

Levinson John C
Form DFAN14A
March 26, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 14A
(Rule 14a-101)**

INFORMATION REQUIRED IN PROXY STATEMENT

**SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a- 6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to Rule 14a-12

ORBCOMM INC.

(Name of the Registrant as Specified In Its Charter)

John C. Levinson

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1. Title of each class of securities to which transaction applies:
2. Aggregate number of securities to which transaction applies:
3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
4. Proposed maximum aggregate value of transaction:
5. Total fee paid:

Edgar Filing: Levinson John C - Form DFAN14A

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
1. Amount Previously Paid:
 2. Form, Schedule or Registration Statement No.:
 3. Filing Party:
 4. Date Filed:
-

Unlocking Value from a Uniquely Positioned But Under-Managed Asset

Committee to Realize Value for ORBCOMM

Agenda

- I. Executive Summary**
- II. Chairman and CEO Have Presided Over Underperformance**
- III. Our Board Nominees and Our Action Plan**

I. Executive Summary

We Are Long-term ORBCOMM Shareholders Disappointed with Management's Consistent Underperformance

We have been consistently disappointed with the operational, financial and stock price underperformance of the Company under the management team led by Jerome and Marc Eisenberg

Long-term shareholders, not short-term traders looking for quick profit

Shareholder value has been destroyed, with stock price down 88% to \$1.27 ⁽¹⁾

Tired of watching the Company fail to deliver on substantial growth opportunities

We believe ORBCOMM has a unique and valuable collection of communications assets that positions it to be the leading service provider in rapidly growing M2M markets

32 satellites in orbit, only global commercial wireless messaging system optimized for narrowband communications

~12% market share in highly fragmented target markets with projected 70% CAGR over the next six years ⁽²⁾

Jerome and Marc Eisenberg have presided over what we believe has been a flawed business strategy compounded by ineffective management, jeopardizing the Company's growth prospects

Pursued flawed strategy of positioning Company as a pure wholesaler of satellite transport services

Passive management with limited market engagement capabilities, lacking applications & end-user customer focus

Has resulted in consistently disappointing subscriber and ARPU growth, key metrics to growing revenue and profit

Stated willingness to delay satellite replenishment schedule to conserve cash, jeopardizing growth

The current Board of Directors has presided over this period of underperformance

Directors Jerome Eisenberg and Marco Fuchs, who stand for re-election this year, have been directors of ORBCOMM since 2004, and directors of its predecessor company since 2001

Father and son relationship between Chairman and CEO creates manifestly inappropriate and unacceptable conflict of interest for both Messrs. Eisenberg, and concentrates overwhelming influence within one immediate family

- (1) % decline from IPO price of \$11/share to \$1.27 following 2008 earnings release on 3/16/2009
- (2) Market share and CAGR estimates per Harbor Research and Company presentation, based on connected devices

And We are Seeking Change that will Benefit All Shareholders

We believe that the Board s credibility must be restored through the election of two new independent Directors (one of whom we believe should immediately become the Company s CEO) who will be committed to holding management accountable for the Company s future performance

We are asking shareholders to vote in favor of:

Our two director nominees, Steven Chrust and Michael Miron, to replace the two directors up for re-election

De-staggering of the Board such that all directors stand for re-election at each year s annual meeting

We believe that the Board will benefit from our nominees entrepreneurial approach, fresh perspectives, operational experience and commitment to remedy the Company s failed strategies and stagnating financial performance and to deliver results and increase value for all shareholders

If elected, our nominees will work with management and the other Board members to represent all shareholders, and will seek to address ORBCOMM s underperformance by enhancing the senior management team, implementing a strategic re-direction and improving operational execution

We are seeking to strengthen the shareholder value orientation of the Board of ORBCOMM

Two of eight directorships to establish strong shareholder representation on the Board that will foster an open-minded, deliberative process, free of intra-family influences

Help the Company execute a new business plan that capitalizes on substantial growth opportunities and generates strong returns for the benefit of all shareholders

If Elected, Our Nominees Will Urge the Following Agenda

Appoint Michael Miron to the position of Chief Executive Officer

Mandate to execute aggressive growth plan that fully realizes the opportunities enabled by Company's assets

Draw on experience creating, developing and transforming businesses enabled or leveraged by information technologies

Evaluating operations and developing recommendations for improving performance and creating shareholder value

Implement a strategic re-direction by aggressively focusing on market engagement and by fostering the development and deployment of applications to drive subscriber and ARPU growth

Aggressive go-to-market strategy focused on end user applications critical to re-vitalizing subscriber growth

Substantial opportunities to introduce higher value-added functionality to drive ARPU increases over time

