



## Third Quarter 2009 and Investor Update

November 10, 2009

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Date of Call: November 10, 2009 at 8:30 a.m. (EST)

Investor Call: Third Quarter 2009 and Investor Update

Where: GeoEye's Headquarters in Dulles, Va.

Attendees: Matt O'Connell, Joe Greeves, Bill Schuster, Randy Scherago, and William Warren.

**INTRODUCTION: WILLIAM WARREN**, Senior Vice President, General Counsel,  
Corporate Secretary

Good morning, this is William Warren. Thank you for joining us today as we discuss GeoEye's Third Quarter 2009 earnings. Speaking today will be Mr. Matthew O'Connell, Chief Executive Officer and Mr. Joe Greeves, Chief Financial Officer.

Also joining us today are:

Mr. William Schuster, Chief Operating Officer and Mr. Randy Scherago, Vice President of Investor Relations. After our remarks, we will take questions from analysts and investors. This call is being recorded.

Before we begin the business portion of this morning's call, we would like to inform you that we expect to be making forward-looking statements during today's call. Statements including words such as "believe" "anticipate" "estimate" or "expect," conditional statements and statements in the future tense are forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties and are based on management's current views and assumptions regarding future events and operating performance. A number of factors could cause our actual future results to differ materially from our current expectations. Examples of these factors include, but are not limited to, conditions in the remote sensing industry, level of government spending, competitive pricing pressures, the level of new commercial imagery orders, production rates for advanced image processing, start-up costs or overruns on new contracts, and technology and product development risks and uncertainties.

For a discussion of the various factors, which could cause our actual performance to differ from our forward-looking statements, listeners are encouraged to read the Risk Factors in our Form 10-K for the fiscal year ended December 31, 2008 which we filed with the Securities and Exchange Commission on April 2, 2009 and our Form 10-Q for the nine months ended September 30, 2009 which we filed with the SEC on November 9, 2009. We assume no obligation to publicly update or revise our forward-looking statements. A copy of the prepared script for today's call will be made available on our Web site in the Investor Relations area

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shortly after this call. We will replace that with a final transcript once it is available. You may also listen to an audio replay on our website as well.

At this time, I would like to turn the call over to the Company's Chief Executive Officer and President, Matt O'Connell.

**OVERVIEW: MATT O'CONNELL, Chief Executive Officer and President**

Thank you, Will. I would also like to thank all the investors, analysts, customers, and employees listening in on the phone, and those listening to our webcast, for participating in our third quarter 2009 earnings call.

We're very pleased with our third quarter results. We experienced strong year-over-year revenue growth, excellent cash flow growth, outstanding operating performance and superior EPS results. The growth we experienced in the quarter and our solid operating results are in large part due to GeoEye-1, the world's highest resolution commercial imaging satellite, and the strong relationships we have with our government and international customer base. We continue to have excellent visibility into our revenue and earnings and are maintaining and trying to grow a healthy backlog of work with both our government and commercial clients.

On this call, we'll update you on our third quarter financial results, success of our recent bond financing, our current operations and our new business developments. We'll discuss, to the extent we can, the U.S. Government's announced plans regarding the EnhancedView program and their desire to increase the use of commercial imagery. We'll also discuss the Company's long-term goals and update our financial outlook for the remainder of fiscal 2009.

After my initial comments, our Chief Financial Officer, Joe Greeves, will discuss the Company's operating results, financial metrics, and how we've strengthened our financial team in more detail. Then, I'll provide a short summary, and we'll take questions from investors.

**THIRD QUARTER RESULTS**

To get started, we're very pleased with our strong business fundamentals, and we believe we're well positioned to benefit from future growth in the U.S. Government, international and commercial markets for imagery and information services based on imagery and geographic information.

