

Channels

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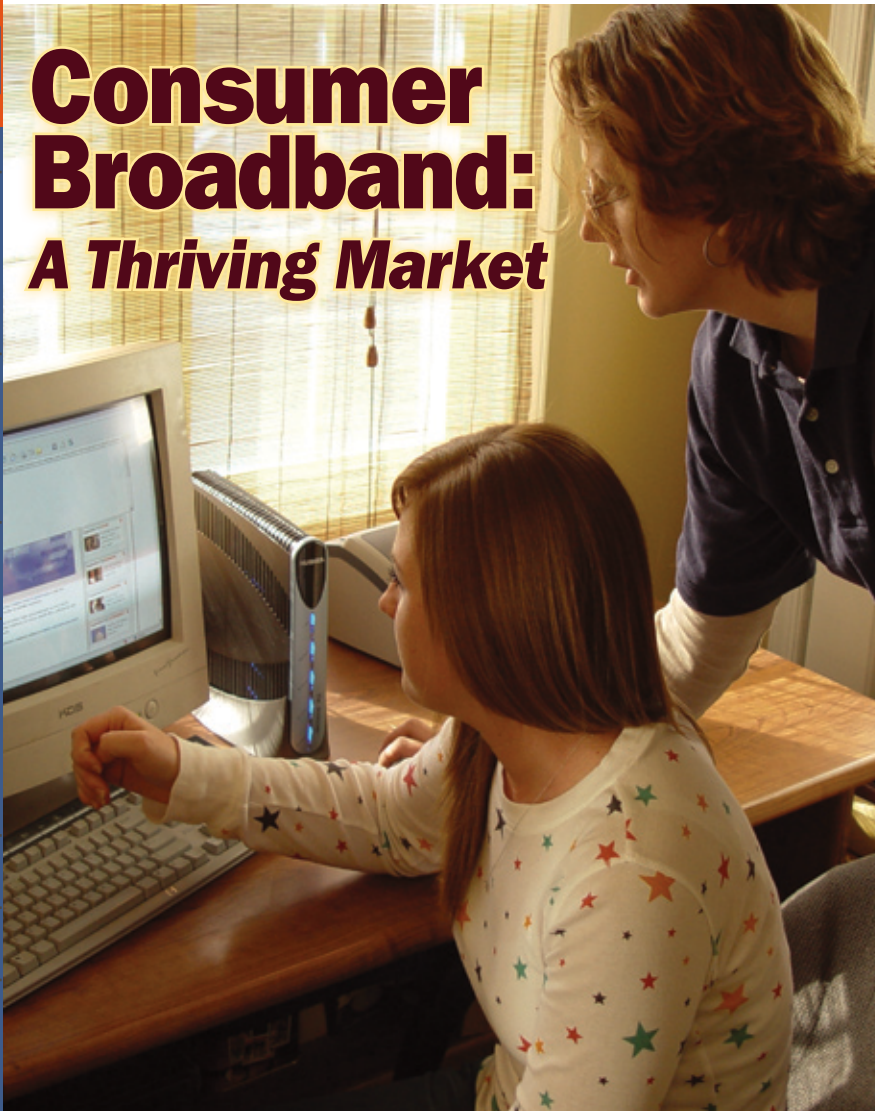
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Consumer Broadband: A Thriving Market



Even during tough economic times, some markets continue to thrive because they provide an essential product or service—something that people can't or won't do without. Food, health care, and consumer staples easily come to mind. But there are also some less obvious candidates—broadband by satellite, for example.

Analysts estimate that there are 10 to 11 million households and over 3.5 million small businesses in the U.S. that don't have access to terrestrial broadband service. Even urban and suburban areas that are otherwise covered by fiber, DSL, or cable have pockets that contain no landline broadband access. According to a recent study by the Pew Internet & American Life Project, 62 percent of rural Americans do not

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HUGHES QUICKTAKES

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Executive Corner

Innovation and Diversity

An Interview with Chairman
and CEO Pradman Kaul



During the past year, the challenging economic environment created considerable upheaval

throughout the world. We caught up with Hughes Chairman and CEO Pradman Kaul to get his insight into how Hughes is weathering these tough times.

Channels: *Considering the volatile economic conditions worldwide that are negatively impacting many companies, how is Hughes faring in this challenging business environment?*

Pradman Kaul: The Hughes business model has proven to be steadfast, as demonstrated by four more quarters of results that met or exceeded all financial metrics. In 2008, we crossed \$1 billion in revenues and achieved a healthy EBITDA of \$155 million; plus we ended the year with a strong cash position of over \$200 million. All Hughes employees should be proud that we've now achieved positive results for ten successive quarters since going public in 2006, as well as showing positive growth and earnings for the past four years. That said, we must all hold the line on expenses as 2009 plays out and be ready to adjust to whatever market conditions may hit us.