Objectively evaluate management's performance and augment the management team in vital areas, including the addition of senior market engagement officers

VP of Marketing and Sales, VP of Customer Engineering

Objectives and highly qualified candidates identified

Seek a capital raise of at least \$25 million to provide greater certainty that there is adequate cash for financing the full deployment of the next generation of satellites in a timely manner

We question Company's ability to finance in timely fashion from existing cash and operating cash flow

Management willing to defer launch schedule to conserve cash, jeopardizing future growth

Various potential financing partners have expressed strong interest in Company with enhanced management

Confident in ability to raise financing, and existing shareholders would have ability to participate

Greater Shareholder Value Focus on the Board of ORBCOMM

Seek to establish strong shareholder representation and foster an open-minded, deliberative process, free of intra-family influences.

The two directors standing for re-election have the longest tenure on the Board

Class III	Marco Fuchs, Age 46 <i>Director Since February 2004</i>	Class I	Gary H. Ritondaro, Age 62 <i>Director Since November 2006</i>
Term Expires 2009	Member of the board of directors of ORBCOMM LLC since 2001 and of ORBCOMM Holdings LLC from 2001 to February 2004 Currently the Chief Executive Officer and Chairman of the Managing Board of OHB Technology A.G. (technology and space)	Term Expires 2010	
Class III	Jerome B. Eisenberg, Age 69 <i>Non-Executive Chairman, Director Since February 2004</i>	Class II	Marc J. Eisenberg, Age 42 <i>Director Since March 2008</i>
Term Expires 2009	Non-executive Chairman of the Board since March 31, 2008 Chairman and Chief Executive Officer from January 2006 to March 2008	Term Expires 2011	Chief Executive Officer since March 31, 2008 Mr. Eisenberg is the son of Jerome B. Eisenberg
Class I	Didier Delepine, Age 61 <i>Director Since May 2007</i>	Class II	Timothy Kelleher, Age 46 <i>Director Since March 2008</i>
Term Expires 2010		Term Expires 2011	
Class I	Hans E. W. Hoffmann, Age 75 <i>Director Since November 2006</i>	Class II	John Major, Age 63 <i>Director Since April 2007</i>
Term Expires		Term Expires	

2010

2011

Source: Company 2009 Proxy

Unlocking Value from a Uniquely Positioned But Under-Managed Asset 6

II. Chairman and CEO Have Presided Over Underperformance

Jerome and Marc Eisenberg Have Presided Over Substantial Shareholder Value Destruction

ORBCOMM shares down 88% since the IPO, 89% since the follow-on offering, and 77% since Marc Eisenberg was appointed CEO, significantly underperforming benchmarks and peers.

Date	ORBC		Share Performance through March 16, 2009			ORBC Excess Return	
	Share Price	Major Company Event	ORBC	IXTC	Russell 2000	vs. IXTC	vs. Russell 2000
11/3/2006	\$11.00	Initial Public Offering (pricing)	-88%	-35%	-48%	-54%	-40%
5/24/2007	\$11.62	Follow on Offering	-89%	-43%	-53%	-46%	-36%
2/22/2008	\$5.61	Marc Eisenberg Announced as CEO	-77%	-40%	-44%	-37%	-33%
3/31/2008	\$4.96	Marc Eisenberg Effective as CEO	-74%	-39%	-44%	-36%	-31%
3/16/2009	\$1.27	Full Year 2008 Earnings Released					

Source: CapitalIQ

Unlocking Value from a Uniquely Positioned But Under-Managed Asset

8

ORBCOMM Possesses a Unique and Valuable Collection of Communications Assets

ORBCOMM operates a low-cost global satellite network optimized for narrowband M2M communications: telematics, position reporting, remote monitoring, systems control, emergency messaging, etc. ORBCOMM's assets are well-suited to certain M2M markets:

(1) Includes 5 launched in 2008
Source: Company filings

ORBCOMM Has an Attractive and Scalable Business Model

As the low-cost global coverage M2M provider with a single worldwide technology platform, ORBCOMM has an attractive recurring revenue business model.

Recurring service revenue model currently generating monthly ARPU of \$5.00 \$5.50 with significant potential to increase

Recurring, long-lived subscription service fees

Airtime fees

One-time low-cost equipment sale with no subsidy

Very low churn (<1%) service becomes embedded in customer operations

Low cost network (capital and operations):

\$9 million per satellite including launch

\$4-5 million per gateway

Network replenishment underway (~\$250 million vs. \$1 billion+ for other LEO satellite providers)

Potential for very high returns at scale

ORBCOMM Target Markets Have Substantial Opportunity for Growth

ORBCOMM target markets are projected to grow at a 70% CAGR, from about 4 million connected devices to more than 100 million devices over the next six years. We estimate ORBCOMM currently has about a 12% share in these markets.

