CONNECT

RECENT NEWS ABOUT SPACENET CUSTOMERS, TECHNOLOGY AND SERVICES

INDUSTRY FOCUS: RESTAURANT AND HOSPITALITY

Long John Silver's. Boston Market. Dairy Queen. Bob Evans. Steak 'n Shake. Perkins. T.G.I. Friday's. Friendly's Ice Cream. Longhorn Steakhouse. Golden Corral. What do all these enterprises have in common?

Clearly, they're all restaurants. To us, of course, they're all Spacenet customers. But why did they all choose Spacenet?

"IT'S CLEAR THAT THE RESTAURANT INDUSTRY as a whole has really accelerated its use of IT to help improve profitability and customer service," said Spacenet Director of Marketing and Product Management David Myers. "There's been a real proliferation of applications and services geared toward maximizing efficiencies throughout a restaurant's operations—from inventory management in the back office to accepting payment at the point of sale. Every one of these applications requires secure, high-speed connectivity. And, in the case of large multi-site operations, nationwide availability is also critical. That's where Spacenet comes in."

INDEED, A RANDOM SURVEY OF SPACENET'S restaurant customers backs this up. Observations like "…it works everywhere," or "…it's fast, and I know I can count on it, anywhere in the country" dominate the responses. Beyond this, Spacenet's high reliability and service uptime are regularly cited as reasons why our restaurant customers are happy to recommend Spacenet to their colleagues.

And that's probably the number one reason why Spacenet has so much traction in the restaurant industry, says Myers. "Much of our business in the restaurant sector comes from positive word-of-mouth from our existing customers, something for which we're very thankful."

>> **"MUCH OF OUR BUSINESS IN THE RESTAURANT SECTOR COMES FROM POSITIVE WORD-OF-MOUTH FROM OUR EXISTING CUSTOMERS."**

DAVID MYERS, SPACENET DIRECTOR OF MARKETING & PROJECT MANAGEMENT

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new customers

SPACENET SIGNS NEW ENTERPRISE CUSTOMERS

2003 has been a big year so far for Spacenet, with numerous large enterprise customers choosing Connexstar for their WAN service needs. These new deals reflect Connexstar's effectiveness at meeting evolving enterprise communications needs. Recent Spacenet contract awards include:

- **Golden Corral** contracted with Spacenet to deploy Connexstar 500 service at its nearly 500 restaurants across the country. Applications to be supported include credit authorization and web access.

- Connexstar Enterprise service will be deployed at a minimum of 750 **NAPA** auto parts detailers

- Fortune 100 grocery and retail giant **Kroger** has selected Spacenet for an advanced satellite network to support nationwide video, voice and data efforts

- **LongHorn Steakhouse** and **Bugaboo Creek Steakhouse** parent **RARE Hospitality, Ltd.** chose Connexstar 500 service to power their restaurant network

- **Wendy's** and **KFC** stores operated by large restaurant ventures **Valenti Management** and **Bartlett Management Services** are now using Spacenet for their connectivity needs

- **Bob Evans Farm** signed a contract extension with Spacenet to provide broadband networking to their 518 locations until 2008

- Leading southern retail chain **Beall's Outlet Stores** chose Spacenet to serve up to 600 locations with a satellite network supporting current point of sale and credit authorization technology as well as future applications like store security video and videoconferencing

- **Dairy Queen** selected Spacenet's Connexstar 500 service as the networking solution for its stores nationwide

- **Diebold** has become a value-added reseller of Connexstar service, and will be integrating Connexstar's always-on broadband connectivity with its automated teller machines (ATMs) and security systems

- Thus far in 2003, Spacenet's VSAT technology has been chosen for networks serving **more than 10,000 state lottery outlets** in California, New York, Minnesota, Kansas and Idaho

…and that's just a few of the larger awards so far this year. Be sure to read Spacenet's periodic e-mail news updates for information on a number of announcements coming up soon. For more information on any of these recent awards, view Spacenet's online press release archive at www.spacenet.com/about/media/releases/, or just ask your Spacenet representative for details or case study information.

CHANNEL FOCUS: DIEBOLD

Spacenet markets Connexstar service directly to the end customer, as well as through a growing number of Spacenet-approved distribution channels. Our channel partners bring unique insights on their industries, expanding Spacenet's abilities to penetrate critical new markets. At Spacenet, our channels are more than just distributors for our services— we consider them partners in Connexstar's future. So it is with this month's featured channel, **Diebold.**

DIEBOLD IS A GLOBAL LEADER in providing integrated, self-service delivery systems and services—principally in the form of automated teller machine (ATM) kiosks. Diebold, headquartered in North Canton, Ohio, employs more than 13,000 associates in more than 88 countries worldwide. Diebold came to Spacenet with a bold vision: to revolutionize the ATM industry by extending broadband IP connectivity to ATMs across the country. Connexstar proved to be the perfect service for realizing that vision.

Diebold's decision is paying off. In June, the company announced that it was going to begin rolling out Connexstar-powered ATM systems to AmeriStop locations throughout the Midwest and the Mid-Atlantic regions. AmeriStop's requirements are a perfect fit with Connexstar: the stores have a wide regional footprint, and a good number of them are located in areas where reliable, broadband IP connectivity is unavailable or cost-prohibitive.