The Company had another quarter of record-setting results for the third quarter. Third quarter revenues were \$79.9 million, or a 123 percent increase from the \$35.8 million we reported in the same period last year. Revenues were up 10 percent from the second quarter, which is a very

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healthy growth rate in both this current economic environment and also within our industry. Fully diluted earnings per share were \$0.61, above third quarter consensus estimates of \$0.43. While we were delighted by this performance, we would note that the quarter reflected higher than expected performance on the revenue side and some one-time benefits on the expense side. In addition, the fourth quarter should reflect some of the investments we're making to grow our business – such as the cost of preparing our bid under the Enhanced View Program. Joe will give you more details on all this.

Now, I'd like to describe the highlights of our **Recent Notes Offering**

At the end of September, we successfully completed a \$400 million notes offering. This financing was a very positive event because it laid the foundation for the Company's growth over the next three to five years.

Part of the use of funds was to retire our prior notes. As a result, we were able to remove the restrictive covenants in our previous bond indenture. Those restrictive covenants constrained our access to the debt and equity markets, encumbered our ability to have a bank credit line, and severely restricted our ability to make capital expenditures and to invest to grow our business.

Another positive element of the notes offering is that Moody's upgraded our credit rating, which helped lower our cost of capital. The \$400 million offering gave us the financial flexibility to continue building GeoEye-2 and, more importantly, to time the satellite's construction so that we can add capacity on a timeline that we believe coincides with the needs of our customers, particularly our U.S. Government customers. And, of course, we were able to tell our exciting growth story to a wider cross section of the financial industry and expand our investor base, many of whom are on our call today.

For those new to the GeoEye story, and those we missed on the recent road show, I'd like to quickly review.

**The Key Demand Drivers for Our Business.**

The U.S. Government's demand for commercial satellite imagery will be the biggest driver of our revenue growth for the next three to five years. U.S. Government agency contracts amounted to 67 percent of sales in the quarter. We currently supply imagery to 10 U.S. Government agencies. Our single largest customer for satellite imagery collection services is the National Geospatial-Intelligence Agency, often referred to in the Washington D.C. area by its acronym NGA. The NGA is a Department of Defense combat support agency whose goal is to provide intelligence in support of national security objectives. No other customer accounted for more than 10 percent of revenues.

We have the highest quality, highest accuracy, and highest resolution color imaging satellite available in the global commercial marketplace, so we're seeing strong demand from numerous government agencies. Demand from the defense and intelligence agencies for more high resolution commercial imagery was a theme that was repeated many times at last month's geointelligence industry conference in San Antonio. Senior officials of the U.S. Government's Defense and Intelligence agencies, including the Director of National Intelligence, said they plan to increase their reliance on unclassified commercial imagery.

This brings us to a quick discussion of ...

**The recent Extension of our Current Service Level Agreement under the NGA's NextView program**

Our largest government contract with the NGA is a Service Level Agreement, which many people refer to as an S-L-A. The Service Level Agreement is a type of contract that provides a predictable level of service to the U.S. Government and a predictable revenue stream to the contractor. Our current Service Level Agreement calls for the NGA to pay us \$12.5 million per month for imagery from GeoEye-1, our satellite that generates most of our revenues under the NextView program. GeoEye-1 was launched in September 2008 and began commercial operations in February of this year.

As part of this Service Level Agreement, we're measured against a certain number of performance metrics each month. We are pleased to report that we met all of the NGA's metrics in July, August, September and October. Because we met all the metrics during the third quarter, and exceeded some, we recognized a little more than \$12.5 million per month of imagery revenue from NGA under the SLA portion of the NextView contract. So our imagery revenue from NGA under the SLA portion of the NextView contract was \$87.1 million for the first nine months of 2009. Joe will go into more detail about the nuances of the NGA contract later.

During the third quarter, we negotiated an extension to our Service Level Agreement that'll take us through March 31, 2010, with an option for the NGA to extend the agreement through December of next year. We believe a new SLA agreement, under an NGA program called EnhancedView, should be in place by late March or April 2010, which should supersede our existing Service Level Agreement and NextView contract. I'll discuss this in detail later. But first, I'd like to say a few words about the recent industry conference in which we participated.

