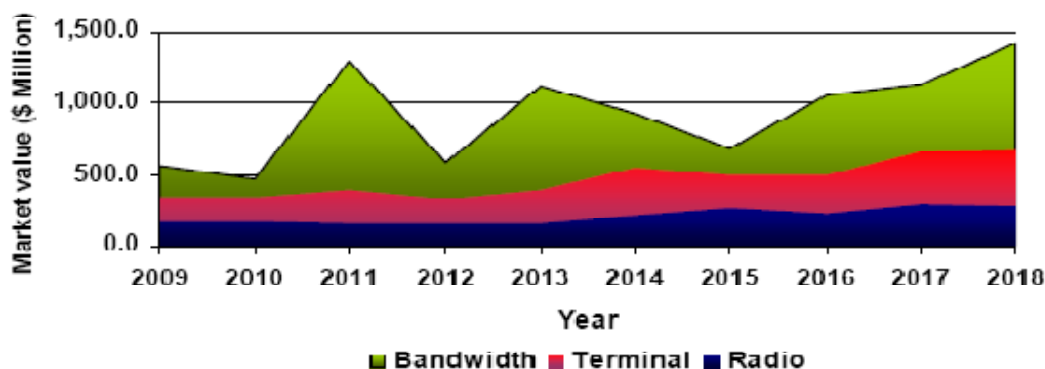


## Market Value Trends

STRATCOM Market: Key Order Winning Factor Index (Austria), 2009-2018



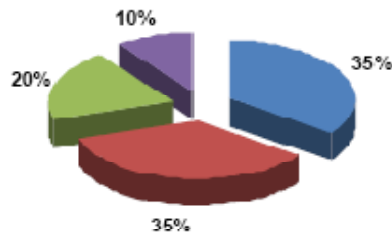
Source: Frost & Sullivan

- The spending in the European STRATCOM market is expected to peak in 2011, when most of the current programmes in larger markets will peak as well. The market to peak again in 2013, with new satellite launches with mostly EHF bands onboard. There is likely to be another surge in the market, about 2017 to 2018 due to new satellite launches, with mostly C/I and AC/I bands. The effort is geared towards the Europe-wide move to enable NCW in resonance with the United States.
- Frost & Sullivan forecasts a total of 18 satellite launches with mostly military payloads by 2018 from the current fleet of nine. Such robust growth in satellite launches could be attributed to a host of factors such as
  - Replacement of ageing fleet of satellites having 10-15 years of life span
  - Need for higher bandwidths and greater bandwidths to enable NCW and to support asymmetric warfare
  - Steady growth in demand from more rapidly developing eastern European countries.
- There is also likely to be higher spending in radio towards the end of the research period due to end-life overhauling in many European countries.

Executive Summary:  
Competitive Environment

In a highly competitive market place, market wisdom suggests us to find our blue ocean through pinning at things we are good at (i.e., through core competency)

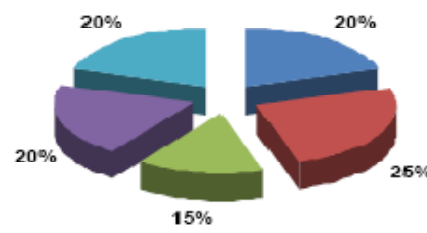
STRATCOM Market: MILSATCOM Competitive Market Share (Europe), 2008



Legend: EADS (Blue), THALES (Red), ND SatCom (Green), Others (Purple)

Note: Others include Finmeccanica, Raytheon, SWE-DISH, etc

STRATCOM Market: HF Radio Competitive Market Share (Europe), 2008



Legend: SELEX Comm. (Blue), Harris Corp. (Red), VT Marlin (Green), Thales Comm. (Purple), Others (Cyan)

Note: Others include Kongsberg, Rhode & Schwarz, Tadiran, etc

Source: Frost & Sullivan

- It is evident from the research that the radio component and the MILSATCOM component have their own market participants without overlapping each other. Therefore, the same company does not essentially compete in both the markets.
- In the MILSATCOM market, both THALES (Thales Alenia Space and Thales Land and Joint Systems included) and EADS (EADS Astrium and Paradigm included) enjoy almost equal presence and they, together, control almost 70 per cent of the market. However, ND SatCom GmbH is likely to grow steadily in emerging European markets with its focused strategy on system integration solutions and mid-to-mini sized terminals.
- In the radio market, Harris Corporation retained traditional ascendancy due to its new-found market in eastern Europe. Thales Communications and SELEX Communications have almost equal market presence. VT Marlin will probably retain its footprint in the largest European market, the United Kingdom and gradually expand in other markets such as Norway.
- Markets such as France, Spain and Turkey are generally more favourable playgrounds for their national companies. Spain and Turkey could be promising for companies willing to help build their indigenous capabilities.