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2008 Satellite Executive of the Year

Hughes Chairman and CEO Honored by *Via Satellite Magazine*

For more than two decades, *Via Satellite* magazine has annually selected the satellite executive who made a lasting business impact on the global satellite industry during the previous year. In honoring Hughes chairman and CEO Pradman Kaul as its 2008 "Satellite Executive of the Year," *Via Satellite* cited anticipating the evolution of the satellite market and maintaining Hughes technology and market leadership as two key accomplishments.



Indeed, 2008 was a year of many achievements for Hughes, including the commercial launch of service over the SPACEWAY® 3 broadband satellite system and posting a strong series of wins globally, while surpassing 400,000 subscribers on HughesNet® broadband Internet service in North America. In recognition, Jason Bates, editor of *Via Satellite*, commented, "Thanks to Kaul's leadership and the acumen of his experienced management team, we are looking forward to what will be accomplished by Hughes in 2009 and beyond." ■

Hughes Financial Corner

Ticker: HUGH (NASDAQ)

Hughes Communications, Inc. announced strong growth and record highs in revenue and adjusted EBITDA for both the fourth quarter and full year 2008.

Snapshot of Full Year Financial Results

- Revenue grew to \$1.06 billion, an increase of 9% over 2007, 10% on a constant dollar basis.
- Consumer service revenue grew by 21% over 2007 to \$323 million; ARPU increased by 5% over 2007 to \$65 and subscriber gross adds grew by a record 170,000 or 14% over 2007, with 86,000 subscribers on SPACEWAY® 3 as of December 31, 2008; total subscriber count climbed to 433,000 as of December 31, 2008.
- International VSAT revenue grew by 10% in 2008 over 2007, 14% on a constant dollar basis, with Europe and Brazil service subsidiaries being key growth drivers.
- New orders of \$1.2 billion in 2008. Non-consumer backlog of \$841 million at December 31, 2008 representing 12% growth over December 31, 2007 backlog.
- Significant new contracts awarded by U.S. federal, state, and local government agencies, with 2008 revenue growing to \$28 million—a new and growing market for Hughes products and services.

- Hughes Network Systems, Inc. (HNS) had record Adjusted EBITDA of \$155.4 million for 11% growth over 2007; Hughes Communications, Inc. had Adjusted EBITDA of \$151.4 million, also a record.

Snapshot of Fourth-Quarter Results

- Revenue grew 2% over fourth quarter 2007, 7% growth on a constant dollar basis; a solid performance under adverse macroeconomic conditions.
- Consumer service revenue increased by 16% over fourth quarter 2007; 42,000 subscriber gross adds; churn improved to 2.4% from 2.6% in third quarter of 2008.
- Strong adjusted EBITDA of \$46.4 million for HNS and \$45.2 million for Hughes Communications, Inc.
- New orders of \$274 million with key enterprise orders from ConocoPhillips, Wyndham, Blockbuster, Tractor Supply, Edward Jones, BP, Hess, and Barrett Xplore in North America; Telemar, SCT, PRODAM, SEC Bahia, Primesys, Telespazio, Nynex, SREI, MPOS, Iseyco, and WIND in international markets.

* Please note that Q1 2009 financial results will be released on May 7, 2009
visit www.hughes.com/investor. ■

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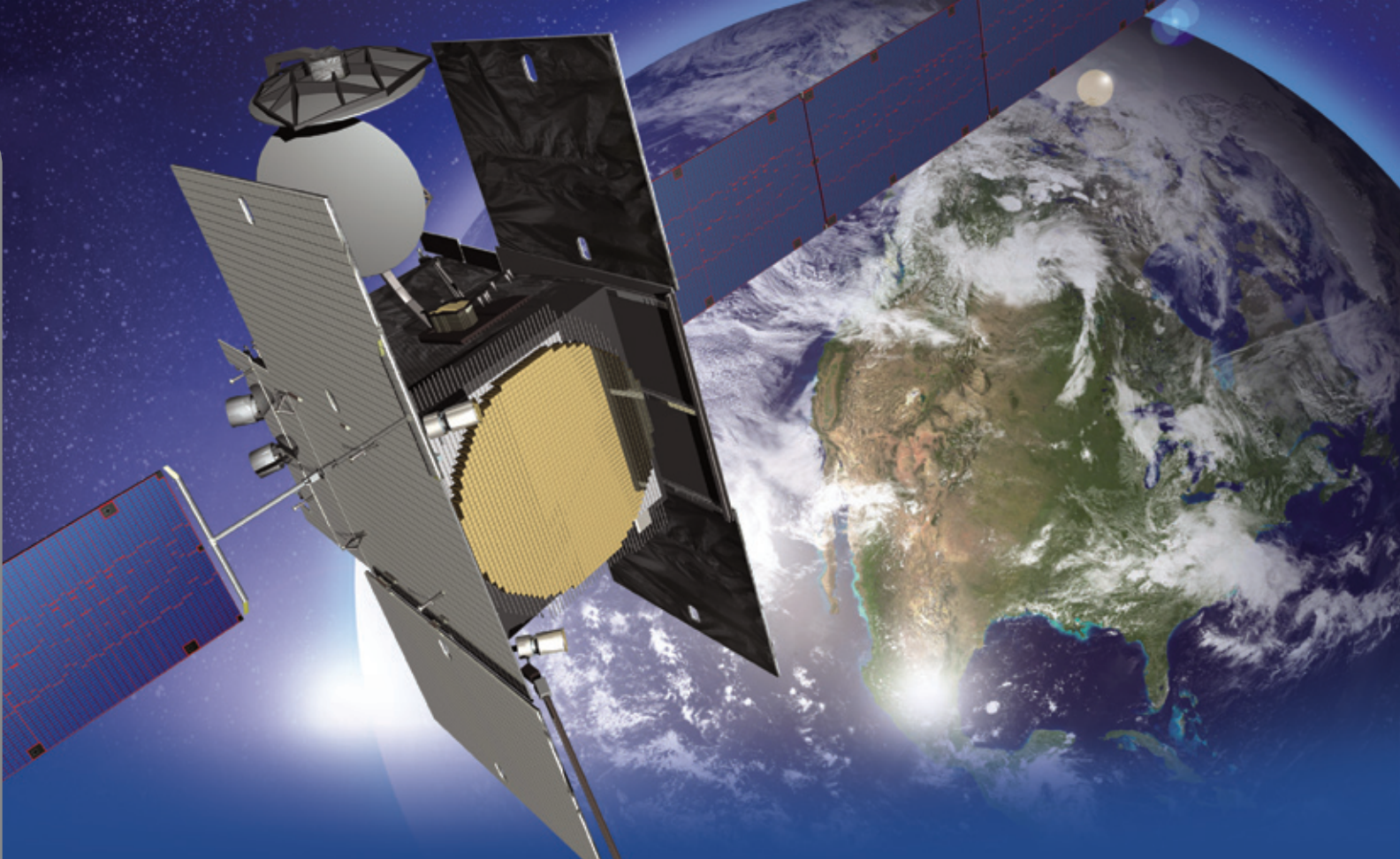
About Hughes

