Globecomm Systems Inc.
NASDAQ: GCOM

Leading Global Provider of Communication Solutions

Who We Are

Overview

- Global communications solutions provider

- Engineer, integrate and manage individual systems or complex networks, and support them through the entire life cycle

- Offer hosted and managed communications services that leverage global transmission capacity, network of data centers and switching facilities

Key Facts

- Founded: 1994 by current CEO David Hershberg

- Headquartered in Hauppauge, NY

- IPO in August 1997
  - NASDAQ: GCOM

- Greater than 496 employees globally

- Installed base spanning over 90 countries

- 3 owned and operated teleports, global coverage

- FY2011A Revenue: $274M

- FY2012F Revenue: $385M

- 31 consecutive profitable quarters

Value-added provider of complete turnkey solutions, including consulting, design, integration, installation, and management of communication networks

Who We Are

Business Segments

Services

- **Professional Services:**
  IT consulting from telecommunications strategy development through implementation

- **Managed Network Services:**
  Content distribution, voice and data access and hosting services, IP telephony, Maritime connectivity, and VSAT services

- **Life Cycle Support Services:**
  Network monitoring, help desk, and maintenance services

Infrastructure

- **System Design & Integration:**
  Design, installation, testing and commissioning of facilities and complex communications networks

- **System Products:**
  Transportable and fixed satellite terminals
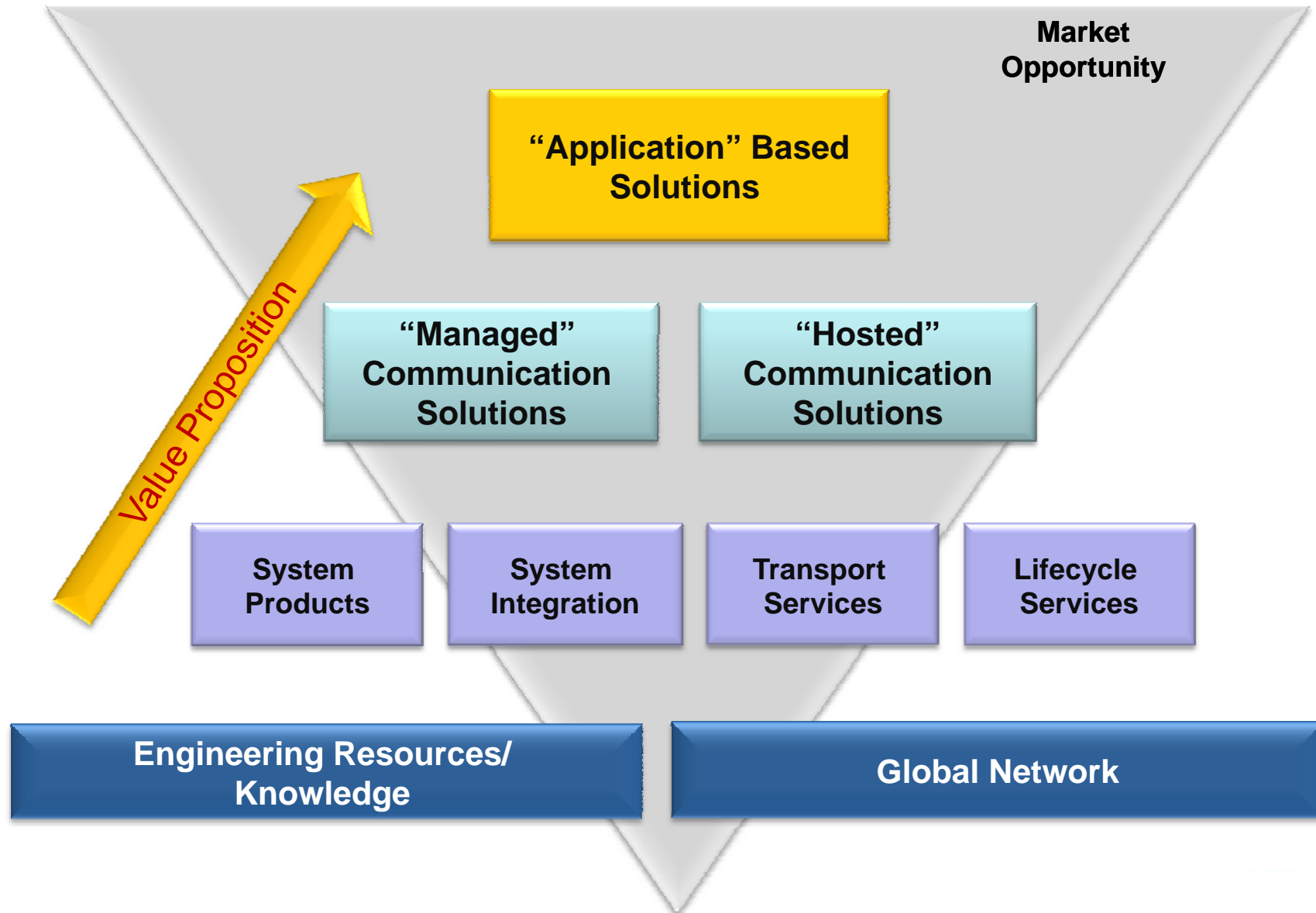
Key Clients/ Verticals

Vertical	Clients
Government	Raytheon, NATO-OTAN, HARRIS, Department of State
Wireless	GCI, Afghan Telecom, ERICSSON TAKING YOU FORWARD
Media	Discovery Channel, SHOWTIME, nielsen, QVC
Enterprise	Bank of America, AAFES, HUGHES NETWORK SYSTEMS, Merrill Lynch
Maritime	CROWLEY People Who Know, NSC Holding GmbH & Co. KG