### **Customer Views from GEOINT**

As I mentioned earlier, last month we participated in the industry's largest geospatial intelligence conference, called, simply, GEOINT. I'd like to share with both our new and old investors the words and comments by the Director of National Intelligence, Admiral Dennis Blair, from his keynote address at the GEOINT conference. We believe they're a good reflection of our government's commitment to the commercial satellite imagery industry. Admiral Blair said,

“We're basically committed to a foundational imagery architecture that is balanced, that incorporates both government systems and commercial systems, and we think it will serve this country well for many years into the future.

“As part of our architecture...it's... continuing and in fact increasing our strong reliance on commercial providers of imagery – commercial imagery of various wavelengths as an integral part of our GEOINT support to both policy and action.”

General Bruce Carlson, the Director of the National Reconnaissance Office, which manages the nation's own imagery satellites, stated at the same conference that,

“We work hand in hand with NGA and we're a great fan of putting commercial imagery into the system. Our national systems are oversubscribed every day...Our goal is to fully integrate commercial imagery with our systems so that we can quickly disseminate imagery whenever it's needed.”

This brings me to a topic that we're really excited about, namely the...

### **NGA's EnhancedView Program**

The EnhancedView program is one part of a larger satellite imagery strategy announced last April by the Director of National Intelligence, Admiral Blair, and approved by President Obama. The plan, commonly referred to as the Two-plus-Two plan, would serve both the U.S. military and intelligence communities. Under the plan, the U.S. National Reconnaissance Office would purchase and operate two very advanced ultra-high resolution imaging satellites.

The second part of the Two-plus-Two plan calls for the NGA to buy imagery data from commercial-class satellite operators in an amount equal to the output from two additional commercial satellites. This new multi-year NGA program is called EnhancedView, and an award is expected in the spring of 2010. We are participating in the NGA request-for-proposal (RFP) contracting process. This program will allow our government to continue to receive a supply of unclassified, highly accurate satellite imagery from commercial satellite imagery providers. The

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EnhancedView program will replace the NextView program, which could expire at the end of March 2010, unless the NGA exercises their option to extend it.

Public commentary indicates that demand for commercial satellite imagery from the U.S. Government will steadily increase beyond the supply that will be available over the next five to seven years.

Building the satellites that are needed to provide additional capacity requires a long lead time. That brings us to a **Discussion of the Outlook for the GeoEye-2 Satellite.**

We anticipated this increase in demand for commercial satellite imagery and entered into a contract with ITT Corporation during the third quarter of 2007. So, ITT has been working on the camera and camera electronics for GeoEye-2 for two years. ITT's work could be used to accelerate the development of GeoEye-2, so that it could be launched in late 2012 and begin commercial operations in 2013. We think the work we did was a good investment and believe we're well-positioned to move quickly when the EnhancedView program contracts are awarded next spring.

We also believe that worldwide imagery demand for surveillance and change monitoring is recession resistant. The capability to observe one's borders *and* countries in other regions of the world is a highly coveted tool. Our satellite imagery helps many countries and companies around the world monitor infrastructure and their region-of-influence. By purchasing our imagery and data, they save the costs and avoid the risks of developing their own space-based imagery systems.

That brings us to our next topic, **International Sales**

Our international sales force generated terrific revenue growth compared to the third quarter of last year, up 41.3 percent, as demand in many regions of the world responded favorably to the superior capabilities of GeoEye-1. International revenues were \$22 million, or 27.5 percent of total revenues.

The Company's growing global sales network currently comprises 12 strategic business partners (both government and commercial) and more than 100 resellers. In the third quarter, we executed an important GeoEye-1 contract with a Middle Eastern country, and contract extensions with China, Japan, Singapore, and Italy. We have several other contract awards we can't disclose for reasons of security and commercial sensitivity.

As our long time investors know, we also generate revenues from Imagery **Production**

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We perform high-end, value-added work for our clients in our St. Louis, Missouri and Thornton, Colorado facilities. The expansions of our St. Louis and Thornton facilities during the third quarter, combined with productivity improvements, allowed us to reduce our backlog; however, there continues to be growing demand for our products and services. Joe will highlight the financial progress we're making in the production and services areas of our business.