Hughes is the global leader in providing broadband satellite networks and services for large enterprises, governments, small businesses, and consumers. HughesNet® encompasses all broadband solutions and managed services from Hughes, bridging the best of satellite and terrestrial technologies. Its broadband satellite products are based on global standards approved by the TIA, ETSI and ITU standards organizations, including IPoS/DVB-S2, RSM-A and GMR-1. To date, Hughes has shipped more than 1.9 million systems to customers in over 100 countries.

Headquartered outside Washington, D.C., in Germantown, Maryland, USA, Hughes maintains sales and support offices worldwide. Hughes is a wholly owned subsidiary of Hughes Communications, Inc. (NASDAQ: HUGH). For additional information, please visit www.hughes.com.

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SPACEWAY 3: *Fulfilling the Promise*

There's nothing else like it in orbit. At 10 Gbps throughput, SPACEWAY® 3 is the world's highest traffic-carrying, commercial broadband satellite system and the first to employ onboard switching and routing. Eight months after celebrating its launch, Hughes initiated commercial service on SPACEWAY 3 over North America in April 2008, which transformed the company overnight into a fully integrated satellite service provider.

With numerous other advances, such as a phased array antenna and multi-hopping spot beams with frequency reuse, SPACEWAY 3 represents a significant step forward in satellite technology. HughesNet services now feature satellite Internet access plans up to 5 Mbps—the highest speed available. Bandwidth-on-demand and deployment of any combination of star and mesh private network topologies bring unprecedented capabilities to the marketplace.

Just one year after the service launch, more than 128,000 consumer, business, and government customers are receiving HughesNet® broadband services over SPACEWAY 3, some of which are critically important in crisis communications. For example, America's Emergency Network, a satellite-based emergency communications service in Florida powered by HughesNet, employs SPACEWAY 3's on-demand capability and has been

keeping residents informed since the onset of the 2008 hurricane season by streaming real-time news briefings from state and local operations centers. (See related story in *Channels*, Winter 2008).

The first SPACEWAY 3 broadband operator in Canada, Barrett Xplore Inc. of New Brunswick, is operating a gateway earth station and offering broadband satellite services to the Canadian market under its Xplornet brand.

And yet another milestone—Hughes recently launched its Inter-Government Crisis Network (IGCN), a unique satellite-based solution delivered over SPACEWAY 3 that enables government agencies to communicate securely and reliably in preparing for and responding to an emergency, when terrestrial networks are most vulnerable to failure.

During its almost 10 years of development, SPACEWAY 3 offered a promise for the future—the promise of advanced technology, dramatically higher broadband speeds, and the replacement of a ground-based hub with a “switch-in-the-sky” that enables communications directly between terminals in a single hop. As evidenced every day by consumer, enterprise, and government customers throughout North America, that promise has indeed been realized. ■



APPRECIATION

Andrew Werth, Satellite Pioneer, Cyclist, and Mentor

Many people think of Andrew Werth as a pioneer of the satellite industry. Indeed, Werth, who died on January 28, 2009, began his satellite career in 1959 at Comsat Labs during the earliest days of space exploration when the Russian satellite Sputnik was launched. There he developed a series of high-performance satellite modems and was awarded multiple patents in satellite communications applications. In 1972, along with several colleagues, Werth co-founded Digital Communications Corporation—the company that eventually became Hughes Network Systems—in a garage in Gaithersburg, Maryland. As head of the company's international division, Werth spearheaded the sales and marketing of Hughes satellite networks and products around the globe, seeing the company rise to become the leading provider of broadband satellite solutions on every continent.