Corporate Growth Strategy – Building From Our Core

Market Opportunity

"Application" Based Solutions

"Managed" Communication Solutions

"Hosted" Communication Solutions

System Products

System Integration

Transport Services

Lifecycle Services

Value Proposition

Engineering Resources/ Knowledge

Global Network

Global Facilities

GLOBECOMM
Worldwide Locations

GLOBECOMM **Corporate HQ** NEY YORK	Cachendo *Taking IT Higher* MARYLAND, US	*Telaurus* NEW JERSEY, US	*Evosat* SOUTH AFRICA	**GLOBECOMM** UAE	*MACH6* NETHERLANDS	**GLOBECOMM** HONG KONG
GLOBECOMM MARYLAND, US	*Comsource* MARYLAND, US	*Telaurus* GERMANY	*carrier:carrier* NETHERLANDS	MELAT NETWORKS INC. AFGHANISTAN	*Telaurus* SINGAPORE	
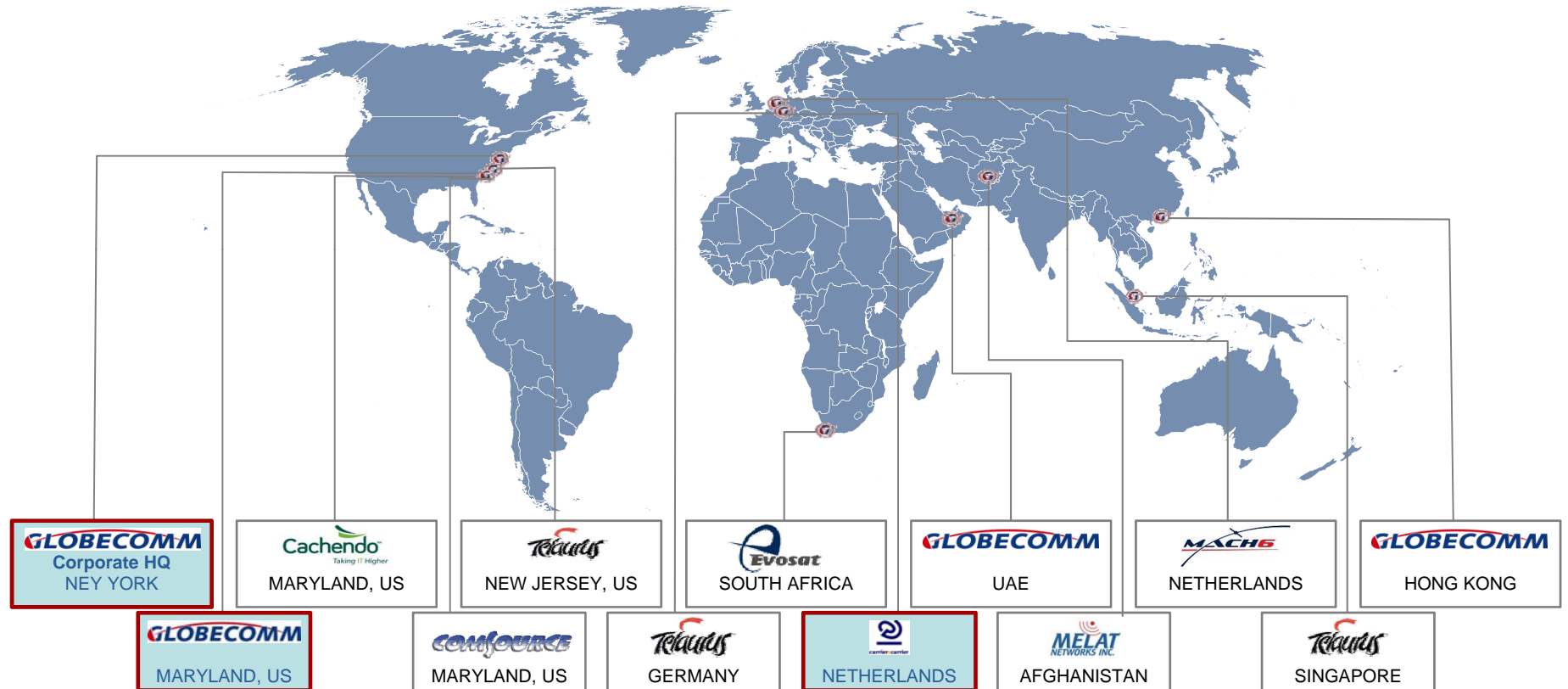
✓ Three owned and operated teleports provide the cornerstone of Globecomm's proprietary network infrastructure
✓ Guarantees high-quality service with global coverage
✓ Ensures low redundancy and latency
✓ Global MPLS network

✓ Regional teleports in Europe and Asia
✓ DISN Node (DISA)
✓ 24x7 network ops centers and data centers
✓ Multiple PSTN connections, redundant fiber rings, backup power systems
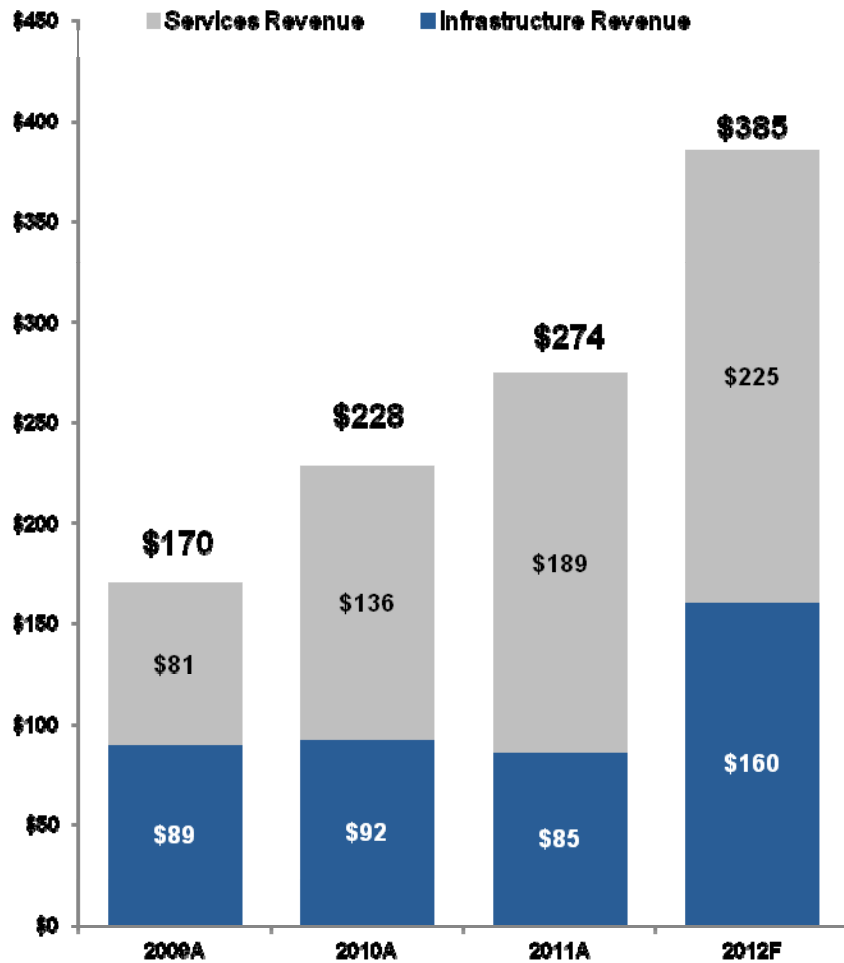
Represents owned Teleports