We're also seeing growth in the commercial business applications which we call **Advanced Services**. Those are just beginning to emerge.

Our Chief Technical Officer, Brian O'Toole, is spearheading our move into cloud computing and our efforts to give our customers real time access to our large imagery library. We're currently beta testing a software platform so the NGA can have real time access to our image library. The real time access is being provided as part of an NGA program known as Rapid Dissemination of On-line Geospatial Information; NGA refers to this program by the acronym RDOG. After we finish the modules we are developing for the U.S. Government in early spring, we'll begin rolling the service out to our commercial customers. In the coming months, you'll hear news from us regarding the applications we have for the oil and gas industry, the pipeline and utility industries, the international mining industry, and the engineering and construction industries. We're excited about this emerging technology. It should help us accelerate the growth of our commercial imagery market and reap healthy returns.

Now, for the overall **Industry Outlook**

As you new investors can probably imagine, it's not easy to break into the commercial remote sensing business. The barriers are extremely high because you need a license from the Government, contracts, a fair amount of capital, and satellites that can provide the resolution to the degree we're already providing it. We have no new American competition anywhere on the horizon in a rapidly expanding market. We're just beginning to realize the potential revenues in this emerging geospatial services industry. And, as mentioned above, we have many years of strong demand from the U.S. Government ahead of us.

The solid fundamentals of our business model and our recent capital raise have soundly positioned us for growth in both government and commercial markets. Because of our high visibility into our revenue and earnings, I just want to reiterate again our revenue and earnings per share guidance for the remainder of fiscal 2009.

We're comfortable forecasting revenues in a range of \$275 to \$280 million and adjusted EBITDA in a range of \$133 to \$137 million. We plan to provide a financial outlook for fiscal 2010 after we report year-end results next spring. It's too soon to have clear visibility into next year, but a conservative outlook would indicate that we'll have 2010 revenues in the \$310 to

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\$320 million range. There may be some upside potential in the second half based on some of the investments we're making. And, of course, we're excited about the prospect of winning an award under EnhancedView.

Given the high demand for our services for the next few years from both government and commercial sectors, we're confident that our business will continue growing well for the next few years. We invite you to come grow with us.

Now, I'll turn the call over to our Chief Financial Officer, Joe Greeves, so he can talk about our third-quarter results. After Joe's done, I'll be back to sum up, and then we'll take questions.

**Joe Greeves, Executive Vice President and Chief Financial Officer**

Thank you, Matt. Good morning everyone. I think the strong third quarter results demonstrate that the Company is well positioned for future growth and leadership in the emerging commercial satellite industry.

Our financial team is working hard to build a strong financial organization and upgrade our financial systems and controls, and I believe this quarter marks another step in the process of re-establishing our credibility with the investment community.

Now, to move on to the financial results. The Company has just recorded record-setting revenues for the third quarter of 2009. The third quarter revenues were \$79.9 million which represents a 123 percent increase from the \$35.8 million reported in the same period last year. For the first nine-months of 2009, revenues were \$197.9 million up 86.7 percent year over year.

The third quarter revenue breakdown includes the following. Domestic revenues were \$57.9 million and accounted for 72.5 percent of total revenues. International revenues were \$22 million, which accounted for the remaining 27.5 percent of total revenues. Domestic revenues rose 186 percent year over year, while international revenues rose 41.3 percent.

Our imagery revenues of \$62.1 million accounted for 77.7 percent of the quarterly revenues and grew by 149 percent compared to last year. Our NextView cost share revenues accounted for \$6 million or 7.6 percent of total revenues. Production and other service revenues of \$11.8 million or 14.8 percent of total revenues, showed a modest increase of 8.3 percent compared to the prior year, but more importantly showed a 14.7 percent sequential increase from the second quarter.

The increase in production services was primarily due to demand for value-added production services in our Thornton and St. Louis operations. Our production services backlog is currently very strong, and we expect these production services revenues to continue to grow in the future.

