



Telecom

Inside this issue:

Public Market Overview - Public Equity Values, Debt to Value and Earnings, Market Multiples, Discount Rates and Implied Earnings Growth Rates

M&A Transaction Summary - Multiples & Discount Rates, and Noted Transactions

Private Equity & VC Summary - With Noted Transactions

Public Debt & Equity Underwriting Summary - With Noted Transactions

Page

2

6

8

10

Exhibit 1.1—Telecom Indices

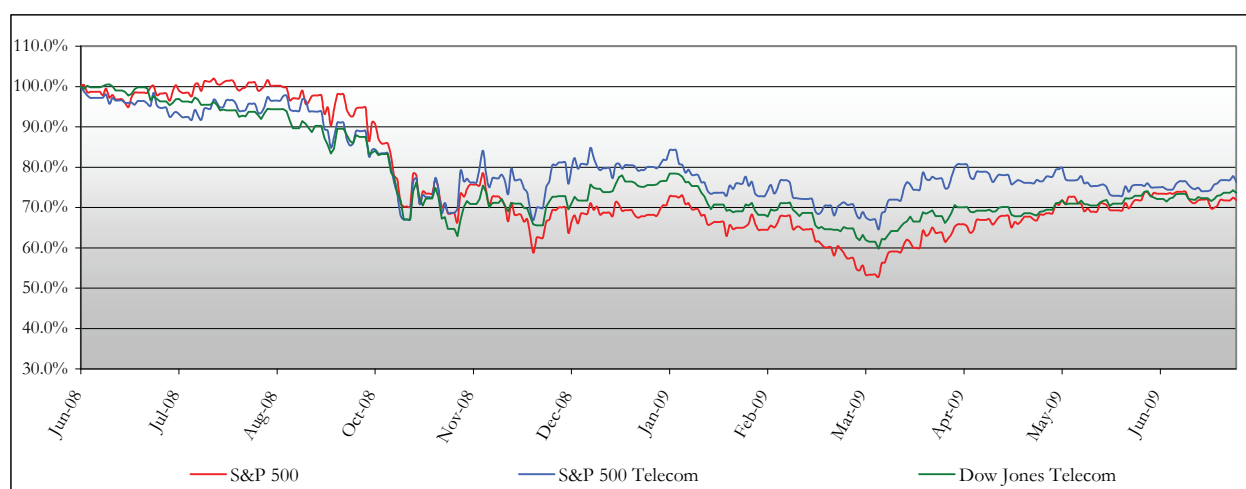


Exhibit 1.2—Change in Worldwide Public Company Enterprise Values (\$MM)

Enterprise Value	06/30/09	05/31/09	03/31/09	06/30/08	06/30/07
Integrated Services	\$1,554,403	\$1,545,198	\$1,443,137	\$1,802,742	\$1,874,093
% Change	n/a	0.6%	7.7%	-13.8%	-17.1%
Wireless Services	\$646,972	\$638,083	\$567,519	\$813,801	\$838,275
% Change	n/a	1.4%	14.0%	-20.5%	-22.8%
Alternative Carriers	77,111	76,658	67,493	78,312	90,724
% Change	n/a	0.6%	14.3%	-1.5%	-15.0%
Equipment	\$334,193	\$334,186	\$254,896	\$440,357	\$543,474
% Change	n/a	0.0%	31.1%	-24.1%	-38.5%
Equipment - Sat. & MDS	\$42,775	\$40,583	\$32,884	\$48,404	\$80,618
% Change	n/a	5.4%	30.1%	-11.6%	-46.9%
Total Value	\$2,655,455	\$2,634,709	\$2,365,928	\$3,183,617	\$3,427,184
% Change	n/a	0.8%	12.2%	-16.6%	-22.5%

Exhibit 1.3 - Debt to Market Cap vs. Book Value

Aggregate Debt/Equity BV	06/30/09	06/30/08	06/30/07
Integrated Services	126.1%	112.3%	106.4%
Wireless Services	57.2%	49.7%	46.1%
Alternative Carriers	188.7%	159.4%	142.4%
Equipment	32.6%	23.5%	23.9%
Equipment - Sat. & MDS	31.6%	25.6%	23.2%
Aggregate Debt/Market Cap			
Integrated Services	78.6%	58.6%	45.7%
Wireless Services	35.7%	24.5%	21.1%
Alternative Carriers	112.8%	95.8%	56.4%
Equipment	12.0%	7.8%	6.0%
Equipment - Sat. & MDS	19.6%	15.7%	7.4%