GLOBECOMM® Network

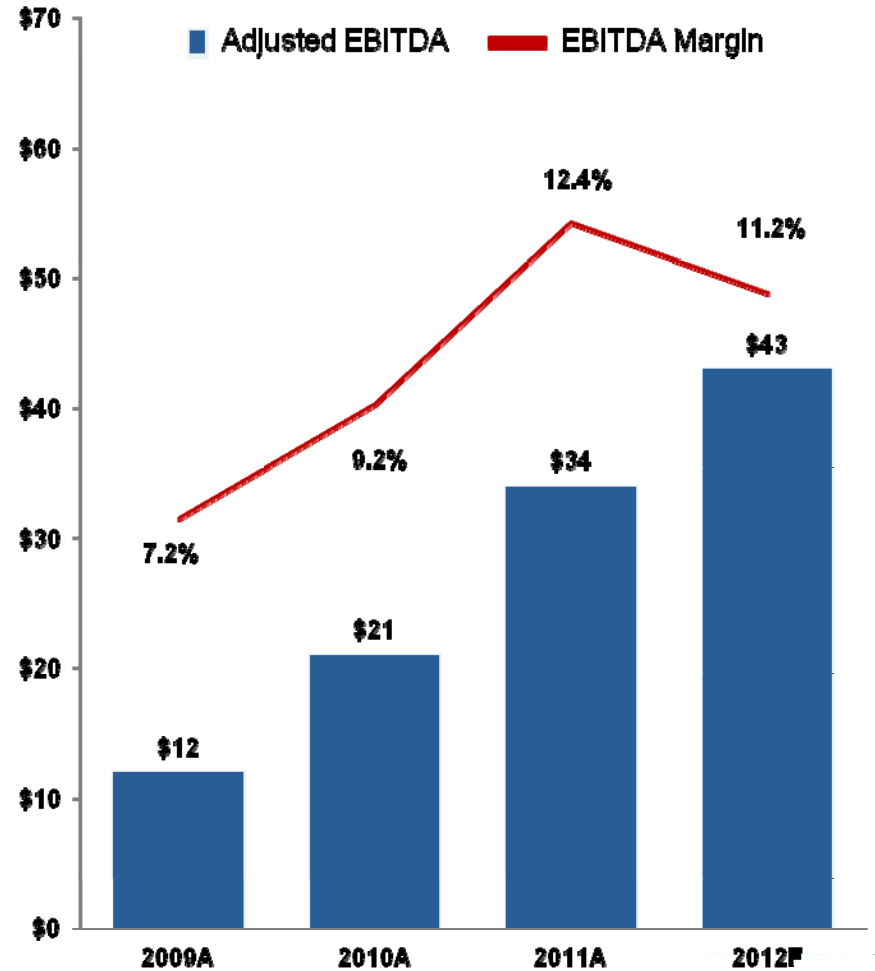*Built Upon High Capacity Fiber and Access to the Entire Satellite Arc*

U.S. BACKBONE

TELEPORTS
- Savage, Maryland, USA
- Hauppauge, New York, USA

TELECOM NODES/POPs
- 60 Hudson Street, New York, USA
- 111 8th Avenue, New York, USA
- South Jordan, Utah, USA

EUROPEAN BACKBONE

TELEPORTS
- Biddinghuizen, Netherlands
- Amsterdam, Netherlands
- Burum, Netherlands
- Minsk Mazowiecki, Poland

TELECOM NODES/POPs
- Rugby, United Kingdom
- Telehouse, 65 Clifton Street, London
- Telecity, Harbor Exchange, London
- Telecity, Bonnington House, London
- Telecity Science Park, Amsterdam
- Telehouse East, Coriander Ave, London
- Ancotel, Kleyer 90, Frankfurt
- Johannesburg, South Africa

ASIAN BACKBONE

TELEPORTS
- Hong Kong Teleport

TELECOM NODES/POPs
- Telehouse, Warwick House, Hong Kong

Highly Predictable Business Model

Revenue (FY June 30, $M)

- Services Revenue
- Infrastructure Revenue

	2009A	2010A	2011A	2012F
Total	$170	$228	$274	$385
Services Revenue	$81	$136	$189	$225
Infrastructure Revenue	$89	$92	$85	$160

Adjusted EBITDA (FY June 30, $M)

- Adjusted EBITDA
- EBITDA Margin

	2009A	2010A	2011A	2012F
Adjusted EBITDA	$12	$21	$34	$43
EBITDA Margin	7.2%	9.2%	12.4%	11.2%

Note: *FY12 Forecast Represent Mid-Point of Guidance*

Diversity Across Market Verticals Leads to Stability

Sales by Vertical (FY2011A)
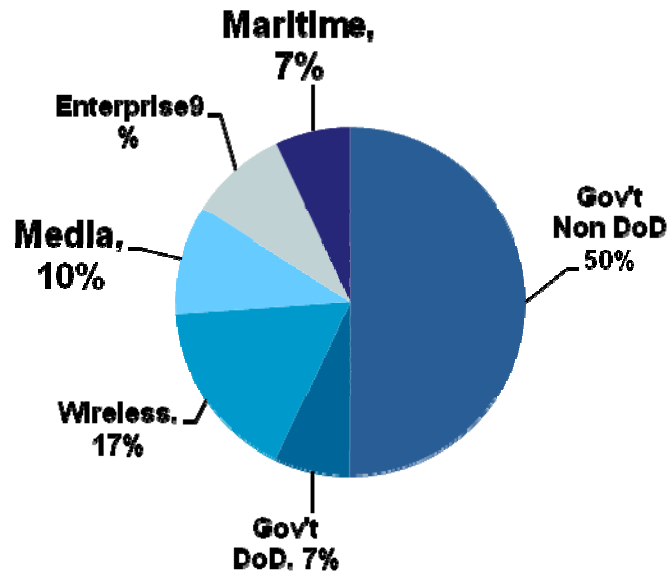
- Maritime, 7%
- Enterprise 9%
- Media, 10%
- Wireless, 17%
- Gov't DoD, 7%
- Gov't Non DoD 50%

Sales by Vertical (FY2012F)

- Maritime, 7%
- Enterprise 11%
- Media 7%
- Wireless, 19%
- Gov't DoD, 17%
- Gov't Non DoD 39%
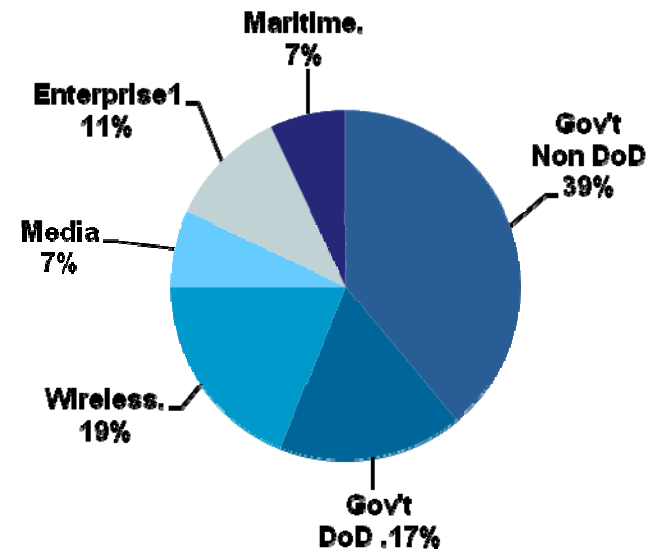
Government Vertical Snapshot

Globecomm Revenue (FY June 30, $M)
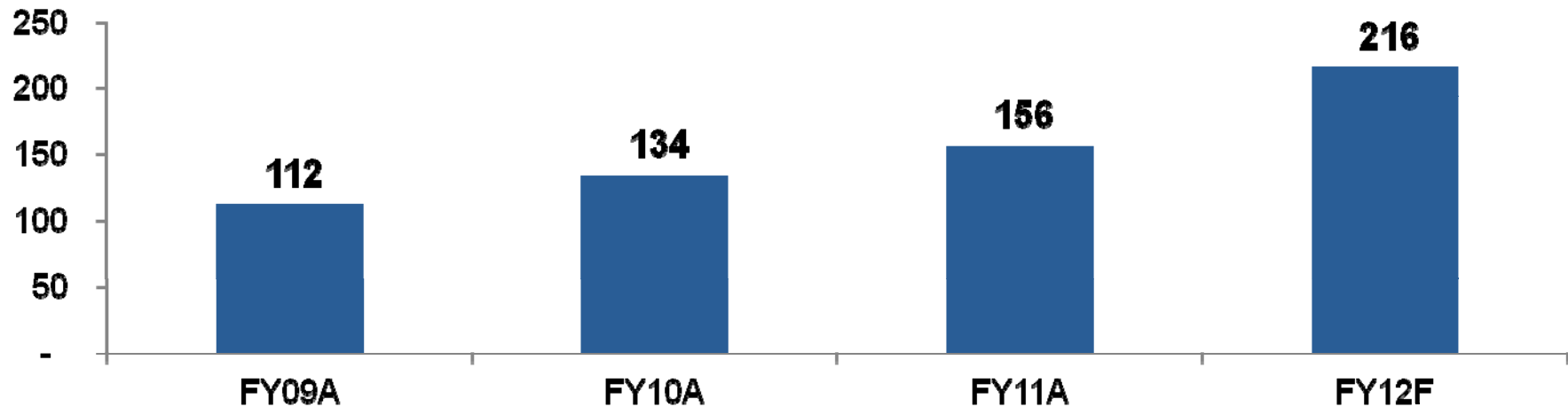
Market View