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However, we did continue to see some effects of the economic downturn on our aerial and SeaStar businesses in the third quarter. We continue to believe that the aerial and SeaStar businesses should stabilize and recover as the general economy improves.

In terms of customers, our U.S. Government work amounted to \$53.6 million or 67 percent of revenues, and \$129.7 million or 66 percent of revenues in the first nine months of 2009. Our U.S. Government customers include the NGA, Department of Homeland Security, Department of Interior, Department of Defense, and many other agencies. No other customer accounted for more than 10 percent of revenues in the quarter or for the first nine months.

In regards to the NGA Service Level Agreement contract, we recognized \$38.1 million of imagery revenue or 48 percent of our revenues in the third quarter, and \$87.1 million in the first nine months of 2009. GeoEye-1, our satellite that does most of the work in the NGA's NextView program, began operations in mid-February. Our current Service Level Agreement contract calls for the NGA to pay us \$12.5 million per month for images. However, these monies can vary month to month, depending on the number of additional imagery requests, which can lead to higher payments or can lead to reduced payments depending on whether we hit our performance metrics.

Under the Service Level Agreement, the NGA has given us a standing order to collect imagery over a large part of the earth. In addition, the Service Level Agreement gives our government the right to make special orders. In essence, the NGA can ask us to direct the satellite to take images of hotspots where they determine the need for more time-sensitive images. For special-order requests above a certain level, we can be awarded additional monies as I mentioned above. In this quarter, we met all the metrics for each month and earned some additional money for providing additional imagery. Although we are quite pleased with our performance this quarter, we cannot assure you that we will be as successful each quarter going forward.

Now let's talk about some other financial metrics. One metric of our operating performance is adjusted EBITDA. We define adjusted EBITDA as net income before interest, taxes, depreciation, amortization, non-cash recognition of stock compensation expense and other unusual items. Adjusted EBITDA increased by \$32.3 million to \$44.5 million for the third quarter of 2009, from \$12.2 million during the same period in 2008.

The strong year over year adjusted EBITDA growth we generated in the third quarter was attributable to our exceptional revenue growth, good expense control, and significantly higher depreciation expenses associated with the new GeoEye-1 satellite. The adjusted EBITDA margin for the third quarter was 55.7 percent compared to 34 percent in the same quarter last year. We feel comfortable that we can sustain adjusted EBITDA margins in the 50 percent range for the foreseeable future.

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Direct costs for the third quarter of 2009 were \$23.8 million and declined as a percentage of revenues to 29.8 percent from 46.2 percent. As the revenues grew again this quarter, the Company continued to benefit from positive operating leverage. With that said, I need to point out that our satellite insurance expense, at \$791,000 this quarter, was abnormally low due to some one-time benefits and will more likely cost \$1.5 million per quarter going forward. On a year over year basis, our other direct costs were down \$1.5 million primarily due to a substantial reduction in the amount of imagery we are buying from third parties. Although we are always evaluating ways to reduce cost and become more efficient, we continue to believe that our direct costs should range between 30 percent and 35 percent of revenue going forward.

Depreciation and amortization expenses rose from \$2.2 million last year to \$16.3 million this year due to the commencement of operations for the new GeoEye-1 satellite. We began depreciating GeoEye-1 and its related ground system in mid-February 2009. GeoEye-1 is being depreciated over its nine-year expected life. We feel comfortable that our depreciation and amortization expense should remain in this general range for the foreseeable future.

Sales, general, and administrative expenses were \$12 million or 15.1 percent of sales in the quarter. As a percentage of revenue, this represents a substantial reduction from the 24.1 percent rate from third quarter of 2008. These costs have increased as business development and commission costs have grown with the increased revenue, and we have made additional investments in our financial and administrative support operations. We plan to continue to make investments in our business development, sales, and support organizations primarily to help promote future revenue growth. We believe our sales, general, and administrative expenses as a percentage of revenues should range between 13 to 16 percent of revenues on a go-forward basis.

