7x	

(a) When Equity Value was not disclosed, Transaction Value was used

(b) Calculated as Value of Equity plus interest bearing liabilities and preferred stock, less cash & equivalents

(c) Values reflect closing figures. Converted at 1.1757 C\$ per US\$

(d) Transaction includes the divestiture of Emmis' TV portfolio to: Lin TV (\$260M), Journal Comm (\$235M), Gray (\$186M), Blackstone (\$259M)

It also includes estimated transaction value of \$410M for the final sale of 3 TV stations. This is predicted to occur sometime in 2005.

n/d Not Disclosed

n/m Not Meaningful

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