Werth was a man of many pursuits—a renowned cyclist, an accomplished linguist, and a mentor to budding satellite professionals. "I was always impressed by Andy's boundless energy and enthusiasm for every task that he took on," said Pradman Kaul, Chairman and CEO of Hughes. "He was a key figure in the satellite industry and also a terrific person who was loved by everyone who met him." Satellite pioneer, cyclist, mentor—Andy Werth will be missed by his many friends at Hughes. ■

Consumer Broadband: A Thriving Market

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have broadband access at home, and as many as 28 percent said they believe they have no broadband options at all.¹

In fact, they do. Thanks to Hughes satellite technology, HughesNet® high-speed Internet service is available throughout the country. In 2008, HughesNet consumer and small business subscribers grew by 14 percent—the fastest yet—to 433,000 subscribers. And as word travels and people learn about the availability and benefits of HughesNet, they are signing up at an average rate of more than 14,000 subscribers per month, based on the results of late 2008.

"This growth rate directly reflects the importance of Internet connectivity," said Peter Gulla, vice president of marketing for Hughes North America. "For many households and small businesses, Internet access is a necessity. No matter how they use the Web—to seek information, look for employment, take classes, shop, or run a small business—people need to be connected. And satellite is the only technology that's capable of delivering broadband Internet to every household across the nation regardless of location. The only requirement is for the antenna to have a clear view of the southern sky."

Since the launch of HughesNet service over SPACEWAY 3 in April, 2008, the company has used its revolutionary new satellite's advanced capabilities to offer even higher speeds at no

additional cost to subscribers. HughesNet service plans now offer the fastest speeds ever

available via satellite, with downloads starting at up to 1 Mbps and going as high as 5 Mbps. There is also an attractive lease option that enables customers to reduce upfront costs by paying for equipment on a monthly basis.

For small business customers, Hughes delivers an enterprise-grade service that provides the speed and bandwidth to meet the needs of small and larger businesses alike. For example, in New Hampshire, educator Joshua Kim uses HughesNet service to communicate with his students and teach classes from his home. In Virginia, Lee Sherbeyn, a rancher and real estate agent, depends on HughesNet to reach his customers in both lines of work. An alpaca farmer, a cotton gin operation, a winery—the list of small businesses that are discovering the many benefits of HughesNet is seemingly endless. Visit www.hughes.com to view videos of these and other customer success stories.

As is being proven daily, and despite the economic downturn, broadband Internet service is an essential requirement for many consumers and small businesses across America. Hughes is proud to be leveraging its technology and product innovations to serve this rapidly growing market by delivering affordable, high-speed broadband access by satellite—no matter where people live or work. ■



¹ Source: "Home Broadband 2008," Pew Internet & American Life Project, July 2008

National Broadband Plan

An important component of President Barack Obama's recently announced economic stimulus package, the American Recovery and Reinvestment Act of 2009, is a National Broadband Plan designed to increase the availability of broadband nationwide. The program includes grants to build infrastructure for both wired and wireless networks. Hughes has participated actively in various forums presenting the Satellite Industry Association (SIA) position, namely, that satellite is the only technology available nationwide, and has an important role to play in accelerating broadband access in rural and underserved areas. ■



A Walk through the National NOC



As more than 600,000 Hughes customers in North America go about their day-to-day activities, many may be unaware of the extensive satellite network and control center that's behind managing their HughesNet® broadband service. "It's our job to make sure the service is always available to our customers," said Bill McHargue, assistant vice president of network services in Germantown, Maryland. That means McHargue and his multi-functional team are working around the clock at the national Network Operations Center (NOC), which is the vital nerve center of North America's HughesNet service delivery.

The NOC represents the culmination of all the blood, sweat, and tears that go into the design and development of Hughes products and solutions—where the goal is delivering the highest quality of services possible and enabling customers to unlock the full benefits of broadband at home and at the workplace. It's where Hughes keeps its finger on the pulse of those services, where services are managed and monitored, and when they may occur, where problems are fixed.

Beyond North America, Hughes owns and operates functionally similar, though smaller, NOCs strategically located in Griesheim, Germany, São Paulo, Brazil, and Gurgaon, India—delivering HughesNet services in Europe, Brazil, and India.