Source: Capital IQ

Exhibit 1.4 - EBITDA to Aggregate Sector Debt

EBITDA/Aggregate Debt	06/30/09	06/30/08	06/30/07
Integrated Services	45.8%	48.7%	48.1%
Wireless Services	60.9%	66.5%	62.5%
Alternative Carriers	33.9%	34.8%	36.7%
Equipment	71.4%	105.7%	91.0%
Equipment - Sat. & MDS	70.8%	70.2%	102.4%

Exhibit 1.5– Key Public Market Measures (\$MM)

	As of	
	06/30/09	6/30/2008
Enterprise Value		
N. America	\$928,073	\$1,089,556
Europe	\$1,043,777	\$1,303,470
Asia Pacific	\$681,879	\$788,086
Aggregate Debt		
N. America	\$296,452	\$275,611
Europe	\$495,296	\$506,102
Asia Pacific	\$172,838	\$156,940
Aggregate Net Sales		
N. America	\$502,445	\$506,864
Europe	\$664,370	\$771,490
Asia Pacific	\$424,919	\$417,294

	As of	
	06/30/09	6/30/2008
EV/Net Sales		
N. America	2.53 x	3.36 x
Europe	1.86 x	2.01 x
Asia Pacific	2.10 x	2.74 x
EV/EBIT		
N. America	12.93 x	14.79 x
Europe	10.82 x	11.81 x
Asia Pacific	10.37 x	12.07 x
Cost of Equity		
N. America	10.0%	10.3%
Europe	9.6%	11.1%
Asia Pacific	9.3%	10.1%
Implied Earnings Growth		
N. America	0.7%	2.2%
Europe	-0.3%	1.7%
Asia Pacific	-1.1%	1.1%

Source: Capital IQ

Exhibit 1.6—Enterprise Value to Revenue Multiples

	As of	Historical		
	06/30/09	3/31/2009	6/30/2008	6/30/2007
Integrated Services				
N. America	1.89 x	1.80 x	2.04 x	1.53 x
Europe	1.68 x	1.66 x	1.82 x	1.85 x
Asia Pacific	1.48 x	1.38 x	1.60 x	1.44 x
Wireless Service				
N. America	1.78 x	1.70 x	2.30 x	2.29 x
Europe	2.19 x	2.06 x	2.37 x	1.78 x
Asia Pacific	1.82 x	1.63 x	2.27 x	1.54 x
Alternative Carriers				
N. America	2.12 x	1.88 x	1.87 x	1.61 x
Europe	1.26 x	1.18 x	1.18 x	1.08 x
Asia Pacific	1.23 x	1.14 x	1.05 x	0.86 x
Equipment				
N. America	1.94 x	1.49 x	2.45 x	2.19 x
Europe	0.71 x	0.59 x	0.98 x	1.11 x
Asia Pacific	0.64 x	0.41 x	0.63 x	0.60 x
Equipment - Sat. & MDS				
N. America	0.91 x	0.74 x	1.34 x	0.85 x
Europe	0.98 x	0.79 x	0.76 x	1.54 x
Asia Pacific	0.58 x	0.42 x	0.64 x	0.89 x