- Focus on IP and Wireless technologies
- IT reform: "Cloud First" policy & use of it to achieve efficiencies
- DoD budgets under pressure
- "Diplomatic" sector growth expected: Transfer of 400 "essential" DoD activities to DoS
- Intel sector budget classified -- expectation is for similar "efficiency" initiatives
- Civilian sector -- expected 5-year freeze on non-security spending

Government Vertical Snapshot

New FY2012 initiatives

Harvest FY2011 initiatives

Position for future with IDIQ contract vehicles

Sell existing offerings to new customers

Manage/grow top 10 current accounts

FY2011 Bookings

Foreign Gov 18%

Civilian 7%

Intel 8%

DoD 27%

Diplomatic 39%
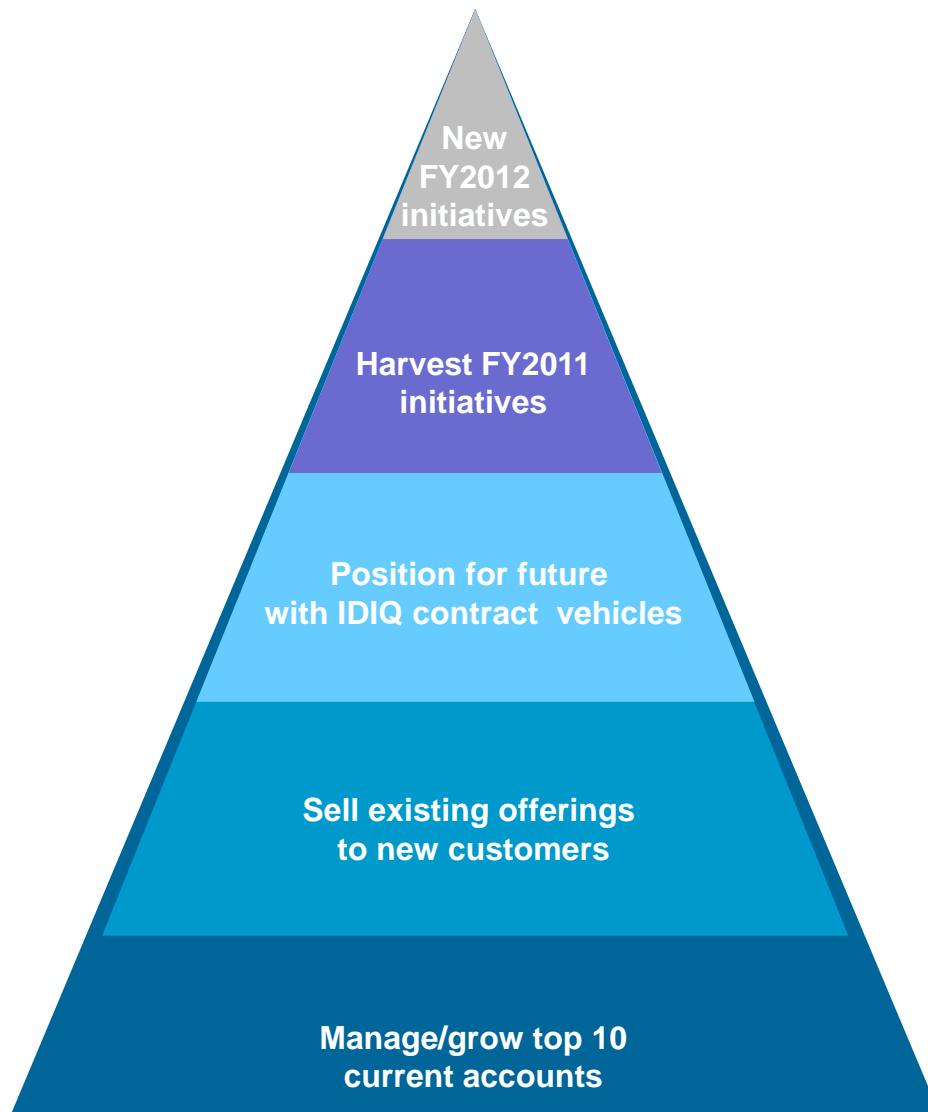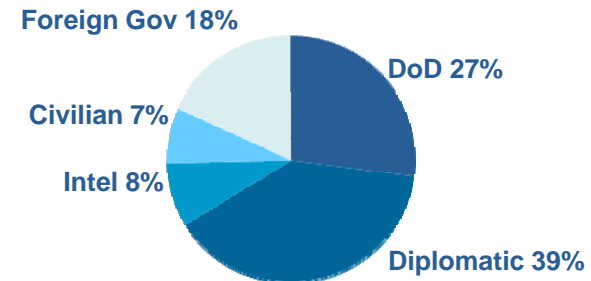
Customer Profile

- DoD: SOCOM, DISA
- Foreign affairs: DoS, USAID, UN, NATO
- Intelligence agencies
- Civilian agencies: DHS, FAA, NWS, AAFES

Solution Set

- End-to-End Managed Services:
  - IP-based networks
  - Global System Integration
  - Pre-Engineered Solutions

Wireless Vertical Snapshot

Globecomm Revenue (FY June 30, $M)

Bar chart showing Globecomm Revenue (FY June 30, $M):
- FY09A: 21
- FY10A: 31
- FY11A: 46
- FY12F: 73
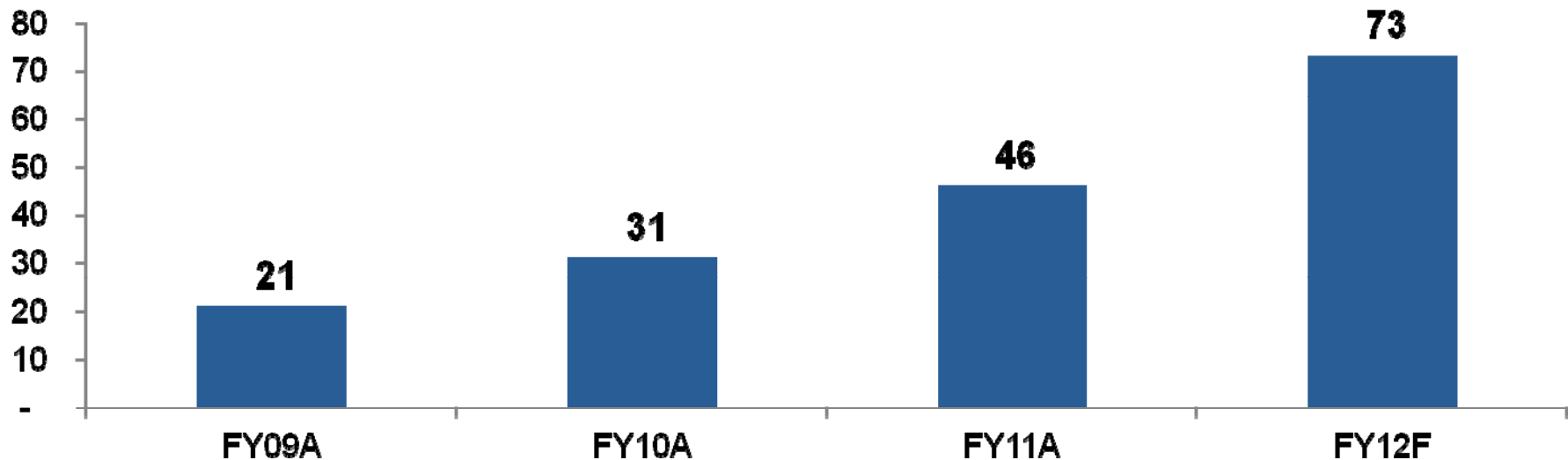
Market View

