

Airvana: Summary Transaction Overview at Entry

Overview		Transaction Structure																					
Business Description	■ Leading provider of 3G mobile data software solutions in North America	<pre>graph TD Lenders((Lenders)) -.-> Acquisition Debt EVDO[EV-DO ("Bond")] Holding[Holding Company] -- 100.0% --> EVDO EVDO -- 100.0% --> Femtocell[Femtocell ("Call Option")] Femtocell -- "(\$28mm of cash on balance sheet to fund losses)" --> Femtocell Femtocell -- "Cash Flow Sweep" --> EVDO</pre>																					
Closing Date	■ Acquisition: April 9, 2010 ■ Exit: Bond sale – September 5, 2013 ■ Exit: Call sale – September 4, 2015																						
Capital Structure at Entry	■ Total Equity & Debt: \$305 mm ○ Total Equity: \$136 mm ○ Total Debt: \$169 mm																						
Co-Investors	■ Sankaty Advisors ■ GSO ■ ZM Capital ■ Rosemont Solebury Capital ■ Company Founders																						
Executive Partners	■ Merle Gilmore, Michael Seedman, Rod Randall																						
Entry Valuation & Liquidity/Leverage		Entry Summary Financials (FY December 2009A)																					
Valuation	■ TEV⁽¹⁾ / PF 2009A Bond EBITDA: 2.8x	<table><tr><th>\$ in millions</th><th>EV-DO (Bond)</th><th>Femtocell (Call Option)</th><th>Other⁽³⁾</th><th>Total</th></tr><tr><td>Billings Revenue⁽⁴⁾</td><td>\$145</td><td>\$7</td><td>-</td><td>\$152</td></tr><tr><td>PF EBITDA⁽⁵⁾</td><td>\$97</td><td>(\$55)</td><td>(\$8)</td><td>\$34</td></tr><tr><td>% Margin</td><td>66.7%</td><td>NM</td><td>NM</td><td>22.1%</td></tr></table>		\$ in millions	EV-DO (Bond)	Femtocell (Call Option)	Other ⁽³⁾	Total	Billings Revenue ⁽⁴⁾	\$145	\$7	-	\$152	PF EBITDA ⁽⁵⁾	\$97	(\$55)	(\$8)	\$34	% Margin	66.7%	NM	NM	22.1%
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Liquidity/Leverage	■ \$28 mm of cash on balance sheet at close to fund potential Call Option business losses ■ Net Debt⁽²⁾ / PF 2009A Bond EBITDA: 1.7x																						

Note: Please see Appendix--Footnotes" and "Sirius Disclaimer" and "Case Studies" for important information, additional considerations and definitions.

(1) The Call Option division reported negative EBITDA at the time of acquisition. Sirius included the cash left on the balance sheet to fund the Call Option division losses in the TEV calculation and then divides the TEV by the legacy Bond division EBITDA to arrive at the purchase multiple. Total Enterprise Value ("TEV") = \$168.6 mm total debt + \$136.0 mm total equity - \$29.1 mm transaction expenses - \$7.5 mm minimum cash = \$268.0 mm / \$96.9 mm PF 2009A Bond EBITDA = 2.8x.

(2) Net Debt = \$168.6 mm total debt (including management preferred equity of \$8.6 mm) - \$7.5 mm minimum cash = \$161.1 mm net debt / \$96.9 mm PF 2009A Bond EBITDA = 1.7x.

(3) The Company incurred \$8.0 mm of expense not allocated to the business units (\$5.9 mm related to stock compensation and \$2 mm related to the Sirius I acquisition of Airvana).

(4) Consolidated company (including Femtocell) Billings and EBITDA excludes \$22 mm of Billings that were invoiced in 2008, but stayed as part of the Nortel bankruptcy. The company's public filings include the \$22 mm as part of 2009 Billings.

(5) Pro forma EBITDA for Bond only consideration in purchase multiple whereby Call Option reported negative EBITDA.



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