

Interview with John B. Higginbotham

Chief Executive Officer, Integral Systems, Inc.

>> Tell us a bit about Integral Systems' business model and capabilities.



Integral Systems is committed to delivering integrated solutions for command and control, radio-frequency, and network management needs that blend the efficiency and reliability of commercially available hardware and software enhanced with advanced system engineering capabilities.

Our enhanced COTS products are architecture and bus agnostic and are updated and upgraded as technology evolves. We release commercial upgrades to our software several times each year. We employ our strong systems engineering skills to ensure our products are tailored to provide a best-value solution to achieve customers' mission-specific goals.

For 26 years, Integral Systems has set an exemplary standard of performance in providing solutions that meet critical customer requirements, on-schedule and within budget. This performance has allowed us to move forward and begin to address critical needs for delivering reliable capabilities beyond the space industry, extending to land, sea, and air applications.

>> What is Integral Systems history in the Asia Pacific region?

We have been providing satellite command and control systems in the region since 1994. Through our subsidiaries, SAT Corporation, Newpoint Technologies, and RT Logic, we have also provided satellite signal monitoring systems and equipment, signals processing, and network management systems since 1989.

Integral Systems has systems deployed throughout Asia. We offer a range of solutions for our customers from product-specific solutions to complete turnkey solutions and provide customers with the solutions to meet their needs today and in the future.

Our first system was provided in 1994 to ChinaSat for the ChinaSat-5 and ChinaSat-6 satellites. This

successful relationship continues. In 2008, Integral Systems supported China's broadcast of the Olympic Games from Beijing. Chinese Central Television (CCTV) broadcast the games using China Direct Broadcast Satellite Co. (China DBSAT) satellites. More than 92% of China's population viewed the Olympics through direct-to-home (DTH) channels. Through our wholly owned subsidiaries, Newpoint Technologies and SAT Corporation, Integral Systems supports China DBSAT's satellite network infrastructure, manage satellite payloads, and detect carrier interference. Integral Systems also supports customers such as SingTel/Optus, SKY Perfect JSAT, B-SAT, AsiaSat, NSPO of Taiwan, THAICOM, Mitsubishi Electric Corporation, and MEASAT.

>> What factors do you attribute your success in the Asia Pacific Region?

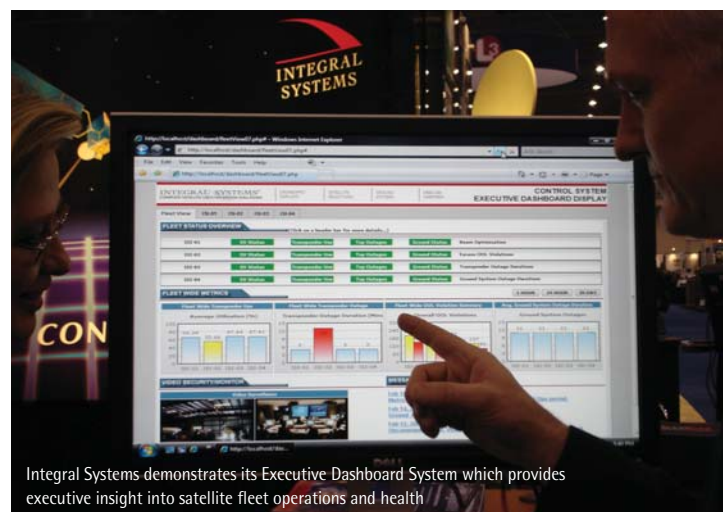
Integral Systems offers a complete set of commercial, product-based solutions to meet the needs of a wide variety of customers — and we are constantly innovating. Through our family of companies, we provide the most widely used satellite control software (EPOCH), industry-leading satellite RF processing and monitoring products (RTLogic), and award-winning network management software (COMPASS). This year, we also acquired the satID products and technology, which adds world class geolocation capabilities to our product and solution sets.

As our customers require, these products can be fielded as standalone elements or integrated with legacy systems. However, a significant differentiator for Integral Systems is that by using our integration expertise, combined with intimate product knowledge, we are able to offer customers a one-stop shop for turnkey solutions that satisfy mission-critical needs. For a typical satellite communications operation, this spans customer design and integration needs from RF/antenna systems all the way to complete network control solutions. We frequently provide turn-key ground segment solutions for our customers providing single-supplier efficiencies. This is particularly advantageous for our customers in the Asia Pacific region who often work with a global provider in a separate time zone.