- Hosting services remains a strong sector in North America and Caribbean
- Network evolution to 4G evolving more rapidly than 3G and 2G
- North America operator trends points towards consolidation
  - Consolidation of TMO and AT&T as well as tier 3 operator consolidation
- Growth expected in International complex wireless networks

Wireless Vertical Snapshot

Solution Set

- Hosted & managed mobile services
  - GSM/CDMA & WIMAX/4G LTE
- ABIS backhaul solutions
  - First to make IP Cellular ABIS backhaul work over satellite
- Extended coverage solutions
  - Using satellite systems and satellite backhaul to fill in the 'white spaces' across the US and globally
- Customized complex wireless solutions
- Business restoral services

Customer Profile

- Domestic and International Telcos
  - Tier 2 and 3 Telcos
  - Rural telecommunication providers
- Emerging cellular operators
  - Indonesia, Malaysia, Africa, Latin America, and Middle East

Commercial Switch Platform Metrics

- **15 Mobile Operators in Service**
- Minutes of Use: **>7.5M minutes per month**
- Data Traffic (Gbytes): **> 400**

Media & Entertainment Vertical Snapshot

Globecomm Revenue (FY June 30, $M)

22	25	27	27
FY09A	FY10A	FY11A	FY12F
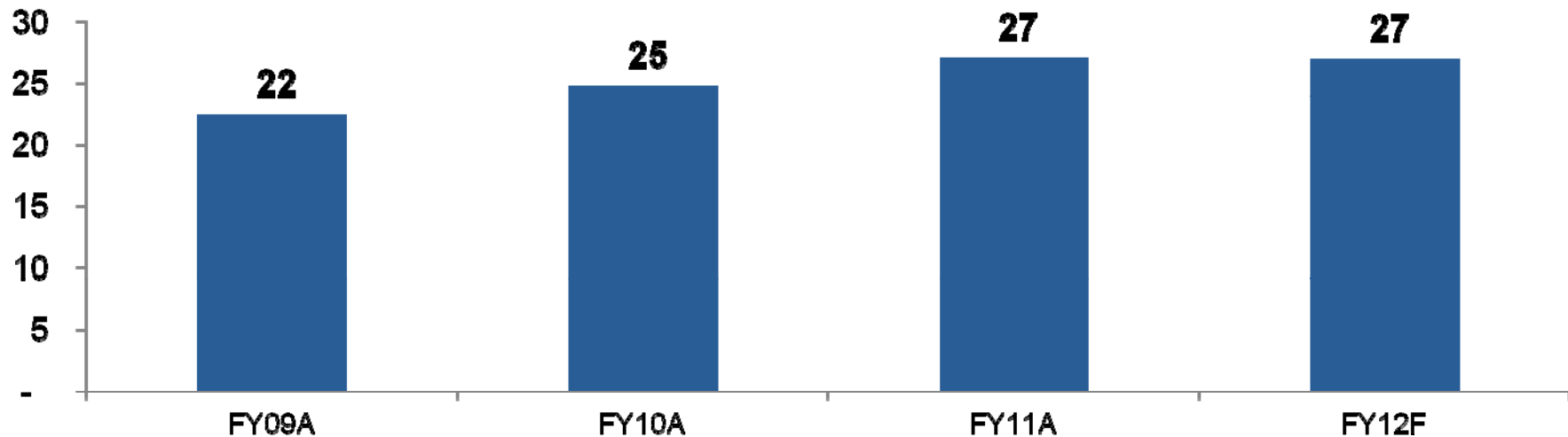
Market View

- **Market Growth Areas**
  - Multi-platform content delivery (broadcast, web/OTT, VOD, IPTV, mobile, handhelds etc…)
  - File-based/tapeless workflows for content production and delivery
  - Transition to HDTV operations
  - IP networking and content delivery, including upgrade to 3Gbps
  - Digital Signage – Smart transactional signage
  - Digital Cinema – Movie and live alternative content delivery to theatres
  - Content hosting & distribution for media networks & enterprise; media cloud

Media & Entertainment Vertical

Solution Set

- **Infrastructure**
  - Master control centers, analog to digital , SD to HD conversions, head ends, media centers, design/implement facilities used for distribution of media content via satellite, cellular, cable/fiber and internet

- **Services**
  - Hosted master control – content aggregation to delivery; Host, process and manage the distribution of video content on Globecomm's global network

Customer Profile

- Broadcasters/TV stations
- Cable/Satellite/IPTV operators
- Online media service providers
- Content creators
- Pay TV operators

Enterprise Vertical Snapshot

Globecomm Revenue (FY June 30, $M)

Bar chart data:
- FY09A: 13
- FY10A: 18
- FY11A: 25
- FY12F: 42
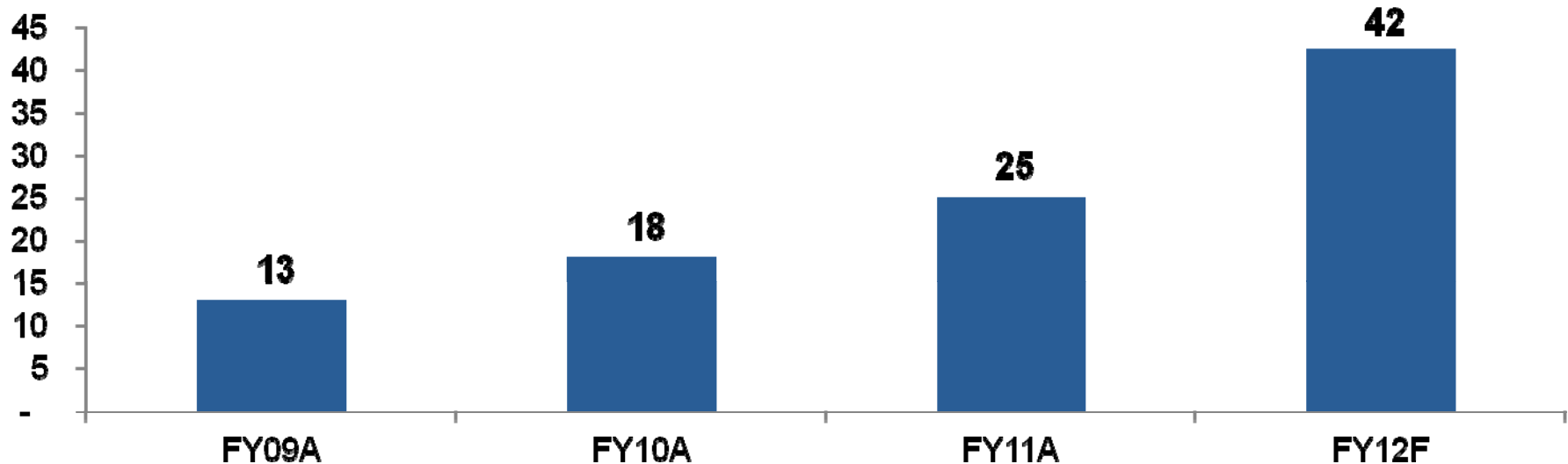
Market View

