



*A Leading Provider of Investment, Merchant Banking and Advisory Services
to Companies and Investors in the Satellite, Media and Telecom Sectors*

The View from Wall Street & DISA

prepared for

ISCe 2008

June 2008

Financial Health of Satcom

- **FSS Operators**
 - Global commercial demand for capacity generally strong despite economy
 - Video distribution tends to be recession resistant
 - Government demand has been strong and important
 - Mostly benefitting largest fleet operators
 - Investor concern about future demand
 - Congressional review of DISA
 - Post Iraq
 - Post launch of government owned assets (e.g. WGS)
- **MSS Operators**
 - Commercial health of many MSS operators in question
 - Particularly with LEO fleet replacements and funding of ATC systems
 - Government use helpful, but not sufficient to make operators profitable
 - Still waiting for government sponsorship of national systems for Homeland Security
 - COTM threatens future
- **Satcom Ground Segment Companies**
 - Very fragmented, mostly small-cap other than aerospace primes and lead subcontractors
 - Easier today to start a Satcom related company, harder to grow to critical scale for good ROI
 - Consolidation of 2nd and 3rd tier Satcom related contractors gaining momentum
 - Leading antenna, equipment and component manufacturers
 - DSTS-G Players acquired (SpaceLink and Arrowhead) or in play (Artel)

Public Market Analysis

(as of Friday, June 6th, 2008)

Large-Cap Space and Defense

(\$, in millions, except per share price)

Company	52 Week		Market Cap	EV	Close Price	Performance			P/E	
	Low	High				3 Month	6 Month	12 Month	TTM	2008E
Boeing	\$71.58	\$107.83	\$54,980.00	\$56,740	\$73.16	-3%	-16%	-21%	12.7	10.5
General Dynamics Corp	70.61	95.13	34,530	35,910	86.65	8%	-4%	14%	16.0	13.3
Honeywell International Inc	52.05	62.99	40,050	47,860	54.01	-1%	-3%	-1%	16.1	12.6
I.T.T.Industries	50.94	73.44	11,470	13,410	63.12	18%	0%	-2%	15.0	13.7
Lockheed Martin Corp	88.86	113.74	41,500	45,030	103.75	3%	-3%	11%	14.3	12.6
Northrop Corp	68.44	85.21	24,530	29,110	71.70	-6%	-10%	-2%	15.0	11.5
Raytheon Co	52.28	67.49	25,380	26,170	60.56	-4%	-4%	9%	10.1	13.6
L-3 Communications Holdings Inc	90.11	115.33	12,020	16,340	98.01	-5%	-11%	5%	15.7	13.1
United Technologies	65.20	82.50	65,210	74,970	67.01	2%	-10%	0%	15.0	12.3
Median			34,530	35,910		-1%	-4%	0%	15.0	12.6

Mid-Cap Space and Defense

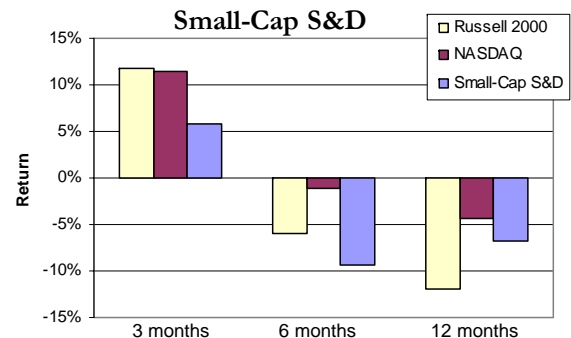
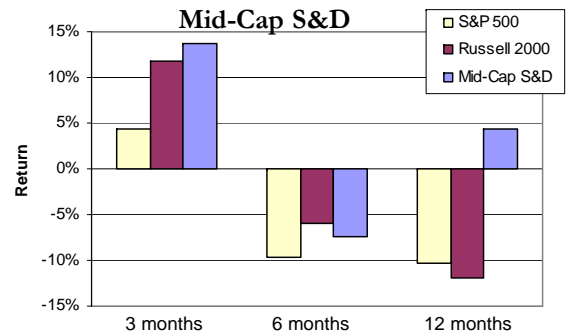
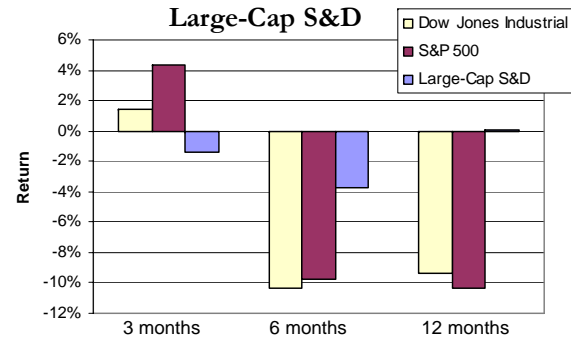
(\$, in millions, except per share price)