Core target vertical markets expected to grow to 421 million addressable units by 2014E

Connected device penetration expected to increase from 5% in 2008E to 24% in 2014E

Connected units growth projected at 70% CAGR to 102 million units by 2014E

Source: Harbor Research, Inc. and Company presentation

Yet, Management's Flawed Strategies and Ineffective Execution Have Resulted in Consistently Weak Subscriber, ARPU and Revenue Growth

ORBCOMM management has delivered slowing subscriber growth far below the opportunities available and declining ARPU, leading to disappointing revenue growth.

	Quarterly Results Since Initial Public Offering									Annual Results			Observations
	Q4'06	Q1'07	Q2'07	Q3'07	Q4'07	Q1'08	Q2'08	Q3'08	Q4'08	2006	2007	2008	
Subscriber Communicators (000s)													
Net Additions	26	25	28	40	33	29	40	22	18	112	126	109	'08 declining net adds
End of Period Subscribers	225	250	278	318	351	380	420	442	460	225	351	460	
% Sequential Growth	13.0%	11.1%	11.2%	14.4%	10.4%	8.3%	10.5%	5.3%	4.0%	99.1%	56.0%	31.0%	Compare 70% industry CAGR
Revenues (\$ millions)	\$6.3	\$6.0	\$6.6	\$6.9	\$8.7	\$5.9	\$7.7	\$8.0	\$8.5	\$24.5	\$28.2	\$30.1	
% Sequential Growth		-5.8%	11.2%	4.3%	25.2%	-32.1%	31.4%	3.2%	6.9%	57.9%	14.8%	6.9%	'08 yoy growth only 6.9%
% Quarter over Prior Year Growth						-1.4%	16.6%	15.3%	-1.5%				
Service revenues (\$ millions)	\$3.4	\$4.0	\$4.2	\$4.6	\$5.0	\$4.9	\$5.8	\$6.3	\$6.9	\$11.6	\$17.7	\$23.8	
% Sequential Growth		16.3%	6.8%	7.9%	9.8%	-2.9%	18.6%	10.1%	8.3%	48.1%	53.2%	34.4%	Rapidly decelerating into '08
% Quarter over Prior Year Growth						22.9%	36.5%	39.2%	37.3%				
ARPU (1)	\$5.34	\$5.54	\$5.32	\$5.09	\$4.98	\$4.43	\$4.80	\$4.90	\$5.07	\$5.70	\$5.21	\$4.82	Declining ARPU
% Sequential Growth		4%	-4%	-4%	-2%	-11%	8%	2%	3%		-9%	-8%	
Adjusted EBITDA (\$ millions) (2)	(\$1.0)	(\$1.7)	(\$0.9)	(\$0.5)	\$1.3	\$0.2	\$0.6	\$0.6	\$0.2	(\$7.2)	(\$1.8)	\$1.6	Stagnant '08 quarterly EBITDA

(1) Implied derived from Revenues and average Subscriber Communicators.

(2) Adjusted EBITDA as defined by the Company in its public filings.

Flawed pure wholesale market engagement strategy leaving channel partners to develop and deploy applications

2008 net subscriber additions of only 109k vs. May 08 guidance of 170-190k

No guidance planned for 2009, indicating lack of confidence in the business

Minimal positive Adjusted EBITDA, we believe due to underinvestment in business

Given highly scalable model, Adjusted EBITDA could be much higher with greater emphasis on revenue growth

Source: Data in table from Company filings

Accordingly, Views Regarding ORBCOMM's Growth Outlook Have Been Greatly Reduced, and the Stock Price Has Suffered

Following consistently disappointing results, Wall Street research analysts have revised their growth and profitability estimates down substantially.

**Subscribers estimates for 2010E now less than for 2008E
in July 2007. 2010E down 72%
Revenue estimates for 2010E now less than for 2008E
in July 2007. 2010E down 77%
Expenses / investment in the business have been curtailed
to enhance quarterly EBITDA
Operations continue at sub-scale with essentially no cash
flow from operations**

Stock price = \$1.27,
88% below IPO

Note: Stock price as of 3/16/2009 following 2008 full year earnings release

Source: Based on CIBC/Oppenheimer, Cowen and Raymond James equity analyst research reports.

Flawed Business Strategy and Ineffective Management at Fault

Despite the Company's well-positioned assets and attractive market opportunity, ORBCOMM has underperformed against its vast potential and growth expectations, primarily due to the lack of aggressive market engagement capability / plans.