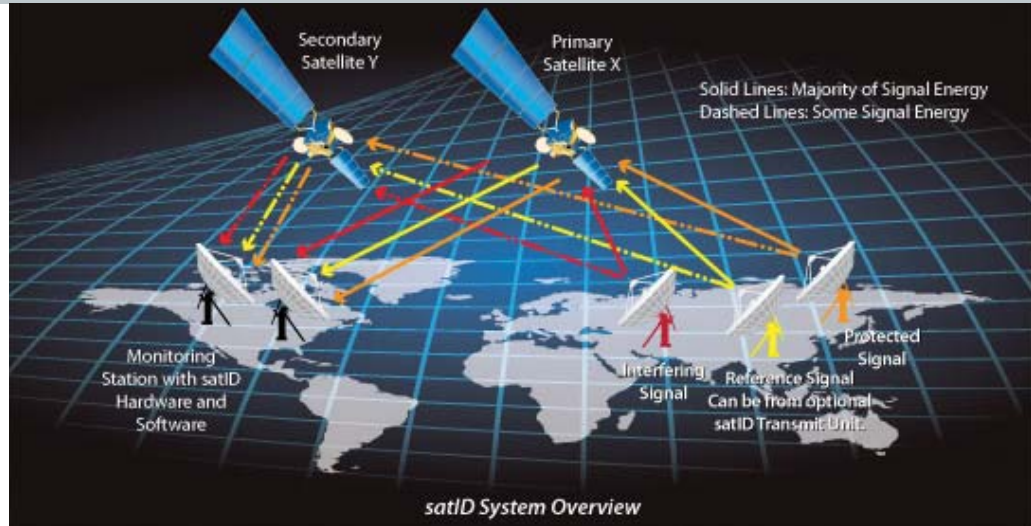
The single biggest factor contributing to business success in the Asia Pacific region is building valued, trusted relationships with customers — not always a simple thing to do from half way around the world. Integral Systems has successfully applied a multi-pronged approach to tackle the "long-distance relationship" issue. We have invested in a network of local representatives throughout Asia and we have dedicated executive management focused on our customer relationships in this region.

>> What do you expect for the future of your business in the Asia Pacific region?

We believe that we offer a significant value proposition for our all of customers. Our suite of products and complete solutions allow our customers to optimize their operations by adding new satellites to their fleet with little to no increase in staff. As customers work to maintain and improve their quality of service, we can easily expand their core ground segment capability with intelligent enhancements in signal interference, geolocation, frequency management, and network management.



Integral Systems demonstrates its Executive Dashboard System which provides executive insight into satellite fleet operations and health



Integral Systems acquired the satID products and technology in February 2009, adding world class geolocation capabilities to their product and solution sets

For example, satellite operators around the world use satID technology (acquired by Integral Systems in February 2009) to geolocate the source of satellite interferers, jammers, and unauthorized users to ensure quality of satellite service. We look forward to continuing to partner with our customers to provide value-driven solutions to optimize their quality of service and drive new levels of efficiency in their operations.

>> Given your background as an entrepreneur in the space industry, where do you see the industry in the future?

The space industry has gone through several stages of growth. The first wave of growth started in the mid-1940's and lasted through the 1960's. In this stage, civil and military government sponsorship was the main driver for the fundamental architecture of the industry. The 1970's brought about the second stage of growth, during which the methods for using space in areas such as satellite telecommunications, geo-positioning (GPS), and remote sensing, were defined and deployed.

I see that we are entering a third stage of growth. We are incorporating space-based and space-related applications into established economic sectors. As we move into the future, we will see the integration of mature commercial business models with the advanced capabilities of the industry delivering new levels of usability and efficiency for customers in virtually every developed economic sector.<

John Higginbotham is the Chief Executive Officer of Integral Systems, Inc., a global company providing integrated technology solutions for SATCOM-interfaced networks. Mr. Higginbotham is the founder and former managing general partner of SpaceVest Capital (now Redshift Ventures), an institutional venture capital organization for high technology companies. He also co-founded Intec, a globally recognized underwriting management leader for insurance and financial risk management services for aerospace companies, satellite communications operators, and national space programs. He started his career as with Hewlett Packard Company as product manager for their first microcomputers. He is the former Chairman, now Director Emeritus, of the Space Foundation, and is a member of a number of professional organizations including the IEEE, ASCE, and AIAA. Mr. Higginbotham was the recipient of the 2007 National Space Society Space Finance Award. He received his B.S. in civil engineering from Virginia Tech with Honors and his M.B.A. from Harvard Business School.