Company	52 Week		Market Cap	EV	Close Price	Performance			P/E	
	Low	High				3 Month	6 Month	12 Month	TTM	2008E
Alliant Techsys	\$95.00	\$120.90	\$3,390.00	\$4,840	\$103.40	3%	-11%	6%	16.1	12.6
Ball Corp	40.23	56.20	5,090	7,940	52.08	22%	17%	0%	18.6	12.1
DRS Technologies Inc	44.11	79.35	3,250	4,880	78.60	35%	29%	50%	24.4	17.5
FLIR Systems Inc	19.79	40.43	5,160	5,570	37.55	55%	19%	96%	NM	26.4
Goodrich Corp	55.89	75.74	6,990	8,500	55.89	-5%	-22%	0%	13.2	11.0
Harris Corp	44.11	66.94	7,700	8,270	57.19	20%	-9%	13%	19.2	14.0
Moog (Class A)	37.20	49.42	1,770	2,450	41.50	8%	-6%	3%	16.5	13.1
Rockwell Collins Inc	53.24	76.00	8,950	9,820	55.66	1%	-21%	-16%	14.9	12.3
Median			5,125	6,755		14%	-7%	4%	16.5	12.8

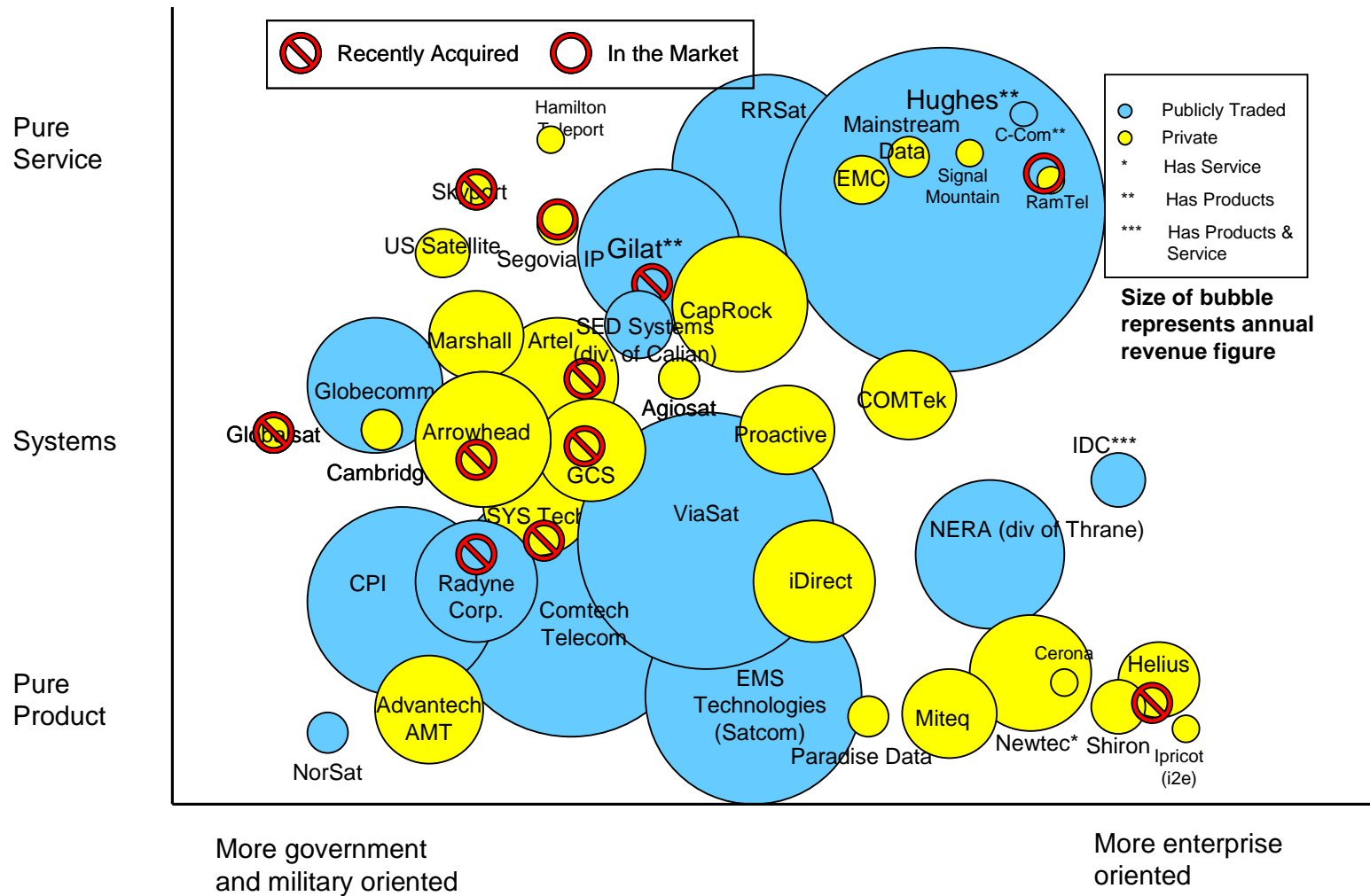
Small-Cap Space and Defense

(\$, in millions, except per share price)

Company	52 Week		Market Cap	EV	Close Price	Performance			P/E	
	Low	High				3 Month	6 Month	12 Month	TTM	2008E
Comtech Telecommunications Corp	\$35.45	\$58.00	\$1,200.00	\$972.02	\$49.52	6%	0%	11%	17.8	17.4
CPI International Inc	8.80	21.50	216	442	13.08	32%	-25%	-34%	11.9	9.3
EMS Technologies Inc	19.60	33.23	425	317	27.24	3%	-12%	36%	20.7	17.2
GeoEye Inc	16.05	37.37	311	346	17.30	-49%	-44%	-16%	4.9	32.0
GenCorp Inc	7.72	13.97	433	822	7.60	-26%	-35%	-40%	10.2	10.7
Gilat Satellite Networks Ltd	8.35	11.34	433	315	10.90	4%	4%	12%	NM	N/A
Globecomm Systems Inc	7.77	16.49	212	159	10.50	19%	-9%	-27%	15.2	17.2
Hughes Communications Inc	42.00	61.00	1,030	1,490	48.19	6%	-11%	-11%	22.5	16.1