Income from operations for the third quarter of 2009 was \$27.7 million, a healthy increase of \$19.3 million from the comparable period in 2008. The operating margin was 34.7 percent for the third quarter of 2009 compared to 23.5 percent in the same period in 2008.

Going forward, we continue to believe that 30 percent is a reasonable target for our operating income margin. At that level, we can continue to make investments in our research and development programs, and add to our professional service and sales teams, which should allow us to grow the business while still providing a strong return to shareholders. In the next few quarters, you should see a rise in labor and subcontractor expenses associated with the EnhancedView bid, and an increase in R&D related expenses. We believe this operating income margin may be subject to quarterly fluctuations.

Interest expense for the quarter was \$8.7 million compared to \$2.8 million last year. Interest expense primarily increased due to the commencement of GeoEye-1's operations. The interest

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cost associated with the development of the GeoEye-1 satellite, which in the prior year was capitalized in accordance with generally accepted accounting principles, are being expensed now that the satellite is fully operational.

Our effective tax rate for the quarter was 36.4 percent and 37 percent for the first nine months before certain discrete items. We believe the Company's effective tax rate for the full year will be approximately 37 percent, before the effect of any discrete items.

Net income for the quarter was \$12.5 million or 61 cents per diluted share compared with \$31.6 million or \$1.57 per diluted share, in the third quarter of last year. The net income in third quarter of 2008 included a one-time net income tax benefit of \$27.8 million. The number of shares used to make our fully diluted earnings per share calculation for the third quarter was 20,646,000 shares.

Turning to contracted backlog, we have historically had and currently have a substantial backlog, which provides some assurances regarding our future revenue expectations. Our backlog was approximately \$320.7 million as of September 30, 2009, up from \$236.2 million at year end. Our backlog as of September 30, included approximately \$119 million of contracts with the U.S. Government, including approximately \$79.6 million related specifically to the Service Level Agreement. Most of our government contracts are funded incrementally on a year-to-year basis; however, certain foreign government and commercial customers have signed multi-year contracts.

Now turning to the balance sheet. The balance sheet continues to be strong. The Company finished the third quarter with \$123.6 million in unrestricted cash, \$18.9 million of restricted cash, total assets of \$812 million, stockholders' equity of \$257.6 million and long-term debt of \$248 million.

Accounts receivable at the end of the third quarter were \$43.2 million, down from \$53 million last quarter. This represents 49 days of sales outstanding, (DSO's), which was well below our targeted range of 60 to 70 days outstanding. The third quarter decrease in DSO's was primarily due to additional focus on collections and prompt payments by domestic and international customers including the NGA.

In terms of capital expenditures, we paid out \$61.7 million in the first nine months of 2009. Of this, approximately \$29.5 million was invested in the new GeoEye-2 program, which Matt addressed earlier, with the balance primarily funding the final GeoEye-1 program and general maintenance expenditures.

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Now, let's talk about cash. Unrestricted cash has increased from the beginning of the year by \$16.9 million to \$123.6 million. The net increase was primarily due to the additional earnings, an increase in deferred revenue, and the collection of a large income tax receivable balance somewhat offset by a net increase in capital expenditures, and the transfer of \$18.9 million to restricted funds. The proceeds from the recent debt offering were not received until the fourth quarter. As of today we currently have approximately \$225 million in cash on the balance sheet.

As the Company continues to generate working capital each quarter, we believe our cash balance will grow substantially and will be used primarily to fund our future capital expenditure programs. Our head count was 535 employees at the end of the third quarter. We expect to continue to add additional employees as we invest in growing our operations for the future.

**Notes Offering Discussion**

On October 9, 2009, the Company refinanced its outstanding long-term debt by closing a \$400 million private placement offering of Senior Secured Notes due October 1, 2015 with a 9.625 percent coupon rate. The 2015 Notes were sold at a price equal to 97.262 percent of their face value with an effective yield of 10.25 percent before deal expenses. The 2015 Notes are unconditionally guaranteed on a senior secured basis by all existing and future domestic subsidiaries of the Company.