- Enterprise 'satellite' market continues to recede. New networks are embracing terrestrial
- Retail & financial verticals are dominant industry sectors – Strong demand for new products
- Terrestrial market is experiencing exponential growth
  - Training & corporate communications are dominant applications
  - Shift from legacy "on-premise" to "cloud-based" environments is emerging as a high growth trend
  - VC investment & acquisitions are changing competitive landscape

Enterprise Vertical Snapshot

Customer Profile

- 300+ enterprise networks
- Financial services firms
- Retailers
- Auto manufacturers / OEMs

Solution Set

- Distance Learning solutions
    - Interactive training with instant metrics
- Corporate training
- Desktop & interactive solutions – online training

Enterprise Media by Application

Corp. Comm's 55%
Training 45%
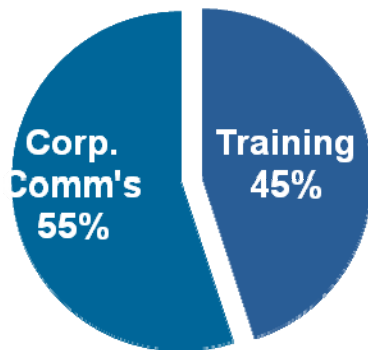
TEMPO Offering

- Addresses migration from satellite to hybrid and terrestrial networks
- Globecomm can design and operate a network that is both satellite and terrestrial
- Enterprise media platform for training, corporate, and digital display
    - Fully integrated platform that incorporates both hardware, software, and delivery solutions with Globecomm's network monitoring and analytics
    - Establishes Globecomm as an innovator and allows entry into the streaming media market

Maritime Vertical Snapshot

Globecomm Revenue (FY June 30, $M)
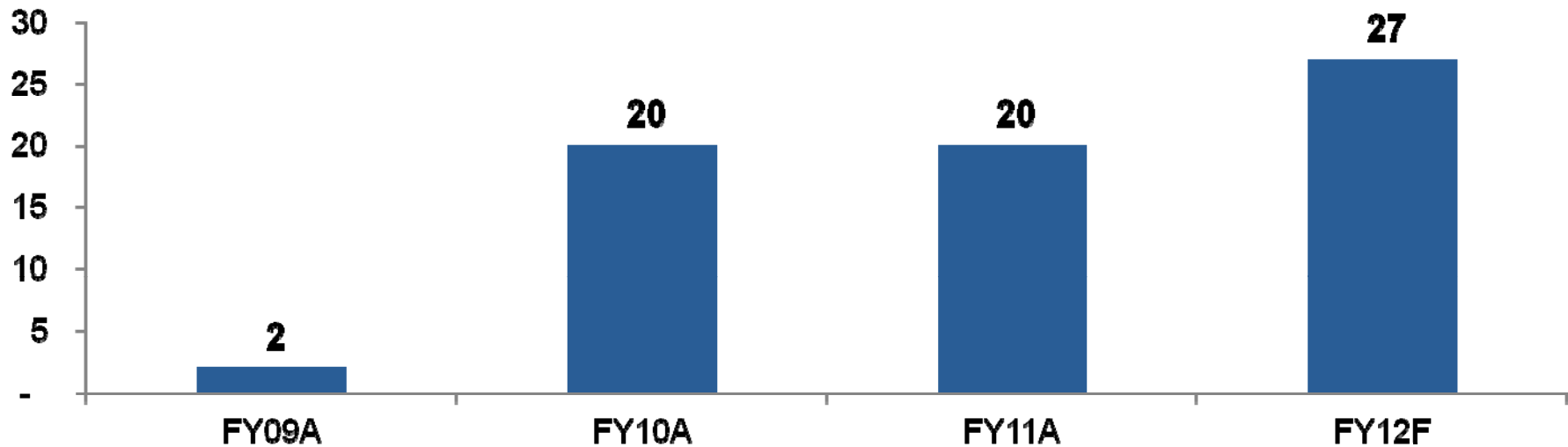
Market View

- Migration to broadband – New ocean region satellite coverage enables global VSAT solutions.
- Slower L-band services are now migrating to a new L band service called Fleet Broadband
- Growing interest in VSAT as alternative to L-Band
- ARPU pressures
- Increase in hardware based solutions to "control the pipe"
- Customer expectation that new broadband hardware will be financed by the provider

Maritime Vertical Snapshot

Opportunity

High Growth

Broadband L-Band

Value Added Services

Broadband VSAT

Low margin

High Margin

Legacy Services

Low Growth
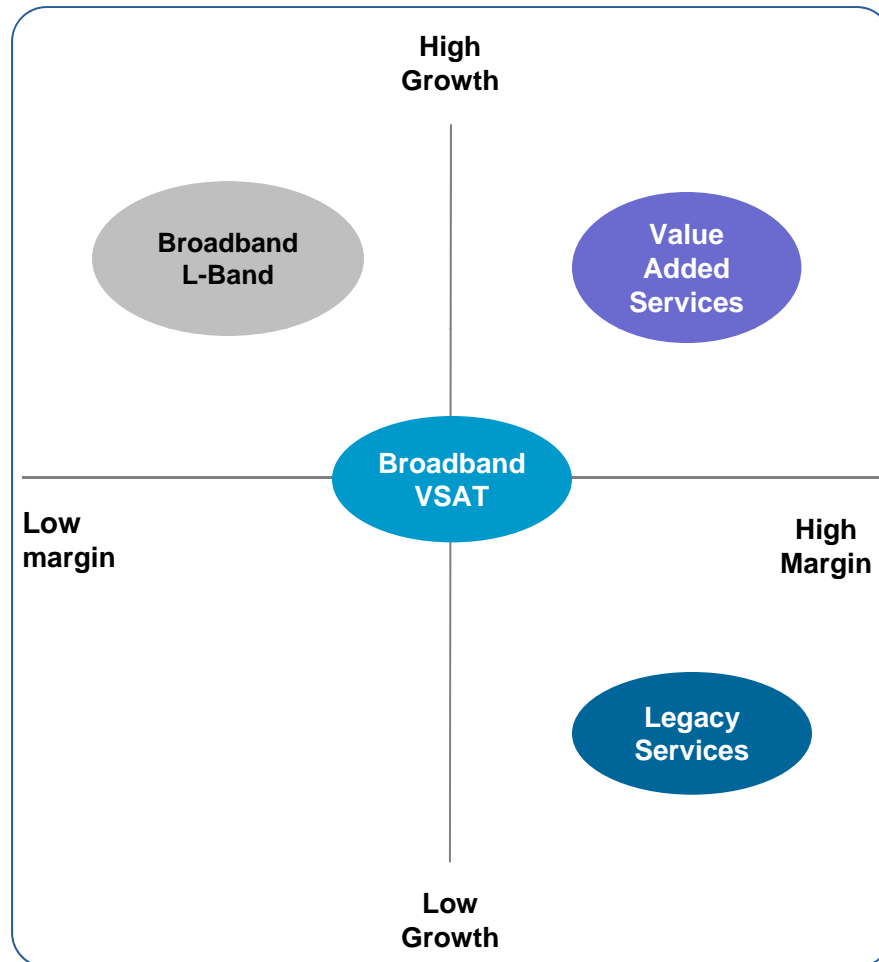
Customer Profile

- **Servicing over 2600 Vessels**
  - Blue water and coastal shipping fleets
  - Fishing fleets
  - Coast guard vessels

