



GOVERNMENT AGENCIES REPRESENTED MORE THAN HALF OF NEW SATELLITE BUSINESS IN 2006 ACCORDING TO HANNOVER FAIRS USA/FUTRON SURVEY CONDUCTED AT ISCe 2007

(San Diego, CA)—Hannover Fairs USA, Inc. and Futron Corporation today announced results of their annual satellite industry survey conducted during the International Satellite Communications exchange (ISCe 2007) that concluded here today. For the first time in the six years Futron has conducted the survey, it included questions targeted specifically at military, as well as industry attendees.

Attendees at the record-breaking sixth annual ISCe were asked their opinions on current and future business opportunities and trends in the government and commercial satellite industry sectors. Among the key findings of the study:

- Continuing a trend identified in previous Futron/ISCe surveys, satellite capacity sales represent the largest area of anticipated new business. More than 40 percent of all respondents forecast that their biggest growth will come in this area from both government and commercial customers during the next two-to-three years.
- A slightly smaller percentage (20–30 percent) forecast their greatest areas of new revenue to be hybrid network services or hardware sales.
- Less than 10 percent of respondents said they thought new software products and services would drive new government or commercial revenues in the foreseeable future.
- Respondents reported that their commercial revenues in 2006 were fairly evenly divided among video distribution, private data network, and mobile services. They anticipate that this split will continue over the next two-to-three years, with mobile services growing considerably faster than the other two markets.

In keeping with the “Satellite and Hybrid Network Solutions” theme of ISCe 2007, commercial attendees were asked about their revenues from such networks. Almost half reported that Hybrid Network Solutions represented less than 25 percent of their current revenues, with one-third reporting 26–50 percent. Only one-tenth said hybrid networks were over 75 percent of their revenues.

Military attendees were asked their perspective of the impact of upcoming military satellite launches on their use of commercial capacity, as well as their views on how commercial satellite suppliers understand or meet their capacity needs and procurement requirements.

A majority (69 percent) of the military respondents said the new military launches will have no impact on their commercial capacity requirements. Seventeen percent forecast a potential reduction of commercial usage of less than 25 percent, with just 10 percent forecasting a reduction of 25–50 percent.

An overwhelming majority of military respondents affirmed that commercial satellite providers meet their needs in a timely manner most of the time (64 percent) or always (16 percent). Only 11 percent claimed their needs were rarely met in a timely manner. On the other hand, there was a clear message to the

private sector from the fact that 40 percent of the military respondents said commercial satellite vendors do not understand their needs or procurement requirements.

Futron's study was tabulated from written responses of conference attendees, composed of executives representing the world's leading satellite operators, manufacturers and service providers along with representatives of most branches of the U.S. military. Attendance at ISCe 2007 was nearly 550, a 15 percent increase over ISCe 2006 registrants and exhibitors.

"This the sixth year Futron has conducted this industry survey in cooperation with ISCe," said Andrea Maléter, Technical Director, Futron Corp. "We find this onsite conference polling tool invaluable as a means of hearing firsthand from industry leaders of their experiences and views on what directions they anticipate the market going. In addition, this year's military attendee input will help the commercial industry better shape its services going forward."

"ISCe affords an ideal opportunity for top satellite industry executives and government leaders to preview new technologies and opportunities," said David Bross, ISCe Conference Chairman. "ISCe 2007 brought together an influential gathering of industry and government leaders who shared vital information that will contribute to the ongoing development of innovative products and opportunities in both commercial and government enterprise."

About Futron Corporation

Futron Corporation is a technology management-consulting firm headquartered in Bethesda, MD. Futron specializes in the aerospace industry, including market assessments and forecasting of trends in satellite services, satellite manufacturing and launch markets. Visit www.futron.com for more information.

About ISCe

ISCe is an annual satellite and communications event that focuses on satellite and hybrid network solutions for the business, retail, entertainment, government and military sectors. ISCe 2008 will take place June 10–12 at the San Diego Marriott Hotel and Marina. Visit www.isce.com for more information.

About Hannover Fairs USA, Inc.

Hannover Fairs USA, Inc., the U.S. subsidiary of Hannover, Germany-based tradeshow organizer Deutsche Messe AG, organizes tradeshows, group exhibits and marketing programs at events throughout the world. Visit www.hf-usa.com to learn more.

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