Source: Capital IQ

Exhibit 1.7—Enterprise Value to EBITDA Multiples

	As of	Historical		
	06/30/09	3/31/2009	6/30/2008	6/30/2007
Integrated Services				
N. America	5.26 x	5.02 x	5.75 x	6.47 x
Europe	5.10 x	5.05 x	5.51 x	5.78 x
Asia Pacific	4.17 x	3.87 x	4.86 x	4.37 x
Wireless Service				
N. America	6.80 x	6.47 x	8.16 x	8.95 x
Europe	6.94 x	6.53 x	8.12 x	6.25 x
Asia Pacific	4.85 x	4.34 x	6.34 x	5.48 x
Alternative Carriers				
N. America	15.91 x	13.63 x	15.88 x	27.17 x
Europe	4.09 x	3.83 x	4.02 x	4.39 x
Asia Pacific	5.17 x	4.79 x	4.20 x	4.72 x
Equipment				
N. America	11.55 x	8.50 x	13.77 x	14.90 x
Europe	7.60 x	5.28 x	6.98 x	9.69 x
Asia Pacific	9.72 x	6.21 x	6.79 x	8.83 x
Equipment - Sat. & MDS				
N. America	6.57 x	5.14 x	10.70 x	11.79 x
Europe	6.31 x	5.76 x	7.28 x	9.39 x
Asia Pacific	36.54 x	24.70 x	8.31 x	10.37 x

Source: Capital IQ

Exhibit 2.1—M&A Transaction Volume and Values - Through 6/30 (\$MM)

	2009	2008	2007	2006	2005
M&A Transaction Volume					
Integrated Services	14	55	80	73	62
Wireless Services	10	39	69	56	55
Alternative Carriers	11	66	73	51	39
Equipment	27	98	127	129	96
Equipment - Sat. & MDS	6	22	24	13	13
Total Deal Count	68	280	373	322	265
M&A Transaction Values					
Integrated Services	\$1,066	\$40,311	\$21,817	\$155,016	\$57,203
Wireless Services	\$31,560	\$7,858	\$57,944	\$62,719	\$84,710
Alternative Carriers	\$56	\$9,705	\$17,831	\$24,441	\$19,236
Equipment	\$3,576	\$14,858	\$27,660	\$44,203	\$30,256
Equipment - Sat. & MDS	\$267	\$707	\$4,407	\$445	\$3,118
Total Deal Value	\$36,525	\$73,439	\$129,659	\$286,824	\$194,523

Exhibit 2.2—Key M&A Multiples - Through 6/30

	2009	2008	2007	2006	2005
EV/EBIT:					
Integrated Services	20.72 x	14.34 x	28.28 x	16.25 x	11.24 x
Wireless Services	19.53 x	44.37 x	16.66 x	23.98 x	22.63 x
Alternative Carriers	45.41 x	N/A	30.53 x	20.00 x	N/A
Equipment	16.30 x	12.74 x	21.78 x	20.71 x	9.57 x
Equipment - Sat. & MDS	N/A	12.49 x	41.79 x	11.10 x	15.65 x
EV/EBITDA:					
Integrated Services	8.74 x	5.87 x	11.93 x	7.35 x	5.59 x
Wireless Services	8.27 x	9.11 x	11.01 x	9.52 x	10.42 x
Alternative Carriers	7.66 x	8.42 x	23.98 x	8.32 x	16.99 x
Equipment	21.59 x	N/A	28.66 x	12.75 x	6.70 x
Equipment - Sat. & MDS	10.82 x	9.06 x	18.98 x	9.99 x	14.32 x

Source: Capital IQ

Telecom

M&A Summary - Noted Transactions

Second Quarter 2009

Exhibit 3 - Noted 2008 and 2009 M&A Transactions - Through 6/30 (\$MM)

Group	Buyer	Target	Amount	Target Territory
Integrated Services	France Telecom	Wirefree Services Belgium S.A.	\$26,036.9	Europe
	Deutsche Telekom AG	Hellenic Telecommunications Org. SA	\$4,015.9	Europe
	SFR	Neuf Cegetel SA	\$3,583.2	Europe
Wireless Services	Cellco Partnership Inc.	Alltel Corporation	\$29,548.3	N. America
	Cellco Partnership Inc.	Rural Cellular Corp.	\$2,752.3	N. America
	T-Mobile USA Inc.	SunCom Wireless Holdings Inc.	\$2,576.0	N. America
Alternative Carriers	AT&T, Inc.	Aloha Partners LP	\$2,500.0	N. America
	Crédit Agricole Private Equity; The Carlyle Group	37.8% Stake in Numericable and CompleTel	\$1,577.4	Europe
	SK Telecom Co. Ltd.	SK Broadband Co. Ltd.	\$1,174.8	Asia Pacific
Equipment	Berkshire Hathaway Inc.	Marmon Holdings Inc.	\$4,500.0	N. America
	Brocade Communications Systems Inc.	Foundry Networks Inc.	\$2,390.9	N. America
	France Telecom	France Telecom Espana SA	\$1,828.7	Europe
Equipment - Sat. & MDS	Comtech Telecommunications Corp.	Radyne Corp.	\$223.7	N. America
	Rockwell Collins Inc.	DataPath, Inc.	\$129.6	N. America
	Hitachi Ltd.	Hitachi Kokusai Electric Inc.	\$117.7	Asia Pacific