Solution Set

- DP Inmarsat Satellite Services Provider
- Iridium Satellite Services Provider
- Fleet Broadband Services Provider
- Global VSAT managed services - Global seamless coverage
- Machine to Machine Services
- Tiered service offerings
- Remote IT support

Acquisition Approach

The Company's investments in our global network and facilities enables acquisition leverage and vertical market opportunity

- **Strategy**
  - Increase the Company's deepening recurring revenue base
  - Enter new verticals by acquiring technical, operating and relationship knowledge
  - Leverage existing infrastructure to drive operating results
  - Acquire management depth

- **Criteria**
  - Deep Engineering and Technical know how, i.e. Cultural Fit
  - Managed Services centric approach (i.e. deepen recurring revenue base)

- **Market Opportunity**
  - Enterprise
  - Oil & Gas
  - Travel & Logistics
  - Gain additional market share in five existing markets we operate in

Strategic Acquisitions Have Enhanced Capabilities

	April 2007	March 2009	June 2009	March 2010	April 2011
Target	GlobalSat TELECOMMUNICATIONS SOLUTIONS	MACH6 A GLOBECOMM COMPANY	Telaurus	carrier2carrier / Evosat	COMSOURCE
Purchase Price	■ **$18.5M purchase price** ($2.0M cash; $16M debt) ■ Debt paid off September 2007	■ **$5.7M purchase price** (all cash)	■ **$6.1M purchase price** ■ $0.9M cash earn-out ■ $1.6M earn-out (217,000 common shares) ■ $0.7M earn-out (244,910 warrants at $10.00 strike price)	■ **$15M purchase price** ($2.5M cash, $12.5M debt) ■ $9.0M earn-out	■ **$19.9M purchase price (**$1.9M cash; $18M debt) ■ $21.0M potential earn-out
Capabilities	■ Government recurring service revenue	■ Government recurring service revenue ■ Global Maritime VSAT Platform	■ Maritime recurring service revenue ■ Services over 1,850 vessels	■ Inmarsat land-based BGAN and maritime fleet broadband services and mobile communications	■ Independent test and evaluation of telecommunications equipment and related recurring long-term application support
Strategic Rationale	■ Maryland teleport strengthens positioning in Government vertical	■ Established a key Western European presence and established Maritime presence	■ Enhanced Maritime presence	■ Netherlands teleport solidified Western European presence and established Fleet Broadband capabilities	■ Enhances media and wireless presence and continues expansion outside satellite-centric applications

Financial
Snap Shot

Balance Sheet

	June 2010	June 2011	Dec. 2011
ASSETS			
Cash	$47.9	$48.0	$50.4
A/R	49.2	59.3	68.9
Inventory	34.5	42.4	49.6
Goodwill From Acquisitions (1)	40.6	70.2	70.2
Other Assets	68.5	74.7	72.2
TOTAL ASSETS	**$240.7**	**$294.6**	**$311.2**
LIABILITIES & EQUITY			
Liabilities	$64.2	$90.1	$89.2
Debt (2)	9.4	20.7	17.6
Equity	167.1	183.8	204.3
TOTAL LIABILITIES & EQUITY	**$240.7**	**$294.6**	**$311.2**

(1) Goodwill from 5 acquisitions.
(2) Debt from C2C, Evosat, and ComSource acquisitions.

($ in Millions)

Earnings Per Share (EPS)

GAAP EPS

2010A	$0.38 (1)
2011A	$0.41 (2)
2012F	$1.23 (3) (4)

