

Operator: Good day and welcome to the GeoEye's "Update of Company Operations" conference call and webcast. Today's call is being recorded. A question and answer session will follow today's presentation. To ask a question during the question and answer session, please press "star one." For opening remarks and introductions, I would like to turn the conference over to Mr. Dan Connors, Vice President and Associate General Counsel. Please go ahead sir.

Dan: Good morning. This is Dan Connors. Thank you for joining us today as we discuss GeoEye's operations. Speaking today will be Mr. Matthew O'Connell, Chief Executive Officer, and Mr. Joe Greeves, Chief Financial Officer. Also joining us today is Mr. William Schuster, Chief Operating Officer. After our remarks, we will take questions from our investors. This call is being recorded. Before we begin 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, and the level of new commercial imagery orders. Production rates for advanced image processing, startup costs or overruns on new contracts and technology and product development risks and uncertainties. Listeners are encouraged to read the risk factors in our Form 10K on file with the Securities and Exchange Commission for discussion of the various factors which could cause actual performance to differ from our forward-looking statements. We assume no obligations to publicly update or revise our forward-looking statements. A copy of the prepared scripts for today's call will be made available on our Web site in the Investor Relations area 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 Web site.

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

Matt: Thanks, Dan. I'd also like to thank all the shareholders, bondholders, analysts, and customers listening in on the phone and those listening to our webcast. We understand our responsibilities as a public company to provide you with accurate, complete, and timely information. We thought it was important to update you, even though we're still investigating the issue we're going to talk about and won't have answers to all of your questions. The text of my remarks is taken mostly

from the Form 8-K we filed last night. After my remarks, Joe will add some further data. After Joe's remarks, we'll take your questions.

On Friday, December 11 GeoEye's engineers detected an irregularity in the equipment that GeoEye-1 uses to point the antenna that transmits imagery to receiving stations on the ground. The satellite remains fully capable of conducting tasking, imaging, and downlinking operations. There are no issues with the camera or camera electronics. This issue is isolated to the equipment that points the downlink antenna. The irregularity appears to limit the range of movement of GeoEye-1's downlink antenna. That's the antenna that sends imagery down to ground stations. The potential limit to the range of motion may affect GeoEye-1's ability to image and downlink simultaneously. GeoEye-1 can downlink imagery to GeoEye's four ground stations since downlinking to these ground stations is separate from imaging activities. As a result, we expect no impact on our ongoing ability to deliver imagery to the National Geospatial-Intelligence Agency, or NGA, under the Service Level Agreement or to those of our Regional Affiliates for whom we collect and deliver imagery. The issue could affect a few of the Company's overseas customers who own ground stations and have contracted to receive direct downlinks to the extent that they want to simultaneously collect and downlink imagery. The downlink antenna has worked well for months, and we've been able to take imagery and simultaneously downlink it to the affiliates with ground stations, so we're not sure why this issue has occurred. We had suspended imagery collections for the past few days while we investigated the irregularity. The company has resumed imaging and downlinking and expects to resume delivery of imagery soon to the NGA and to the Regional Affiliates and resellers for whom we collect and deliver imagery. A team of GeoEye's and its vendor's engineers has been working to determine the cause of the problem and bring the satellite back into full service.

Management believes that the effect on the Company's projected revenue should not exceed 10 percent for each of the fourth quarter 2009 or for fiscal 2010, assuming that we resume normal operations within the next few days. The Company will provide additional information as further testing is completed. Such information may result in a revision of the estimated impact on the Company's revenue. Several scenarios could affect our estimate of the effect on revenue including our ability to fix the irregularity and/or facilitate the provision of services to our customers despite the irregularity. As a result, it's too soon to update the guidance we previously gave you. Now I'll turn the call over to Joe Greeves for some comments on the financial impact of the irregularity, the impact that it may have on GeoEye's fourth quarter results, and potential impact to calendar 2010 revenue results.

Joe: Thank you, Matt. As a member of the senior management of GeoEye, we take our stewardship of the Company seriously, as we do the trust of our investors,

bondholders, and employees. We understand our responsibility to provide you with accurate, complete, and timely information. First, let me address what I believe investors and bondholders would like to know. What is the impact on revenues in the fourth quarter? It's premature to answer this question now, while we're still investigating the issue, but I'll give you some estimates based on conservative assumptions, bearing in mind that we've only experienced a few days without downlinking this week. But as noted earlier, we have started downlinking again.

