

## Skyware targets global presence

Over the past year, Satellite Holdings LLC, a buyout vehicle formed by private investment firms The Edgewater Funds and Granahan McCourt, has made a series of strategic acquisitions in the integrated satellite antenna space, snapping up UK-based Raven Group, the DTH, VSAT and RF business units of ASC Signal Corp and Philips subsidiary Skyware Radio Systems. Those assets were recently merged under the name **Skyware Global** and the company is now looking to build a global footprint.

Speaking to SatelliteFinance, David McCourt, CEO of Satellite Holdings and founder of Granahan McCourt, explained the reason for the name change and company's investment rationale.

"The acquisitions extended our product set and capabilities, and we felt we needed to clear this up for our customers. We had to pick a name that exemplified our business and simplified our offering, so we chose Skyware. As to the rationale behind the acquisitions, the most important thing was to fulfil our customer objectives and operators are looking for a global platform. So the acquisitions were to both expand our global presence worldwide and to bolster our product offering."

Regarding whether Satellite Holdings would make further bolt-on acquisitions, McCourt said: "Some people have approached us and if we find something that we really need then we will look at it, but we don't have anything in our pipeline at present."

Unlike the traditional buyout model, Satellite Holdings did not partially fund the acquisitions through debt. McCourt said that The Edgewater Funds and Granahan McCourt Capital used virtually no leverage and that both parties purely invested equity.

He added: "I am very different from the typical private equity guy. I am not a trader, I'm an operator. I am in it for the long haul."

Indeed, rather than having a background in finance, McCourt is a 25-year veteran media and communications entrepreneur and pioneer, who has founded or bought 14 companies in seven countries.

Among these are Boston-based Corporate Communications Network, the first competitive phone company in the US that merged with MFS Communications and was subsequently sold to WorldCom for US\$14.3bn.

McCourt also established the first independent television station in Grenada, Discovery TV, and with London-based McCourt/Kiewit International, McCourt built the first cable competitive cable systems in the UK. In 1996, he founded RCN Corp, which is credited with being the first company to offer bundled triple play services.

So why has he moved into the satellite sector? McCourt argued: "I think I understand the telecommunications business pretty well. I have been around for the big technology shifts and I believe that satellite broadband is one of them. It is a very cost effective means of supplying broadband to remote areas."

He added: "There are a lot of places around the world coming online now and looking to build out the necessary internet infrastructure, particularly in areas such as China, India and the Middle East.

"Satellite can play an important part in this." While the likes of Hughes and ViaSat are well established in developing satellite broadband equipment, McCourt said he did not view them as rivals. "We are complementary to them and can work with them," he remarked.

For McCourt, the future growth of Skyware relies on satisfying customer demand. He said that he now spends much of his time meeting customers around the globe speaking to existing and potential customers and this in turn drives Skyware's business strategy. If that requires more investment then Skyware's backers will remain supportive. McCourt said: "Building a global footprint is a pretty big and expensive task, and that is what we are trying to do."



David C. McCourt  
Chairman & CEO of Skyware Global