All in a Day's Work

A walk through the NOC in Germantown reveals a bank of consoles and a dazzling wall of monitors reminiscent of mission control rooms such as the National Aeronautics and

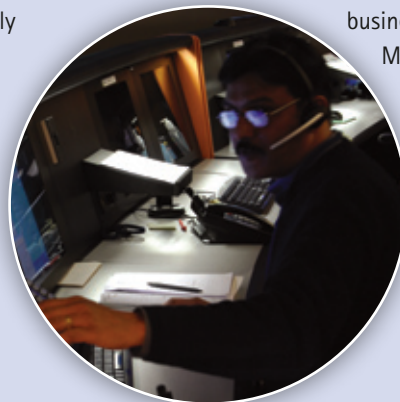
Space Administration (NASA) Control Center in Houston. The screens provide an astonishing array of real-time data showing the health and welfare of HughesNet services and equipment at customer sites from as far north as the Arctic Circle to as far south as Honduras.

More than 70 onscreen graphs indicate when traffic is normal and when there is a problem. Visual alarms alert operators when something is amiss, enabling them to detect problems and often solve them before the customer knows it.



Situational awareness is critical to communications monitoring. National Oceanic and Atmospheric Administration (NOAA) maps, for example, enable operators to monitor the weather. If a major weather system is going through, say, Indiana, operators use inbound polling to obtain site locations and site-down counts to help determine if customers in the region should be alerted.

Equally important, live news feeds keep operators current on news events, which can directly impact Internet traffic. Because an emergency or even a highly anticipated video, book, or software release can create spikes in Internet traffic, operators continually monitor capacity and utilization data, making recommendations for adjustments to improve delivery performance, as appropriate.



But it is from the bank of consoles that the deepest level of information can be retrieved. At more than 20 consoles, NOC operators continuously drill down to obtain the most minute details. Here, aided by audible alarms, operators can reach any server or piece of equipment anywhere in the network. They have complete access and control of the entire service to ensure that it runs consistently and meets customer requirements.

The very nature of a NOC means it operates continuously—365 days a year, 24 hours a day, seven days a week. Peak times of a typical day run from 10 a.m. to 10 p.m. ET, with the center handling primarily business services and tasks during the day and shifting to a more consumer-based service in the evening when people are home using the Internet. In the wee hours of the morning when things are quiet, the staff performs maintenance tasks. And at 10:00 a.m., the cycle begins again.

The Service is the Thing

"We are the leading edge of a multi-functional team that supports service delivery. If we have a problem, we can literally call on any resource in the company to help restore service," added McHargue.

As Hughes customers go about their business, they can rest assured that McHargue and his dedicated team are keeping the NOC humming along—in constant readiness to ensure the highest quality of HughesNet service delivery. ■

Bridging the Digital Divide

Bringing Broadband to the Underserved Around the World

In less than a decade, broadband has become the great game-changer—creating new opportunities for individuals and businesses, and improving the delivery of basic public services such as health care and education. In fact, broadband has been growing globally so fast that it's easy to forget about the billions of people who can't get access. But thanks to satellite broadband, which is available virtually everywhere, more and more people who aren't served by terrestrial broadband are getting connected every day.

Here is just a snapshot of recent initiatives involving Hughes products and services around the world that are daily bringing more people and businesses the many benefits of broadband.

1 | United States

Hughes estimates that 10 to 11 million households and over 3.5 million small businesses in the U.S. do not have access to terrestrial broadband services such as DSL or cable—in rural and ex-urban areas alike. Even urban areas that are largely covered by terrestrial broadband often contain many pockets without access. The good news for Americans is that HughesNet® broadband service by satellite is available nationwide—in fact, the number of HughesNet consumer subscribers climbed to 433,000 in December 2008.



2 | Mexico

In Mexico, Hughes is supplying the Secretariat of Communications and Transportation with an HN System and 4800 terminals to upgrade the e-Mexico project—an initiative by the Mexican government to bring Internet access to the underserved population of Mexico.



3 | Brazil

The State of Amazonas in Brazil, which covers 1.5 million square kilometers (930,000 square miles), includes a huge rainforest and the world's most voluminous river, presenting a significant geographical challenge to deliver broadband service. Hughes has partnered with PRODAM, the state data processing company, to deliver high-speed Internet service by satellite to government agencies and the public throughout the state, helping to connect this resource-rich region to the world.



4 | India

As part of the Indian government's initiative to bridge the digital divide, Hughes Communications India Ltd., a subsidiary of Hughes, has been providing satellite broadband terminals and services since 2007 at rural kiosks across multiple states in India. Now numbering nearly 11,000, the kiosks are enabling the provision of numerous e-governance applications and other services such as pay-as-you-go high-speed Internet access and online education.



5 | Maritime Broadband

Today, onboard broadband connectivity is a necessity to millions of cargo ships, tankers, fishing boats, cruise ships, yachts, and patrol vessels. To meet the growing demand for consistent coverage in coastal areas around the world, operators like Global Marine Communications based in Cyprus are providing satellite broadband services for the maritime industry utilizing the Hughes HN series satellite broadband system.