Source: Capital IQ

Exhibit 4 - PE & VC Deals Count & Dollar Volume - Through 6/30 (\$MM)

	2009	2008	2007	2006	2005
PE & VC Transaction Volume					
Integrated Services	7	9	16	20	15
Wireless Services	6	29	40	36	24
Alternative Carriers	15	32	22	52	29
Equipment	66	143	184	194	177
Equipment - Sat. & MDS	5	14	14	16	14
Total Deal Count	99	227	276	318	259
PE & VC Transaction Values					
Integrated Services	\$86	\$2,310	\$107	\$460	\$1,295
Wireless Services	\$25	\$769	\$557	\$1,569	\$1,285
Alternative Carriers	\$316	\$255	\$584	\$650	\$555
Equipment	\$378	\$1,673	\$2,450	\$1,977	\$2,181
Equipment - Sat. & MDS	\$7	\$123	\$168	\$373	\$78
Total Deal Value	\$812	\$5,130	\$3,866	\$5,029	\$5,395

Source: Capital IQ

Telecom
Private Equity & VC Noted Transactions

Second Quarter 2009

Exhibit 5- Noted 2008 and 2009 PE & VC Transactions - Through 6/30 (\$MM)

Group	Buyer	Target	Amount	Target Territory
Integrated Services	Multiple	Weather Investments Group	\$1,710.6	Europe
	Multiple	Weather Investments Group	\$554.0	Europe
	Multiple	VeriVue Inc.	\$40.0	N. America
Wireless Services	Cellco Partnership, Inc.	Rural Cellular Corp.	\$358.1	N. America
	Multiple	Wireless Broadband Planning Inc.	\$153.8	Asia Pacific
	Battery Ventures; Charles River Ventures	Youghioghny Communications-Texas LLC	\$100.0	N. America
Alternative Carriers	Multiple	Zayo Group Inc.	\$128.0	N. America
	One Equity Partners LLC	Open Range Communications Inc.	\$100.0	N. America
	Multiple	PacketFront Sweden AB	\$58.3	Europe
Equipment	Multiple	Gridline Communications Holdings Inc.	\$200.0	N. America
	Multiple	O3b Networks Limited	\$60.0	Europe
	Multiple	SOMA Networks Inc.	\$51.0	N. America
Equipment - Sat. & MDS	Multiple	Novariant Inc.	\$40.0	N. America
	Investcorp Technology Partners	FleetMatics Limited	\$25.0	Europe
	Bank of Scotland Equity Investments	Quartix Ltd.	\$23.5	Europe

Source: Capital IQ

Telecom
Debt & Equity Underwriting Summary

Second Quarter 2009

Exhibit 6– Debt & Equity Underwriting Activity - Through 6/30 (\$MM)

	2009	2008	2007	2006	2005
Underwriting Volume					
Integrated Services	12	12	22	8	14
Wireless Services	1	-	11	9	8
Alternative Carriers	3	3	12	15	8
Equipment	11	3	32	24	18
Equipment - Sat. & MDS	4	-	9	7	2
Total Deal Count	31	18	86	63	50
Underwriting Value					
Integrated Services	\$11,244	\$13,885	\$25,606	\$10,338	\$7,197
Wireless Services	\$814	\$0	\$5,068	\$3,715	\$3,356
Alternative Carriers	\$957	\$616	\$740	\$2,613	\$861
Equipment	\$5,719	\$144	\$3,455	\$8,321	\$387
Equipment - Sat. & MDS	\$815	\$0	\$522	\$231	\$10
Total Deal Value	\$19,550	\$14,644	\$35,390	\$25,220	\$11,811
Security Type					
Equity	\$462	\$225	\$4,793	\$4,501	\$3,417
Debt	\$19,087	\$14,420	\$30,597	\$20,718	\$8,395
Total Value	\$19,550	\$14,644	\$35,390	\$25,220	\$11,811

