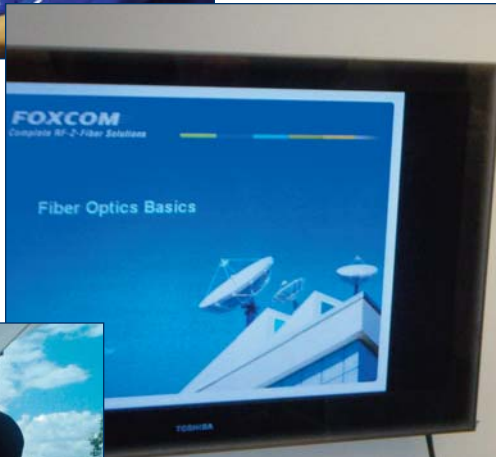




2010 Annual Report Satellite Broadcasting & Communications Association



The Satellite Broadcasting & Communications Association (SBCA) is the national trade organization representing all segments of the consumer satellite industry. It advocates on behalf of the industry before legislative and regulatory bodies at the state level to assure fair and reasonable access to its services and is committed to creating value added programs to improve the long term growth and substantiability of our member companies.



*SBCA Chairman,
Andrew Reinsdorf*

On behalf of the SBCA Board of Directors, I am pleased to present you with this Annual Report.

SBCA ended the year on a sound financial footing thanks to significant growth in both membership and testing and certification activities. SBCA set records in both areas with over 90,000 tests sold and over 500 new members. At the same time, costs for processing tests were reduced by moving almost all products online, thereby reducing printing and mailing costs.

In addition, SBCA continued to expand the benefits and resources it offers to members such as a new, interactive licensing database. We also expanded our course offerings beyond the satellite installation field by creating a Home Theater Fundamentals course. We believe this course will attract individuals and companies involved in the installation and connection of home technologies. This product has already generated considerable sales and more diverse course offerings like it are planned

SBCA strives to protect for the interests of its members and our industry in the legislative and regulatory areas. We have been engaged all over the country, informing legislators and regulatory bodies in the impact of proposed taxation and licensing efforts and have been successful in changing or defeating these job killing proposed laws and regulations.

The Association has been extremely busy working on behalf of consumers and our members in expanding access to satellite services by working with the FCC to enforce the Over the Air Reception Devices (OTARD) rule. We had more requests in the last four months of 2010 than in the previous eight months. This level of activity is continuing into 2011.

The Board and management are committed to making SBCA a first class trade and professional society committed to its members by providing outstanding products and services. We are well on our way of accomplishing this goal.

Introduction

2010 was a year of significant progress and accomplishment both financially and programmatically. Although final figures are subject to audit, SBCA ended the year with a surplus. Of equal importance, SBCA set records in test sales, number of members and membership income and new and expanded member benefits. It also accomplished a complete revamping of its communications efforts by launching new online publications. SBCA's advocacy work on behalf of the industry saw a significant increase in requests for assistance involving dish placement (OTARD), licensing and regulation and tax issues and launched a new interactive licensing database. Finally, SBCA held its second annual online trade show and conference, SkyFORUM, which continues to be well received.



*2010 was a year of
tremendous achievement
for SBCA in all areas thanks
to its Board of Directors and
energetic staff.*

Education and Certification

SBCA made a major effort to move its residential certification program to an online format. We continue to migrate other education modules to the web in an effort to increase convenience and accountability.

SBCA processed over 90,000 exams in 2010, by far its largest number ever. This involved all of its offerings including residential, commercial and MDU installation and a variety of platform provider specific exams which it hosted.

SBCA also developed exams and launched an online certification program for over 180 DIRECTV contractors. In addition, through an arrangement with the Global VSAT Forum and SatProf, SBCA offers discounts on nine Very Small Aperture Terminals (VSAT) courses.

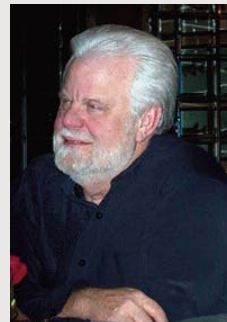
We have also provided online testing for FoxCom fiber optic certification along with COM1000 through North American Cable Equipment, Inc. (NACE) and PDI-SAT.