The net proceeds of the 2015 Notes offering were used to fund the repurchase of \$249.5 million of the outstanding principal, or approximately 99.8 percent, of the Company's outstanding 2012 Notes as part of a tender offer of these notes which expired on October 8, 2009.

The Company has also used a portion of the net proceeds to satisfy and discharge the remaining \$500,000 in aggregate principal as well as for general corporate purposes, which may include funding a portion of the costs of constructing a new high-resolution satellite.

Interest payments on the new \$400 million notes will be made semi-annually, in arrears, on April 1 and October 1 of each year. At any time on or after October 1, 2013, the Company may redeem all or part of the 2015 Notes at 104.813 percent of principal for the subsequent 12-month period and at 100 percent of principal on October 1, 2014 and thereafter.

**Fourth Quarter Write-off of Debt Extinguishment Costs**

In regards to the retirement of these 2012 notes, the Company expects to take a one-time debt extinguishment charge of approximately \$27.1 million in the fourth quarter to write off the remaining unamortized prepaid financing costs and the tender premium related to the 2012 Notes.

**In regard to improving our financial controls**, over the past few months, we have done quite a bit to enhance our controls over financial reporting and beefed up our accounting and financial team. During the quarter, we hired Ramsey Price as our new vice president of Financial Systems and Sarbanes-Oxley Compliance. He is overseeing our Sarbanes-Oxley compliance program and also working with Jeanine Montgomery to improve our financial reporting systems. We also hired Jim Craig, as a vice president, to help run our treasury operations and deal with some of our major financial projects. In addition we have hired a tax director to help manage and improve the quality of our growing tax requirements. We have also hired some additional senior level accounting staff, including an assistant controller, to help improve our financial functions.

I would also like to reiterate Matt's guidance earlier and add a little color, we are comfortable with our revenue visibility in the range of \$275 million to \$280 million for the year, and with adjusted EBITDA, excluding the extinguishment of debt charges, in a range of \$133 million to \$137 million, and pro forma earnings per share guidance in the range of \$1.30 per share to \$1.45 per share before the extinguishment of debt charges. We will continue to target a 30 percent operating margin and a 50% adjusted EBITDA margin. Since we are in a business where revenues from our customer contracts can be lumpy, these margins can vary from quarter to quarter, and should be considered targets and goals.

Finally, I'd like to thank the accounting and finance team for all their hard work to improve the timeliness and accuracy of our financial reporting process.

**Now I'll turn the call back to Matt.**

Thanks, Joe. We're very pleased with the revenues and earnings we just reported. It's a positive reflection of all the hard work and dedication of our GeoEye employees over the last few years and the support we've gotten from you, our investors. We're excited about our industry and our position.

To sum up, we're developing products that are more advanced and services and delivery platforms that will provide our customers with timely, accessible, and useful location information that they can use to make vital decisions. You investors will see these new developments in early 2010. Our ability to collect imagery with various satellites and airplanes, to produce imagery from a variety of sources and to deliver that imagery and the imagery products through a variety of means is going to be very helpful as the industry continues to grow and change. In recent years, our industry has evolved from the Industrial Age to the Information Age—we used to focus on bending tin and building satellites. Now, we're focused on bending pixels—how we can use the data we collect to help people make important decisions faster and more accurately — *and* how we can deliver that data faster.

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We believe our solid financial position, enhanced by our recent notes offering and strong operating cash flow, will allow us to continue to invest for future growth.

We're very pleased by the reception of the financial community to our recent notes offering, which we see as an endorsement of our vision for the imagery market. September was an opportune time in the market to raise money. That enabled us to refinance our debt at a lower fixed rate and will give us more flexibility on how we spend funds. It also puts us in a strong cash position to respond confidently when the NGA issues a formal request for proposals under the EnhancedView program.

Now, I'd like to open the call to financial analysts and investors for questions. For all others, we invite you to stay on the call and listen in. Of course, as we discussed earlier on the call, many of the statements we've made and will make during the Q&A period are forward-looking statements, which are subject to risks and uncertainties. And some areas of our business related to sensitive US Government programs, which may limit our ability to respond.

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