Country  
Analysis:  
Segmentation

European STRATCOM market can be treated as a three-tiered market, based on varying long-haul communication needs, funding affordability as well as time and scale of adopting MILSATCOM capability as the prime means of STRATCOM

Advanced Markets

- UK - \$2.33 Billion
- France - \$1.80 Billion
- Germany - \$2.20 Billion
- Italy - \$1.66 Billion
- Spain - \$1.39 Billion

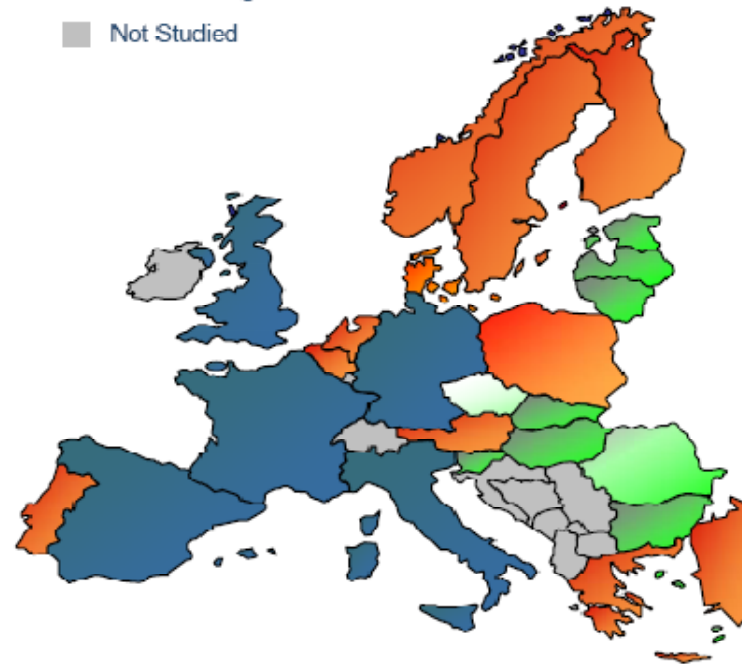
Fast Moving Markets

- NL - \$616 Million
- Sweden - \$435 Million
- Austria - \$312 Million
- Belgium - \$329 Million
- Norway - \$400 Million
- Portugal \$377 Million
- Greece - \$588 Million
- Finland - \$370 Million
- Poland - \$432 Million
- Denmark - \$336 Million
- Turkey - \$623 Million

Slow Moving Markets

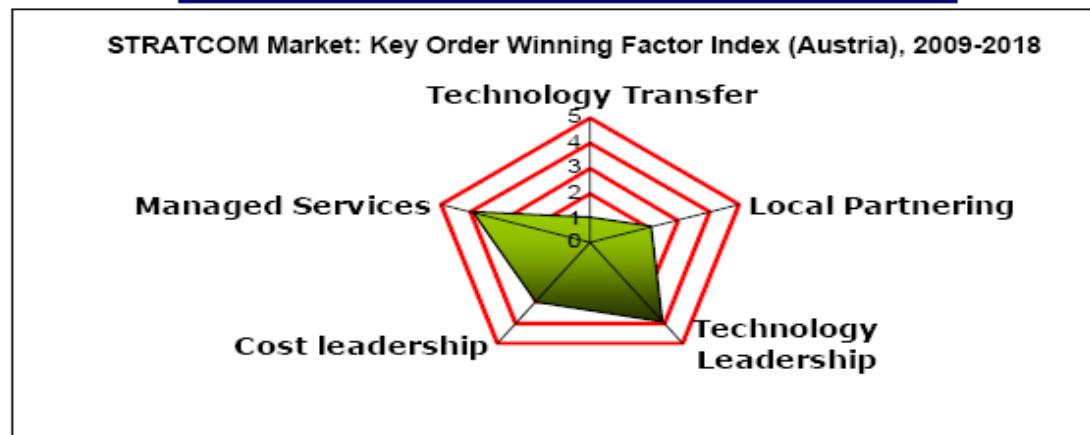
- Bulgaria - \$302 Million
- Baltics - \$267 Million
- Czech - \$387 Million
- Slovakia - \$166 Million
- Slovenia - \$131 Million
- Romania - \$190 Million
- Hungary - \$228 Million

- Advanced Markets
- Fast Moving Markets
- Slow Moving Markets
- Not Studied



**Austria emphasises on HF being maintained as an independent long-haul communication backbone, side-by-side MILSATCOM capability**

## Key Order-winning Factors



Source: Frost & Sullivan

With regard to Austria, the managed services offering, together with advance technology appears to be having greater influence in procurement decision making. They also emphasises on cost, but usually do not keep technology transfer or local industry development issues in hindsight when they make the decision for procurement.

## Market Attractiveness

Austria offers less market opportunities in contrast to its economic affordability. However, due to interoperability and integration needs, the Austrian MOD is acquiring SATCOM capability under Force Modernisation Project 2010, which may result in increased investment in STRATCOM.