Though Diebold's initial plans center on ATM connectivity, they expect AmeriStop to add in-store music and broadband Internet connectivity— two of Connexstar's modular value-added services—in the near future.

>> **DIEBOLD CAME TO SPACENET WITH A BOLD VISION: TO REVOLUTIONIZE THE ATM INDUSTRY BY EXTENDING BROADBAND IP CONNECTIVITY TO ATMS ACROSS THE COUNTRY.**

global leader

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services

expanded

>> **A VARIETY OF VALUE-ADDED SERVICES ARE NOW AVAILABLE TO ENHANCE YOUR CONNEXSTAR NETWORK. CONTACT YOUR SPACENET REPRESENTATIVE FOR MORE INFORMATION.**

SPACENET INTRODUCES NEW SERVICE OPTIONS FOR CONNEXSTAR

A variety of value-added services are now available to enhance your Connexstar network. Contact your Spacenet representative for more information on:

SECURE BACKHAUL CONNECTION

Provides IPSec-encrypted connectivity between the Connexstar hub and any data center of your choice to create a true secure WAN.

CREDITCONNECT(SM) CREDIT/DEBIT CARD AUTHORIZATION

Enables sub-five-second credit/debit authorizations using the satellite connection rather than a telephone line. Requires the use of Spacenet-certified point of sale equipment.

IN-STORE LICENSED MUSIC FROM PLAYNETWORK™

Basic service includes licensed music content, updated monthly. Choose from a variety of music channels—or for an additional charge, design custom music playlists specific to your environment (minimum site number applies). Requires the purchase of a PlayNetwork store-and-play Ethernet device.

ENHANCED NETWORKING OPTIONS (ENO)

A variety of advanced LAN-oriented networking options (including DHCP/NAT functionality for the Connexstar IDU and additional IP address allocations) are available for an additional fee.

SURECAST™ MULTICAST FILE DELIVERY

Allows you to deliver files or other content simultaneously to all your sites or to selected sites only, easily configurable through Spacenet's web-based multicast management tool.

DIAL BACKUP SERVICE

Provides automatic backup connectivity via a modem and landline in the event of a primary path outage. Requires external modem and customer-provided telephone line.

CONNEXSTAR PRODUCT LINE EXPANDED WITH NEW SERVICE PACKAGES

Spacenet has broadened its Connexstar service to include a range of turnkey packages designed to match popular usage profiles (including an all-new rapid-deployment transportable service option). Connexstar now covers a broad range of solutions, from application-optimized, off-the-shelf packages to completely customized individual network solutions.

CONNEXSTAR STANDARD SERVICES offer available-anywhere, always-on connectivity at rates from 128 kbps up to 1000 kbps on our business-only satellite network. Connexstar Standard service includes commercial-grade installation, lifetime equipment warranty, help desk support, and optional on-site maintenance packages.

CONNEXSTAR ENTERPRISE NETWORKS are designed and tailored specifically to match each individual customer's needs. Equipment, data rates, maintenance and support can all be customized to meet our customers' specific requirements, and the networks are finely tuned to provide maximum performance for customers' specific applications.

For more details, contact your Spacenet representative today or visit us at www.spacenet.com.

CONNEXSTAR STANDARD SERVICE PACKAGES

CX-TRANSACT
- Fast connectivity exclusively for credit/ATM transactions.

CX-150
- Up to 64 kbps upstream and 150 kbps downstream
- Includes Internet/intranet access for up to five company-approved sites
- Designed for point-of-sale, credit, ATM and other retail applications with limited web/e-mail access needs

CX-500
- Up to 128 kbps upstream, 500 kbps downstream
- Provides full Internet/intranet/e-mail access
- Designed for point-of-sale, credit, ATM and other retail applications plus web/e-mail access

CX-1000
- Up to 256 kbps upstream, up to 1000 kbps downstream
- Provides full Internet/intranet/e-mail access
- Designed for full range of retail applications plus high-speed web/e-mail/file transfer access as well as bandwidth-intensive applications such as video/distance learning/web conferencing

CX-TRANSPORTABLE
- Deployable virtually anywhere in less than 10 minutes
- Includes Connexstar equipment plus transportable/mountable self-pointing equipment for automatic self-setup—no installer required
- Works with Connexstar Standard packages (CX-500 or CX-1000)

CONNEXSTAR ENTERPRISE SERVICES

CX-ENTERPRISE
- Completely configurable speeds and throughput tuned to your needs to ensure fully optimized price/performance (never pay for bandwidth you don't need!)
- Customized network engineered to work best with your applications
- Wide range of optional service enhancements and features can be bundled in, with Internet-accessible or private-only networks

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spacenet news

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in brief

IN BRIEF:

SPACENET UNVEILS WEBSITE UPDATE

On June 1, Spacenet debuted its updated website at www.spacenet.com. The new site features a wide range of new information on Spacenet's technology and its solutions for customers and channel partners. Spacenet.com now provides a centralized resource for information on Connexstar services and Spacenet products, including company information and press releases, details on Connexstar service packages and optional features, and in-depth technical resources.