6 | Australia

According to Orion Satellite Systems, a registered provider of broadband satellite services under the Australian Broadband Guarantee program, there is an untapped market in Australia with an estimated 200,000 potential subscribers who have no access to broadband. Orion aims to help bridge that gap by its commissioning in 2008 of an advanced HN broadband satellite system, including the highly bandwidth-efficient DVB-S2/IPoS with ACM standard, to provide broadband Internet access service throughout remote areas of Australia.



7 | Ethiopia

Back in the early 2000s, the Ethiopian Ministry of Education and Capacity Building envisioned the transition of its largely agricultural economy to a new information-based economy. Today, operating a Hughes broadband satellite network, Ethiopia Telecommunications Company is providing broadband services to schools, government offices, and agricultural facilities. Funded in part by the Ethiopian government and the World Bank, the project is delivering voice, Internet connectivity, videoconferencing, and distance learning, helping to realize the goal of transitioning to an information-based economy.



The Power of Video Creates a Bright Spot in the Automotive Market



All cars need to be serviced now and then—whether it's a routine oil change, warranty work, or body repairs. To customers, the most difficult part of auto service is often the time spent in the waiting room with a TV that drones on with gloomy news or daytime television programs. To the dealer, that same TV can create a negative environment for its best customers—and sometimes even display a competitor's ads.

But now, thanks to Automotive Broadcasting Network™ (ABN), all that is changing. During a time when the auto industry is experiencing tough challenges, ABN is bringing a bright spot to automotive dealerships across the U.S. with entertaining and informative video content in waiting rooms and showrooms.

High-Quality Programming

ABN, a private auto retail television network powered by HughesNet® Managed Digital Services, has partnered with CBS Television Network to provide high-quality, family-friendly programming, including shows such as *60 Minutes*, *Entertainment Tonight*, and other programs that are normally not available during the business day.

The ABN service also provides interesting vehicle profiles, called Walk Arouds, which showcase the latest model cars offered by the manufacturers the dealer represents. And Tech Tips are engaging spots on practical topics, such as how to know when to replace tires, the importance of tightening the gas cap, and how to get the best gas mileage. Dealerships can even create their own content with spots that highlight offerings such as on-site detailing services or a special deal on service, parts, or auto body work, which can drive incremental revenue.

Satellite: The Ideal Transport

To distribute its ground-breaking broadcast service, ABN is using HughesNet Managed Digital Media Services, a turnkey solution that includes design, broadband transport for content distribution, hardware, software, installation, and maintenance. ABN selected satellite as the ideal transport because of its cost-effective multicast capability coupled with its ability to reach every dealership in the country. In addition, as a managed service, HughesNet takes the network management burden off of ABN, enabling the company to focus on its core business—broadcasting.

A subscription-based service that is currently deployed in 33 states, ABN provides the dealer with not only quality programming, but also an effective way to control its environment and present branding and call-to-action messages to a captive audience. This helps dealerships boost sales, improve the customer experience, and build customer loyalty during what is typically a 90-minute waiting period.

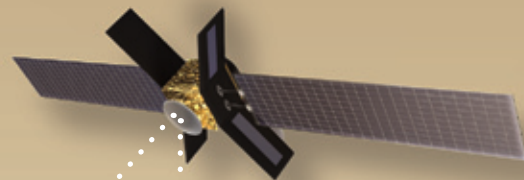
"The CBS viewing experience is the perfect platform for ABN's unique business proposition because we are supplying rich content that is sure to engage the dealership visitor," said George Schweitzer, president, CBS Marketing. "In turn, ABN is providing an excellent new outlet for CBS video programming and expanding our reach in an area we consider significant—the fast-growing digital 'out-of-home' media category."

The Customer Experience

Jerry Daniels, ABN founder and CEO, likens the auto dealership experience to a theme park where nothing happens by accident. Message, theme, offerings—and therefore the customer experience—are all controlled by the park. "Attitude is everything," said Daniels. "By controlling what customers see and experience, ABN helps auto dealerships create a positive customer experience and, at the same time, take advantage of a built-in opportunity to up-sell goods and services."

Now, with ABN's innovative broadcasting solution delivered over HughesNet, customers who wait for their cars to be serviced can watch quality programming that makes the time seem to go by faster—and who knows? They might just check out the latest models for sale, or even heed that helpful reminder to check the windshield wipers. ■

Marrying Satellite & Cellular



Why GSM Backhaul via Satellite is Generating So Much Excitement

With over four billion users worldwide, the cellular phone market has exploded into the largest telecom market on the planet.¹ Now, telecom operators are seeking out new markets to find “the next billion” subscribers. Meanwhile, whole towns and villages, particularly in developing countries, are located in remote areas that have no cellular connectivity.



But thanks to GSM backhaul over satellite, which carries cellular traffic over a satellite connection, cellular operators and this largely untapped market are finding each other. GSM backhaul is a hot topic in Brazil, for example, where the federal government has created incentives for operators to provide service to remote areas. In exchange for granting spectrum and licenses to deliver lucrative 3G voice, data, and video services in urban locations, the government is making it mandatory for operators to also provide cellular service in remote areas.