SBCA undertook a major new initiative in 2010 with the development of a Home Theater Fundamentals course. This online course, which will be available in the first quarter of 2011, is an 11 lesson course encompassing all the major elements of a home theater from equipment to cables to networking. SBCA plans to develop additional courses focusing on the home technology installation professional with the goal of building a library of courses in this discipline.

Finally, SBCA has created a customized Learning Management System (LMS) which is designed to support our members' online testing needs. The LMS will allow our members to host a large variety of online coursework and testing services in a low cost environment while offering custom reporting. DIRECTV currently utilizes this system to offer a virtual classroom to their installation network. Going forward the Association is discussing similar programs with other organizations.

SBCA Honors Freeding

Dan Freeding, Director of Field Operations Training retired after five years of service with DIRECTV Inc. He is a big supporter of SBCA and was honored by SBCA at a dinner in December where he was presented a special appreciation award.



Freeding was born in Seattle, WA, in 1948, but he grew up in Wichita, KS. At the age of 17, he joined the United States Marine Corps and served his tour of duty in Vietnam and was honorably discharged in 1968. Upon discharge, he decided to attend college. He was accepted into medical school; however, he chose to pursue a degree in business and marketing.

Being the entrepreneur that he is, Freeding started up many successful business ventures and even managed a well known rock band, Terry and the Pirates. After many years in the corporate world, Dan wanted to get his hands dirty and feel life in the shoes of a cable installer. This led him to successfully train many technicians and eventually he landed at DIRECTV.

Freeding was faced with several challenges in winning over the hearts and respect of the HSP field installation entities. He was able to overcome many obstacles with perseverance and hard work, and established an industry-leading training organization. His hard work ethic, morals and enthusiasm has set an example for all with whom he worked with at DIRECTV. Mike Wittrock, Vice President, Field Services said "we will miss Dan's innovation, energy and leadership."

SBCA, DIRECTV and everyone Freeding has touched over the years will miss him dearly, but we know he will be around to swap stories and pass along advice to those he meets.

(Photo Credit: Brandon Young)

Membership

In 2010, SBCA undertook a major promotional effort to increase retailer memberships by offering free membership for the last two quarters of 2010. As a result, over 350 retailers joined. We expect a number of them to continue as paid members in 2011. Even without this campaign, SBCA saw its retailer membership increase by about one-third. In addition, the number of independent installation contractors increased six fold as a result of DIRECTV's new requirement that all contractors become SBCA certified.



Membership increased in almost every category from a total of 383 paid members in 2009 to 585 in 2010.

SBCA also increased its member benefits in 2010. In addition to current offerings in health insurance, personal insurance and pre-employment screening discounts, SBCA added supplemental insurance through Aflac. Furthermore, in partnership with several of its manufacturer and distributor members, SBCA has arranged for discounts on selected products and supplies for its members.

As an added resource, SBCA has developed and introduced an interactive licensing database for its members. This online tool provides detailed information on state and local licensing laws and regulations involving the installation of satellite equipment and is available with a click of the mouse. This invaluable tool can help installation professionals ensure that they comply with all applicable laws and regulations in the jurisdiction in which they work.

Public Policy and Outreach

Beyond its role in education, certification and member benefits, SBCA advocates on behalf of the industry to ensure its continued growth and well-being. SBCA has three major areas of focus: state licensing and regulation, consumer access to satellite services, and fair taxation. SBCA also relies on SKYPAC, the association Political Action Committee to make contributions to political candidates at the state level who support our industry.

State Licensing and Regulation

A number of states have regulations and licensing requirements that apply to the satellite installation process and installers. Other states are considering them. SBCA makes certain that the appropriate state agencies are informed regarding current practices and takes positions on the necessity of proposed rules or changes to existing rules. In 2010, SBCA spearheaded efforts to change or eliminate licensing requirements in Wyoming and Alabama and worked with legislators to introduce industry favored legislation in Minnesota.

Consumer Rights

SBCA provides information directly to consumers; fights illegal restrictions on the installation and placement of satellite dishes under the Over the Air Reception Devices rule ("OTARD")

Longtime Member Receives SBCA Board Resolution for 25 Years in Business

For Jeff LeHew, what started as part-time work turned into a prosperous career. While waiting to be accepted into graduate school to pursue a career in veterinary medicine, he fell in love with satellite TV.