Adjusted EPS

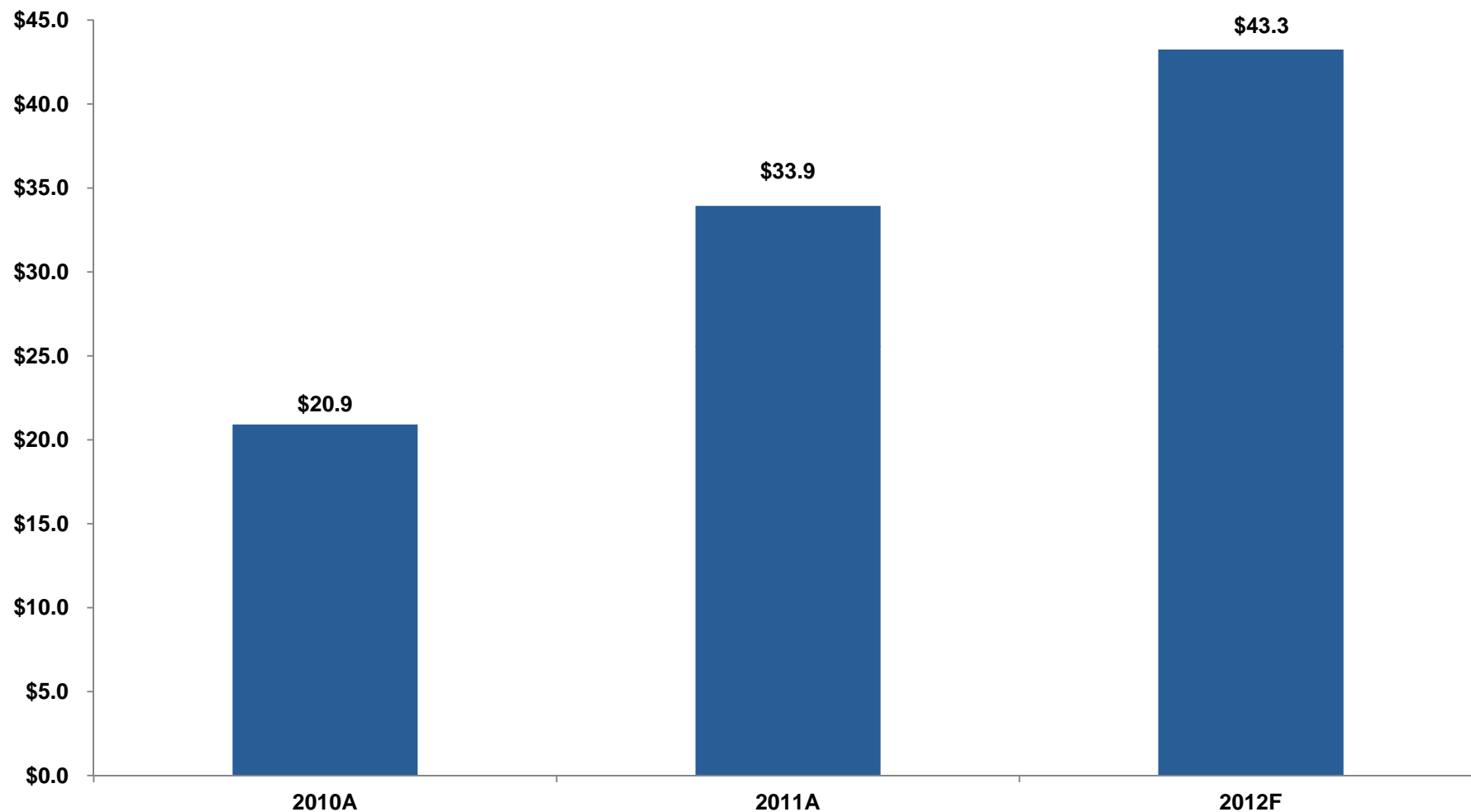|	
2010A	$0.35
2011A	$0.62
2012F	$0.76
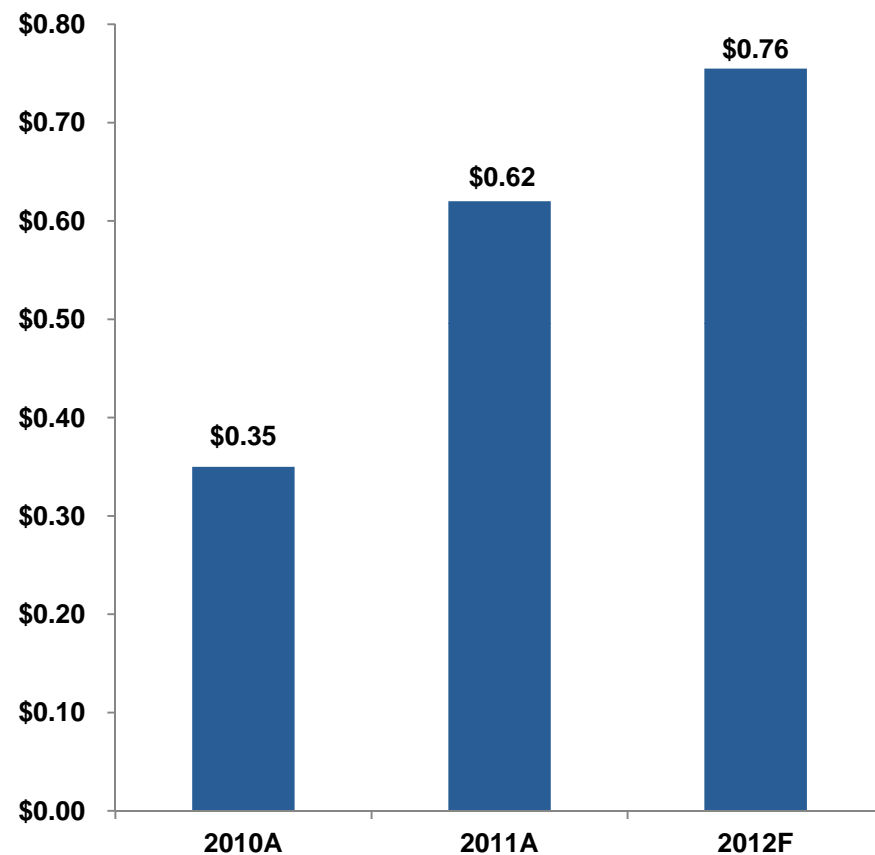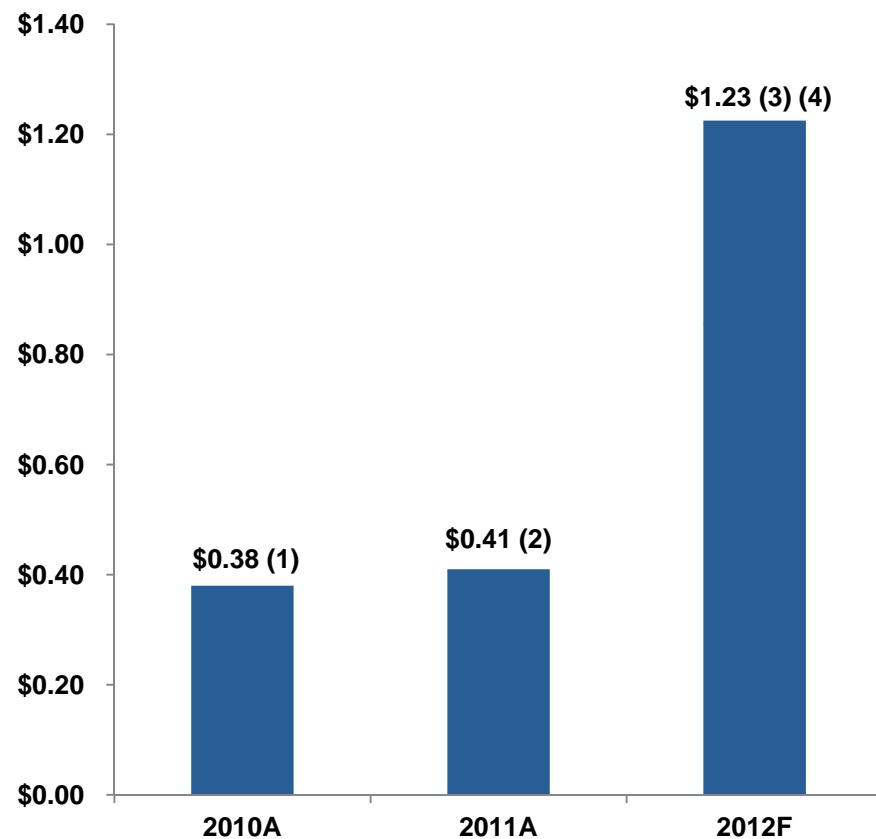
(1) 23% Tax Rate; (2) 37% Tax Rate; (3) 37% Tax Rate

(4) Includes $0.47 related to gain for adjustment of the fair value of the earn-out

(5) Adjusted EPS includes adjustments for acquisition related costs, earn-out fair value adjustments, and non-recurring tax adjustments

Adjusted EBITDA

(1) Adjusted EBITDA includes adjustments for interest (income) expense, earn-out fair value adjustments, provision for income taxes, depreciation, amortization, stock compensation expense, and acquisition related costs.

($ in Millions)

Executive Team

David Hershberg	*Founder, Chairman and CEO* **50 years of experience in the telecom industry**
Keith Hall	*President and Chief Operating Officer* **20 years of experience in the telecom industry**
Andrew Melfi	*Senior VP, Chief Financial Officer and Treasurer* **30 years of experience in the telecom industry**
Andrew Silberstein	*Senior VP and General Manager – Services Business* **25 years of experience in the telecom industry**
Thomas Coyle	*Senior VP and General Manager – Infrastructure Business* **30 years of experience in the telecom industry**
Stephen Yablonski	*Senior VP and Chief Technology Officer* **40 years of experience in the telecom industry**
Paul Johnson	*Senior VP, Contracts* **25 years of experience in the telecom industry**
Matthew Byron	*Senior VP, M&A/Investor Relations* **12 years of experience in the telecom industry**

Questions ?