Today, Hughes, a leading satellite service provider in Brazil, is providing a satellite based GSM backhaul solution to top Brazilian cellular operators TIM and Vivo for a combined 79 base transceiver stations (BTS). The

service, which is expected to begin in May, will provide cell phone access to approximately half a million consumers and businesses in the northeastern region of Brazil. This important milestone, which is creating a great deal of excitement for the people who live and work in remote Brazilian towns, will bring cellular service to these areas for the first time.

“In Brazil, GSM backhaul over satellite is a triple-win solution,” said Delio Morais, president of Hughes Network Systems Americas. “Operators can grow their businesses and build revenue while complying with their universal service obligations. The government is furthering its policy to increase the penetration of technology—in this case, cellular connectivity—throughout the country. And people in remote areas can improve communication to the outside world and enrich their lives.”

GSM backhaul over satellite also holds enormous promise in other parts of the world including Russia, the Middle East, and Africa. It may just hold the key to reaching the next billion cellular users. ■



¹ International Telecommunications Union, “Measuring the Information Society—The ICT Development Index.” 2009, Chapter 2 ICT Market Overview



World's Largest Sheriff's Department Goes Digital

Helius, a Hughes Company, Provides L.A. County Law Enforcement Agency with an Advanced Communications System

Sheriff Lee Baca of the Los Angeles County Sheriff's Department believes in cutting-edge technology to help his deputies do their jobs. That's why it's no surprise that the largest sheriff's department in the world is in the vanguard when it comes to implementing digital communications in a law enforcement agency.

Rapid, coordinated communications is critical in law enforcement. And when it's for a large, mobile workforce—one that serves over 10 million residents within a 4,752 square-mile area—it presents a significant challenge. Conventional thinking and technologies wouldn't provide the networking coverage and performance the L.A. County Sheriff's Department was seeking to communicate with its diverse staff of 18,000 deputies and professional personnel.

So today, the department is in the process of installing the Helius digital communications system—one of the first of its kind to be deployed by a law enforcement agency in the U.S. The department selected the Helius system for its unique combination of digital signage, on-demand training, and internal communications in an affordable, all-in-one package. As part of the flexible Helius solution, the county will be deploying video screens in high-traffic areas at 23 stations and 10 correctional facilities.

According to Sgt. Steve Strange, Administrative Services Division, "We needed a way to efficiently communicate key messages to our staff. What we got was a state-of-the-art system that does that and much more—conveying command

information instantly, providing training that's convenient for a staff constantly on the move, and serving as a digital message board to share our department philosophy as well as news and announcements."



Digital Newspaper

As a "digital newspaper," the system will keep personnel informed and make this vast organization feel smaller and more intimate, publishing department-wide news, periodic messages from the Sheriff, and announcements about events like fundraisers or a downed officer's memorial ride. But much more than a social tool, the system will provide critical information that helps officers do their jobs, such as crime bulletins, information about suspects, and push-pin maps targeting areas where crimes may have been committed. In addition to delivering department-wide content, local command staff at each station will be able to publish content that directly relates to that station or locale.

Training—On Demand

The system's on-demand training capability will enable the department to provide training whenever it's needed on a variety of topics, such as how to escort an inmate, or guidelines on conducting a high-speed pursuit. Eliminating the scheduling problems associated with classroom training, on-demand training also enables the department to track employee compliance of mandatory courses.



Inmate Orientation

The Correctional Services Division employs the system's digital signage in its processing center to orient new inmates, ensuring that they are informed of jail rules and the availability of medical and mental health services. "The Helius system assists us with maintaining compliance of state regulations by displaying the length of time each inmate is in the processing center," said Sgt. Scott Ponder, Correctional Innovative Technology Unit. "Looking forward, we plan to extend the digital signage to inmate housing areas for both information and entertainment."

"We know that we're just scratching the surface in leveraging this powerful system," said Sgt. Rich Pena, Sheriff's Headquarters Bureau. "Part of the beauty of the Helius system is its ease of use and multi-purpose capabilities, which we plan to exploit in many other ways such as integrating our learning management system (LMS) and adding videoconferencing."

It's safe to say that the Los Angeles County Sheriff's Department, led by Sheriff Baca and backed by cutting-edge technology like the Helius digital communications system, will continue to lead the charge in helping law enforcement personnel stay well informed as they serve and protect their communities. ■



Executive Corner

continued from page 1

Channels: *How do you account for this success amid the turmoil?*

Kaul: Besides driving innovation of broadband technologies and products, we have a thriving service business. In 2008, recurring service revenue from a growing base of repeat customers in North America, Europe, India, and Brazil exceeded our product revenues and is growing at a faster rate. This diversity in products and services around the globe sets Hughes apart from the competition and keeps us strong.