At this time, we believe the fourth quarter impact will be less than 10 percent of total revenues, assuming that we can resume normal operations within the next few days. This is primarily the result of losing a full week of GeoEye-1's imagery collection capability while we've been investigating this issue. For 2010, the revenue impact, if any, could be up to 10 percent of total revenues. This is the maximum impact we expect from our international customers who own their own ground stations and who want to simultaneously image and downlink directly to their ground stations. I want to stress that we don't expect this to affect our business with the federal government agencies. We've always downlinked their imagery to GeoEye's four ground stations and that activity is separate from imaging.

Obviously, we're going to do our best to fix the issue, find a way to continue to provide services to the few customers affected and to mitigate the impact of the issue. The situation is evolving, and we thought it was best to give you, our shareholders and bondholders, an update in the interest of fair and open disclosure. We will now be available to answer a few questions as time permits.

Operator: If you would like to ask a question today, it is "star one." "Star one" at this time for any questions, please de-activate your mute function before signaling to allow your signal to reach our equipment. As a reminder, that is star one for any questions at this time. We'll take our first question today from Paul Coster, JP Morgan.

Q: Good morning. Maybe my first question is why do some of your international customers use the simultaneous downlink approach, anyway?

Matt: Paul, it's a question of the speed with which they want to get the information. It's varied over the course of the 10 years that we've been serving our customers. There are times when they want real-time downlink to the imagery because they want it as fast as possible. There are other times that they have either stored the information and downlinked it later or in fact used our ground stations because there's probably only a 15-minute delay, given the fact that we have four ground stations spread around Antarctica, Alaska, Norway, and Virginia. So, it's a question of the speed that they want the imagery. Also, it affects the time they

have to image, because it's probably more efficient in many cases for them to collect imagery and then subsequently downlink it to one of our stations. So, it's really a question of do they want the maximum imaging time or do they want the fastest delivery time?

Q: So one workaround here in the event that you're unable to fix the problem is that maybe some of these customers shift to using the GeoEye downlink, is that correct?

Matt: Yes. That is a workaround and, in fact, we have done that for one of the customers who might be affected by this in the past and did it for several months for them, for reasons completely unrelated to this.

Q: If that workaround is implemented, would it have any impact on pricing?

Matt: I don't think so. Remember, we've been working for these guys for 10 years. GeoEye-1 is still the best commercial satellite out there. It has the highest resolution and highest accuracy, and it's collecting a lot of imagery at a great capacity for them, so they've got 10 years of history. You have to remember that when IKONOS was first launched, Paul, there were some things, hiccups in the first period that it was operating and it's sort of normal for the space business, I'm sorry to say. But, our customers have a long history with us, and they like the imagery they're getting.

Q: Is this a mechanical or a software problem?

Matt: I'm going to turn that over to Bill Schuster, our COO.

Bill: Let's see, we're still in the investigation. We're relatively sure that it is not a software issue at this time.

Q: And since you've been testing the problem, have you been able to change the response of the antenna, or is it not responding to any of the variables that you're kind of playing around with?

Bill: We have been able to change the response to the antenna, but as I said, the investigation is still underway.

Matt: I think the issue, Paul, is the predictability of the response. So yes, it has been responding. It's just a question of when you run a business like this; you want to have it hit spot on every time.

Q: Okay, so the 10 percent hit to fiscal year 2010 revenues, that's the outer band of the risk in your view.

Matt: Yes. And again, we've done this in the past. We had that anomaly last spring, and we like to take a conservative view. We're not saying we expect that hit. But, it's always been our practice to be conservative.

Q: It could be a good deal less if either the problem is fixed in part or completely or if workarounds are implemented.

Matt: Yes.

Q: All right. Thank you.

Matt: Thanks, Paul.

Operator: And if you'd like to ask a question today, that is star one, at this time, star one. We'll take our next question from Romeo Reyes at Jeffries.

Q: Hey, good morning. Can you hear me?

Matt: Yes, hi Romeo.

Q: Hi, good morning, Matt. I have just a quick question on insurance. With this, I guess you really don't know yet the full extent of the anomaly, but would this trigger any sort of insurance? Would you get any insurance proceeds at all if you started to lose some of the capability of the satellite?