SPACENET AND CONNEXSTAR IN THE NEWS

Over the last few months, the rapid pace at which Spacenet has added new customers caught the attention of a number of leading trade publications, including:

— **Chain Store Age,** July 2003: "Sky's the Limit With Satellite Technology"

— **Executive Technology Magazine,** May 2003: retail giant Beall's signing with Spacenet

— **Nation's Restaurant News,** May 5, 2003: Dairy Queen's selection of Connexstar

— **National Petroleum News,** May 2003: feature article on convenience store point of sale technologies prominently features Spacenet's solutions

— Lottery industry bible **LaFleur's,** May and June 2003: news articles on Spacenet's successes in the lottery industry, with special focus on the Minnesota and Kansas lotteries

— **Convenience Store Decisions,** April 2003: feature article covers VSAT networks, focusing on Spacenet's work with Cumberland Farms.

These stories and more can be found in the "Spacenet in the News" section of the new Spacenet website. Look for further press coverage on Spacenet's other Connexstar deployments later this summer in Stores magazine, QSR magazine and Hospitality Technology, among many others.

IN BRIEF:

SPACENET'S PARENT GILAT COMPLETES ITS FIRST QUARTER UNDER NEW SENIOR MANAGEMENT

Under the leadership of a new board of directors (led by Shlomo Rodav) and a new CEO (former cellular industry leader Oren Most), Gilat Satellite Networks issued its first quarterly earnings report since the company's restructuring. Details of the announcement can be found at www.gilat.com.

SPACENET CONTINUES TO DOMINATE U.S. LOTTERY MARKET

During the first half of 2003, Spacenet continued to expand its presence in the American lottery industry. As a result of its successes in California, New York, Kansas, Minnesota and Idaho, Spacenet increased the number of VSATs it has supplied to the lottery industry to more than 19,000 across 12 states.

Though all of this year's successes are important achievements for Spacenet, the network deployed by Spacenet and lottery services provider GTECH in Minnesota was particularly noteworthy. That's because the Minnesota Lottery deployed the first all-IP (Internet Protocol) lottery network over satellite in the United States.

When asked why Minnesota chose to go IP over satellite, Don Masterson, Director of Operations for the Minnesota Lottery, said they went that route because of "the elimination of the need for telephone lines and the interface to the dozens of telephone companies across the state." Masterson added that going satellite "reduces the lead-time for an install from 30-45 days down to a day or two... and it dramatically increases the bandwidth to and from the retailers."

This last point is important to the Minnesota Lottery, as they plan to use their Spacenet network in the future to distribute pictures of missing children, perform in-store security functions and support other broadband, media-rich applications.

Traditionally, lottery networks have been narrowband affairs, designed for one thing only: issuing lottery tickets. Furthermore, they frequently used industry-specific protocols that made adding off-the-shelf point-of-sale applications difficult. Now, with the Minnesota Lottery's forward-looking step into IP, Spacenet, its partner GTECH and the Minnesota Lottery are poised to redefine what an in-store lottery experience can be.

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>> **THE NETWORK SERVICES GROUP IS PART OF SPACENET'S OPERATIONS TEAM, AND IS RESPONSIBLE FOR DESIGNING, IMPLEMENTING AND MAINTAINING SPACENET'S VSAT NETWORK HUBS.**

SPACENET BEHIND THE SCENES: NETWORK SERVICES

Spacenet's dedicated staff works hard to ensure that all of our customers enjoy the optimum in service quality and technical support. This month, Connect interviews Nitin Bhat of Spacenet's Network Services Group.

CONNECT: Can you tell us a bit of information about yourself?

NITIN: I graduated from Virginia Tech with a masters' degree in wireless communications. I have been in the networking field for more than 15 years, and 10 of those years have been in the satellite industry.

CONNECT: What is your role at Spacenet?

NITIN: At any given time, I may be wearing the hat of the Manager or Principal Engineer of Spacenet's Network Services Group. The Network Services Group is part of Spacenet's Operations team, and is responsible for designing, implementing and maintaining Spacenet's VSAT network hubs. In addition, we provide 3rd level support for our customers.

I have a number of core responsibilities. One is to support our sales and marketing staff when we are working to size a potential customer's network and determine application compatibility. Then, once the customer makes the decision to go with Connexstar, the network services group is responsible for designing and architecting the customer's production network.

The Network Services Group also has primary responsibility for designing and implementing new features for our Connexstar services (such as dial backup, CreditConnect service, and others). We also help our production customers implement support for these new applications into their production networks.

CONNECT: How involved are you with customers as part of your duties?

NITIN: Well, we have numerous production customers and 20 pilot networks presently. My group has been involved with every one of our customers at one time or another, either in moving them to our production hubs or helping to support new applications.

CONNECT: If customers have questions about supported applications or getting things to work with their network, what is the process?

NITIN: If a customer plans to deploy a new application, they should contact their program manager. The program manager will then work with my group to develop a test plan, and from there we can determine what tweaks might need to be made to the customer's network or if extra bandwidth will be required.