Channels: *Hughes is known as a longtime innovator, and SPACEWAY® 3 was well recognized as a breakthrough technology last year. What's the latest business status?*

Kaul: Launching commercial service on SPACEWAY 3 last April turned Hughes overnight into a fully integrated satellite service provider. And its positive effect on our bottom line is beginning to show. We now have over 128,000 HughesNet subscribers in North America on SPACEWAY 3 and are rapidly expanding our service offerings that exploit its high capacity, onboard switching, and bandwidth-on-demand capabilities. For example, we now offer consumers the highest speed satellite Internet plans available in North America—up to 5Mbps. Plus, we can deliver instant networking such as the Inter-Government Crisis Network for emergency preparedness and response. All this good news means we're now very busy planning the next even higher-capacity satellite system.

Channels: *Speaking of governments, what is Hughes doing in the U.S. government sector?*

Kaul: Our selection on the U.S. General Services Administration's (GSA) SATCOM-II vehicle and as an important player on the Network contract team last year is beginning to bear fruit. For example, the Government Education and Training Network (GETN) selected Hughes to provide an interoperable network that enables federal agencies to share distance learning programs. Hughes is also delivering a fully managed Interactive Video Tele-training Network, which reaches more than 1,650 offices of the Social Security Administration (SSA). We're also confident that Rick Lober, our new head of Defense and Intelligence Systems, and his team will soon be successful in generating business with our SOTM (satcom-on-the-move) and related broadband solutions for the military.

Channels: *What are you doing in other parts of the world?*

Kaul: Internationally, Hughes is continuing to help close the digital divide and bring broadband to rural communities on every continent. Recent wins are in Brazil, India, Australia, Ethiopia, and Mexico. The Mexican government, for example, is using Hughes technology to bring Internet access to its underserved population. In India, a public-private partnership is bringing distance learning and government programs to rural locations. (For more information, see related article "Bridging the Digital Divide" in this issue of *Channels*.)

Channels: *How do you see the road ahead—in 2009 and beyond?*

Kaul: From technologies, to products, to services, Hughes is all about broadband. Our proven business strategy of innovation and diversity has held strong in both good times and bad, and our continued success is rooted in executing that strategy. I have every confidence that with the support of our top-notch customers, shareholders, and employees, we will. ■



Spreads the Word with Digital Signage



Woodcreek Church, a Bible-based fellowship church located near Dallas in Richardson, Texas is no stranger to technology. With a rapidly expanding membership base, Woodcreek was already using podcasts and a monthly e-newsletter to further the reach of its message. Now, with the opening of a huge new facility, Woodcreek is taking advantage of cutting-edge digital technology to deliver live broadcasts of worship services via the Helius MediaSignage solution to its 1,500-member congregation.

Using a central Web interface, church administrators can target specified information to different screens. "Helius technology has helped us better communicate with and meet the needs of our congregation," said Scott Winn, Outreach Pastor at Woodcreek Church.

Woodcreek also has future plans to take advantage of the Helius system to reach its congregation through pre-recorded broadcasts and videos.

Digital—the new wave in communications is becoming almost mainstream as it shows up everywhere—from work, to play, and even to church. ■

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HUGHES QUICKTAKES

■ Broad Sky Now a Reseller of HughesNet Business Solutions

Business customers of Broad Sky Networks, a leading reseller of business-class Internet communications services in North America, now have access to high-speed data services throughout the U.S. using HughesNet® broadband satellite business solutions. HughesNet is available nationwide, bringing companies in rural and ex-urban areas access to cost-effective broadband via satellite, where DSL or cable is not available and T1 access is prohibitively expensive. And for those businesses that have terrestrial broadband as their primary service, HughesNet offers a truly path-diverse disaster recovery solution in the event their landline connection fails.

■ HN Broadband Satellite System Selected in Argentina

SPTI-Boldt Group Argentina, a major telecommunications service provider, has selected the Hughes HN broadband satellite

system, including HN7700S and HN7740S broadband routers, to support a variety of customers in Argentina. The operator will use the HN System, which features highly bandwidth-efficient DVB-S2/ACM technology, to provide broadband IP services for lottery, government, and corporate programs in Argentina.

■ DeCa Commissaries to Rely on HughesNet High Availability VPN Service

E&E Enterprises Global, Inc., a leader in telecommunications and information assurance services, has been selected by the U.S. Defense Commissary Agency (DeCA) to deliver a HughesNet high-availability network solution to support 270 DeCA commissaries worldwide. Together, E&E Enterprises Global and Hughes will provide a turnkey commercial, off-the-shelf (COTS) managed terrestrial and satellite broadband network solution that will ensure the continuity of vital DeCA business functions. This includes point of sales, debit

and credit card transaction authorizations, product ordering, and payroll and personnel management.

■ Bantel Provides Broadband Services in Latin America

Operating a Hughes HN System NOC in Miami, Bantel Telecom, a subsidiary of Telecomunicaciones Bantel C.A., is now providing Ku-band broadband services to the Caribbean, Central America, Colombia, Venezuela, Guyana, and Surinam. The HN System, which operates with the full range of the latest HN7000S, HN7700S, and HN7740S satellite terminals, enables Bantel to provide its customers with higher availability, pan-regional coverage, and a direct connection to Internet points of presence (POPs) in the U.S. The company is also exploring the possibility of providing video broadcasting services to enterprises, including digital signage applications.