Joe: We've actually put our insurance companies on notice. We do have both total loss and business interruption insurance for the satellite. There is a deductible on that, and we hope not to exceed that, so we're not sure we'll file a claim. We'll basically see how it plays out, but we're optimistic, and the hope is that we don't need it. We do have insurance if we need it.

Q: Hypothetically speaking, if you lost 10 percent of your revenues, would you file a claim for 10 percent of your revenues?

Joe: Hypothetically, yes. As we work through it and went through the – there's a whole series of processes that you have to go through, through the policy, but yes.

Q: Thank you.

Operator: We'll take our next question from Michael McCaffery at Shenkman Capital.

Q: Thanks. I just wondered, even though this anomaly doesn't appear to have any impact on your current agreement with the NGA, do you see this as having any impact as you look to going to the next contract, coming up in March, I believe?

Matt: No, Michael, we don't. Given our contract with NGA and our confidential relationship with them, we gave them a heads up about this and they weren't alarmed, because it's not going to affect our relationship with them on the SLA. They did say, hey, as you look at the future, plan so that you don't have this issue on your next vehicle and we said, "Duly noted." Obviously, we're going to do that.

Q: Thank you.

Operator: And we'll take our next question from Jeff Evanson at Dougherty & Company.

Q: Good morning, guys. Matt, and maybe Bill, could you talk a little bit more about your process for evaluating this situation and maybe how you plan to communicate the results from that process with us, the investment community?

Bill: Let's see, I'll address the first part and I'll let Matt address the second part. We have already, and, during the suspension of imaging, we performed a number of experiments where we took a lot of data. Now that we've resumed imaging, we're going to be a little bit more careful about experimentation. We're now reducing that data and identifying our candidate reasons for why we've seen this irregularity. Once we assess those and find those candidates who either appear most credible, or the reason that we're sure is the definitive reason, we will then be able to identify ways to mitigate it.

Matt: And in terms of communications, Jeff, you know, unfortunately, we did learn a lot last spring. One thing we learned is you do an examination, it takes awhile, and you are generally closing doors as to different possibilities. You open a couple of doors and in the meantime, you're talking to your customers. As you remember, last spring the anomaly we had then resulted in no noticeable hit on the financial side, so I'm not sure we'll come out and say in 21 days, hey, we found a solution. I mean, it'd be great if Bill can, but again, if it's one of the situations like we had last spring where we had no harm, no foul, I'm not sure that there's a definitive time when you come out and say that, Jeff.

Q: So at this point, we should plan on the next update being the Q4 earnings release. At this point, that's the next communication you anticipate?

Matt: Yes, that's probably right.

Q: Okay. So this downlink antenna, it does have some functionality still at this point? Is that correct?

Bill: Yes, there's nothing wrong with the antenna. The issue has to do with the pointing mechanism; it was not performing properly.

Matt: In fact, we have been downlinking the imagery we've been collecting, it's just the issue, Jeff, of when you want to simultaneously take an image and point this antenna at a customer ground station. Remember, you're moving 18,000 miles an hour, and it's kind of hard to track that fast if it's not moving predictably.

Q: All right. So for that functionality, do you consider it 100 percent compromised or a partial compromise?

Bill: I think we're still in the investigative stage and if – and we have yet to exhaust all the possibilities in terms of either returning it to full service and/or coming up with a workaround that would allow us to fully function.

Matt: So in Standard English, Jeff, I think what that means is we're not sure there's even a partial loss, but we're still looking at it.

Q: Okay. All right. That's encouraging. For the customers that use this mode, are they always using this mode, or kind of how often do they use this mode, this simultaneous mode of usage?

Matt: It varies by customer. I'm not sure we can put that fine a point on it.

Operator: And we'll take our next question from Mike Pace at JP Morgan.

Q: Hi, thanks. All my questions were answered except getting back to insurance, what would be your deductible for business interruption such as this?

Joe: It's 10 percent of the policy. It's the business interruption policy, it's \$187 million.

Q: Okay, that's it. Thank you.

Operator: And it appears we have no further questions at this time. I'd like to turn the conference back over to management for any additional closing remarks.

Matt: Well, thank you all for dialing in, and we'll keep you posted if we find out anything definitive in the meantime, but if not, we'll be talking to you when we have our call on the fourth quarter earnings. Thanks very much.

Operator: Thank you. That does conclude today's conference. Again, thank you for your participation today.

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