Today, LeHew's company, Via Satellite

Inc., employs more people than ever, with four DISH Network Service locations in West Virginia and Virginia, as well as his retail location in Front Royal which installs several retail DISH Network jobs each month and is one of the largest WildBlue dealers in Virginia. Via Satellite Inc., services Northern Virginia to Washington, DC, as far North as Harrisburg, Pennsylvania, South to Richmond, Virginia and into West Virginia "farther West than a man should safely go," added LeHew in his southern accent.

Staying in business for 25 years hasn't always been easy for LeHew. "Every year I have never trusted the satellite business to be long term. I have always prepared to go out of business every year in case I needed to," he said with a focused tone. "I might have missed some business opportunities because I am too conservative, but it also has made us able to withstand the bad times," said LeHew.

Recalling a speech he gave in the 1990s when being awarded the SBCA Business Leader of the Year Award, LeHew said "I stayed up til 3 am looking in the mirror working on my speech, trying to figure out what to say." He contemplated talking about zoning ordinances or the many other challenges a satellite dealer faces. Then he decided, "Success boils down to paying the mortgages, putting three kids through school and having the money to stay in business." He summarized his speech, "Go to work every day. Eat, sleep and breathe it."

promulgated by the Federal Communications Commission. The law sets standards and a process for limiting restrictions on the placement of satellite dishes that could affect the ability of the consumer to receive a satellite signal. SBCA also was involved with 11 cities and towns with ordinances having O T A R D implications.

State Taxation

SBCA works closely with DIRECTV, DISH Network and a network of state lobbyists to assure that satellite subscribers are not subjected to unfair or discriminatory taxes. In 2010, SBCA worked with DIRECTV, DISH Network and others in the industry to defeat discriminatory tax proposals in seven states.

Marketing and Communications

SBCA completely overhauled its communications efforts in 2010. Going from one monthly newsletter, SBCA now sends at least one communication per week covering retailers, technology developments and member benefits. Our communications reach over 30,000 individuals in the industry.

SBCA also initiated a series of monthly webinars open to members. These online audio and video conferences cover a wide variety of topics including new products, education and training involving specific equipment and information about SBCA benefits and services. The webinars give our corporate members an opportunity to speak to our broader membership.



In the last four months of 2010, SBCA fielded close to 80 OTARD inquires, more than it received the previous eight months of the year.

SkyFORUM

SBCA held its first online trade show and conference in 2009 and the second in November 2010.

Although SkyFORUM 2010's attendance levels were down from 2009, attendees had a positive experience and are excited to see what will be available in 2011. There were 1,033 registrants and around 590 who attended SkyFORUM 2010 (about 540 attended the live day). The number one reason for not attending was lack of time. 91% of those that registered but didn't attend in 2010 said they will attend in 2011. Most of the attendees found out about SkyFORUM from an SBCA email, but partner communications also played a key role.

96% of this year's attendees said they will attend next year and 76% of those attendees responded that they would recommend the event to another person in the industry.

The request for more technical information was high among attendees, but more information on new products in the Satellite, Broadband and Consumer Electronics industries was a close second. Attendees polled also indicated that they want more information geared toward technical procedures and techniques as well as general business information and tips on how to generate sales.

The top complaint of attendees was the lack of exhibitors and that the 2010 exhibitors lacked new information. 63% of attendees want more manufacturers, 55% want more residential products, 53% would like to see consumer electronics products and 43% want more commercial products.

The current plan for 2011 is to host SkyFORUM but add more exhibitors and presentations.



Conclusion

With significant accomplishments made in every department as well as a projected surplus for 2010, SBCA ended 2010 and moves into 2011 in a stronger position than it started the year. Keep up to date on SBCA by visiting our website, www.sbca.org.

2010 Board of Directors

Andrew Reinsdorf, *DIRECTV Chair*, Jeffrey Blum, *DISH Network Vice Chair*, Greg Frasca, *Sky Web*
Lee Hess, *Installs, Inc.*, Vern Swedin, *PACE International*, Tom Haywood, *Applied Instruments*
C. Scott Hisey, *UniTek USA*, Michael Scherr, *CASE-SRS Distribution*, Dave Robison, *DSI Systems*