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C-COM Satellite Systems Inc. (CMI: TSX-V)

Date: May 12, 2008
Price: \$0.35



KEY INFORMATION

Fiscal Year-end	November 30
52-Week High/Low	\$0.55 - \$0.26
3-Month Avg. Daily Trading Volume	15,282 shares
Market Capitalization	\$11.2 million
Enterprise Value	\$9.3 million
Book Value per Share (Feb 29)	\$0.13
Current Ratio	8.0
Gross Margin	37-45%
LT Debt to f2007e CF	0.0
LT Debt to Equity	0.0
Price to f2007 Earnings	8.4
Price to f2008e Earnings	7.0

FINANCIAL DATA (000's of Canadian Dollars)

	3 Months Feb 29		Yr Ended Nov 30	
	2008	2007	2007	2006
Revenues	1,542	1,464	7,350	6,409
Net Income	38	32	1,323	304
per share	0.001	0.001	0.042	0.010
Cash Flow	110	(135)	957	215
per share	0.003	(0.004)	0.030	0.007

BALANCE SHEET (as at February 29, 2008)

Current Assets	\$ 4,101,684
Total Assets	4,687,188
Current Liabilities	514,071
Long-Term Debt	nil
Shareholders' Equity	4,173,117

SHARES OUTSTANDING (as at February 29, 2008)

Basic	* 32,113,997
Fully-Diluted	36,061,516

* management and insiders own approximately 37% of the company's issued and outstanding common shares

Highlights:

- 16 consecutive quarters of profitability
- record 2007 results with revenues of \$7.3 million and earnings of \$0.04 per share
- positive working capital of \$3.6 million (\$0.11 per share) and no debt.
- increasing exposure in new international regions & markets

COMPANY OVERVIEW

C-COM Satellite Systems was incorporated in December 1997 and listed on the TSX Venture Exchange on July 24, 2000. The company is a leader in the development, manufacturing, and deployment of fully automated, self-aligning mobile satellite-based technology for the delivery of two-way, high-speed Internet, VoIP and Video services.

The company has its head office in Ottawa, Ontario, and in May 2007 opened a service and support centre in Beijing, China. In July 2007, C-COM Satellite was selected to supply its products to the government agency responsible for disaster management in China.

The company's main product is its iNetVu Mobile Antenna System which is a proprietary auto-deploying satellite antenna system that allows the delivery of high-speed satellite based Internet services into stationary vehicles virtually anywhere in the world. The iNetVu system mounts easily on top of vehicles or transportable platforms, automatically deploys and locks onto the selected satellite within minutes by a press of a button, and delivers broadband Internet, VOIP, and video over satellite. The iNetVu Mobile Antenna System is used by Police, Fire, Disaster Management, Homeland Security, Mobile Medical, News Gathering, Natural Resources, Construction, Bookmobiles, Mobile Office, Recreation Vehicles, Oil & Gas Exploration and more.

C-COM also provides a one-stop, cost effective solution for fixed 2-way high-speed Internet serving SME VSAT networks, SOHO broad-

band applications, and home or cottage requirements. Through its extensive Dealer Network, C-COM delivers high-speed access to locations throughout North America that are generally located beyond the operating range of DSL and Cable services.

FINANCIAL SUMMARY

For the year ended November 30, 2007, the company posted record revenues and earnings. Revenues for the year increased by 15% to \$7.3 million compared to \$6.4 million during the same period in 2006 while net income was \$1.3 million or \$0.042 per share, an increase of 335%. For the first quarter of fiscal 2008 ended February 29, sales increased by 5% to \$1.5 million with net income of \$38,136. This was the company's 16th consecutive profitable quarter. While sales of fixed 2-way satellite-based Internet services generated lower revenue in Q1 compared to the prior year, C-COM's flagship iNetVu Mobile platforms showed a 27% increase in revenues. Approximately 79% of Q1 sales were derived from non-Canadian sources. The company exited the first quarter with positive working capital of \$3.6 million (\$0.11 per share) and no long-term debt.

The strong sales and profitability during 2007 are a direct result of market acceptance of the company's core products and inroads into new markets. C-COM is anticipating continued growth in fiscal 2008. New orders are expected to increase from China and globally and the company is also experiencing an increase in demand for the iNetVu Mobile products from the resource sector as well as the military.

RECENT DEVELOPMENTS

In mid-October 2007, C-COM received a \$475,000 order from one of its European resellers for its iNetVu mobile units for use by one of the armed forces of a NATO member country.

In January 2008, C-COM announced that it had completed the integration of its iNetVu mobile antenna systems with Shin Satellite's IPSTAR broadband satellite, Asia's largest satellite broadband system. The IPSTAR network has extensive coverage in 8 countries with 11 gateways including Australia, Cambodia, China, Laos, Thailand, Myanmar, New Zealand, and Vietnam. The Malaysian, Filipino, and Indonesian gateways are under construction.

In February 2008, the company delivered several iNetVu mobile antennas to Hughes Network Systems LLC, the world's leading provider of broadband satellite networks and services. Hughes will utilize the iNetVu antennas to provide its HughesNet broadband satellite service to the remote oil and gas service sector. C-COM further announced that its iNetVu antenna systems are going to be deployed by China Netcom, the third-largest telecom operator in China and the official partner of the 2008 Olympic Games. In late February, the company also introduced its new high-performance satellite antenna controller and extended its basic product warranty to 24-months.

C-COM was recognized in 2007 for the second time in a row by Profit Magazine's PROFIT 100 award for being one of Canada's fastest growing companies.

SUMMARY

C-COM Satellite is a profitable, emerging company with excellent potential for further sales growth. The company is infiltrating new significant sales regions and is experiencing increased demand from large organizations which could have a substantial impact on future revenues. C-COM has a strong balance sheet with positive working capital of \$3.6 million or \$0.11 per share and no debt. The company is presently trading at a price to earnings multiple of less than 10 times and at a p/e ratio of less than 6 times net of the working capital surplus.

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