Source: Capital IQ

Telecom
Debt & Equity Underwriting Noted Transactions

Second Quarter 2009

Exhibit 7- Noted 2008 and 2009 Transactions - Through 6/30 (\$MM)

Group	Issuer	Amount	Issuer Territory
Integrated Services	Verizon Communications Inc.	\$1,979.8	N. America
	Verizon Communications Inc.	\$1,718.1	N. America
	Verizon Communications Inc.	\$1,716.2	N. America
Wireless Services	Crown Castle International Corp.	\$795.7	N. America
Alternative Carriers	NTL Cable PLC	\$701.9	Europe
	Level 3 Communications Inc.	\$400.0	N. America
	NTL Cable PLC	\$234.4	Europe
Equipment	Cisco Systems Inc.	\$1,986.5	N. America
	Cisco Systems Inc.	\$1,979.5	N. America
	Nokia Corp.	\$986.3	Europe
Equipment - Sat. & MDS	Harris Corp.	\$346.6	N. America
	CommScope Inc.	\$243.1	N. America
	CommScope Inc.	\$191.7	N. America

Source: Capital IQ

Contact Information

Roy A. Salter

rsalter@saltergroup.com

Patrick A. Russo

prusso@saltergroup.com

Eric C. Briggs

ebriggs@saltergroup.com

John R. Albertine

Research Analyst

jalbertine@saltergroup.com

The Salter Group

The Salter Group is known for its outstanding capabilities in rendering independent valuation opinions to acquirers, investors and lenders in a variety of financing and M&A transactions. The Salter Group has distinguished itself as a leading independent financial and strategic advisory firm with a specialty in business and intangible asset valuations, financial opinions, economic analysis, forecasting and transaction support. The breadth of our global practice includes a broad range of industries, companies, intellectual property assets and transactions.

Our extensive experience in developing asset and business forecasts, and assessing a company's value and viability in light of current industry trends and global market conditions, enhances the value of our transaction opinions (fairness, solvency and collateral valuation opinions), financial opinions (goodwill impairment and portfolio valuation opinions), tax-related opinions, financial and strategic analyses and transaction support services.

THE SALTER GROUP

1840 Century Park East, Suite 400

Los Angeles, CA 90067

tel (310) 552-3774

fax (310) 552-3781

www.saltergroup.com

Sources of information utilized in the preparation of this newsletter include Capital IQ, Adams Media Research, MPAA, Veronis Subler, Price Waterhouse, Thompson Financial and Morningstar. 'EV' and 'Ent Val' mean 'Enterprise Value' which is obtained from Capital IQ. 'EBITDA' means earnings before interest and taxes and also are calculated on a last twelve months' basis. 'Aggregate Debt' is calculated on a last twelve months' basis. 'EV/EBITDA' and is calculated as enterprise value divided by EBITDA. 'EV/EBITDA' on pages 4-7 are calculated using the value weighted average. Cost of Equity is calculated using the capital asset pricing model ("CAPM") with the variables calculated as follows: the market risk premium was determined based on information from Morningstar, β is calculated using stock price information from Capital IQ over a two-year period relative to the native country's major index and adjusted for prospective expectations, and the risk free rate is calculated from the yield of a 10-year generic treasury bond in each country. Corporate bond yields calculated using the median yield to maturity of all outstanding bonds as of each specified date. Corporate bonds are segmented by S&P credit ratings as of the most recent rating date.

The Salter Group, LLC gathers its information from sources it considers reliable. The Salter Group does not guarantee the accuracy or completeness of the information provided within this publication. The views presented reflect the current judgment of the authors and are subject to change. The Salter Group makes no warranties, express or implied, regarding the accuracy of this information or the subjective views expressed by the authors. Officers, Principals, Employees and Affiliates of The Salter Group may have positions in the securities of the companies described. This newsletter does not constitute a recommendation with respect to the securities of any company discussed herein, and it should not be construed as such. The Salter Group and its affiliates may from time to time provide financial and strategic advisory services to these companies. The authors of this publication receive compensation from The Salter Group.

THE SALTER GROUP

Page 12