Integral System Inc	20.84	39.92	311	305	36.72	37%	62%	50%	18.8	16.8
KVH Industries Inc	6.69	10.69	127	79	8.76	4%	0%	-3%	32.4	18.3
Orbital Sciences Corp	19.19	27.88	1,410	1,410	24.15	9%	5%	27%	24.9	22.6
TeleCommunication Systems Inc	2.71	5.77	213	211	5.03	69%	53%	-7%	NM	10.7
ViaSat Inc	19.06	36.49	696	572	22.00	6%	-35%	-30%	21.2	12.2
Median			425	346		6%	-9%	-7%	18.8	17.0



Ground Systems Competitive Landscape



Recent M&A Transactions

Announce Date	Acquiror	Target	Value	Valuation
12/06	Loral	Telesat	\$4 Billion	7.1x Sales; 13.4x EBITDA
2/07	Caprock	Arrowhead	Not disclosed	
4/07	Globecomm	Globalsat	\$18.4 million	0.9x Sales
4/07	L-3	GCS	\$153 million	1.7x Sales
5/07	Cobham plc	Patriot Antenna Systems	\$18 m + E-out	
6/07	BC Partners	Intelsat (76% stake)	\$17 Billion	7.7x Sales; 11.3x EBITDA
7/07	Radyne	AeroAstro	\$18.0 million	
8/07	Abertis Telecom	Hispasat (28.4% stake)	\$199 million	5.8x Sales; 7.9x EBITDA
1/08	SES Global	Spacecom	REJECTED	
1/08	Alliant Techsystems	MDA Satellite Div.	BLOCKED	CD\$1.3 billion offer; 2.7x Sales
2/08	Kratos	SYS Technologies	~\$50 million	0.6x Sales
2/08	JSAT	Space Communications Corp.	Not disclosed	
3/08	Mivtach Shamir Holdings	Gilat Satellite Network	\$475 million	38% premium
3/08	Transdigm Group	CEF Industries	\$83 million	2.8x Sales
5/08	Comtech	Radyne	\$195 million	33% premium, 1.3x Sales
5/08	Finmeccanica S.p.A.	DRS Technologies	\$5.2 Billion	32% prem, 1.8x Sales, 13.6x EBITDA
5/08	Cobham plc	M/A-Com's RF components unit	\$425 million	0.9x Sales, 6.8x EBITDA