Limited end-user and applications customer development focus

- Exclusive marketing through domestic and international Value Added Resellers (VARs) and OEMs
- Limited presence at industry events and functions
- Limited customer announcements

No visible technology platform programs to leverage customer engagement

- Leaves applications development to channel partners or customers
- No ability to drive solutions through key markets

Vacant VP Marketing & Sales leadership

Position held by Marc Eisenberg prior to his appointment as CEO in March 2008

Misguided pride in no customer acquisition costs

- Limited sales and marketing efforts
- Mistakenly assumes customers will actively seek out Company's pure transport offering

Flawed organizational management

- Minimal sales and marketing personnel
- Limited organizational growth since IPO, indicating underinvestment in capability building

Lack of Customer Engagement

ORBCOMM's lack of customer engagement is evidenced by the limited number of customer announcements by the Company over the last three years

Source: ORBCOMM web site through 12/31/08

Lack of Applications Focus

and its lack of applications focus is illustrated by the continuing web site placeholder on customer examples, which is unique among telecommunications service companies.

Source: ORBCOMM web site 3/25/2009

Unlocking Value from a Uniquely Positioned But Under-Managed Asset 16

Results in Reduced Growth Prospects

The lack of market engagement capabilities and flawed pure wholesale strategy virtually guarantees reduced growth prospects, resulting in management's actions to raise cash conservation to primary focus.

Subscriber and service revenue growth at low-end of or below reduced guidance and expectations

Expenses curtailed to produce required quarterly Adjusted EBITDA

Reiteration of determination to avoid raising capital

Second generation launches deferred now into 2011 potentially

Continued operations at sub-scale

Continued weak stock price with market cap below book cash

Marc Eisenberg Does Not Have the Requisite Background and Expertise to Lead and Execute an Aggressive Growth Plan

Steven Chrust has over the years repeatedly suggested to Jerome Eisenberg that the Company recruit skilled and experienced professional management to oversee and direct its growth into a larger-scale enterprise, a typical strategy for young growing companies. Mr. Eisenberg, however, ignored this advice and instead the Board appointed his son Marc as the Company's CEO.

Marc Eisenberg's experience prior to joining ORBCOMM while it was under his father's leadership

From 1999 to 2001, Senior Vice President of Cablevision Electronics Investments, where among his duties he was responsible for selling Cablevision services such as video and internet subscriptions through its retail channel

From 1984 to 1999, various positions, most recently as Senior Vice President of Sales and Operations with consumer electronics company The Wiz, where he oversaw sales and operations

Cablevision acquired substantially all of the assets of The Wiz in February 1998, in bankruptcy

The Wiz had filed for bankruptcy protection on December 16, 1997

Cablevision's Retail Electronics segment (The Wiz) reported operating losses of \$24 million and \$87 million, respectively, in the years ended December 1998 and 1999

Prior to joining ORBCOMM, limited relevant, material experience or expertise in corporate management or in information and telecommunications technologies

Father and son relationship between Chairman and CEO creates manifestly inappropriate and unacceptable conflict of interest

Concentrates overwhelming influence within one immediate family

2 of 8 directorships disproportionate influence over Company given share ownership interest

Summary: An Opportunity to Realize Substantial Growth Potential

ORBCOMM requires an adjustment to its strategy and a change in management to realize the substantial growth potential enabled by its satellite network.

Attractive markets with long-term substantial growth drivers

Global infrastructure, counter terrorism, homeland security, emergency response, environmental concerns, hazardous material tracking drive growth in global M2M needs

ORBCOMM competitive advantage in chosen markets

Strategy adjustments needed

End-user customer engagement (direct & indirect)

Focus on applications enablement and development

Enable technology platform access

Enhance underperforming management

Build go-to-market capability and accelerate pace

Change operational tempo and style

Enhance underperforming, inexperienced management team

Inject at least \$25 million of additional capital

Address investor concerns on adequacy of network replenishment financing

Accelerate the introduction of new services (e.g., AIS)

III. Our Board Nominees and Our Action Plan

Our Two Director Nominees Have Extensive Relevant Experience

Extensive experience creating, developing, transforming and managing businesses enabled or leveraged by information technologies. A general manager, business founder, strategist, business developer and investor in a variety of large and small businesses, with track record of identifying and creating value in both new and existing businesses.

Founder of MM & Company, an independent consultant/advisor to innovative technology based businesses

From 2000-2005, Chairman and Chief Executive of ContentGuard, a digital rights management company he created and spun out of Xerox Corporation, realizing \$200+ million from a technology that would have been abandoned
From 1998 to 2000, Senior Vice President of Xerox, and in 1999 formed and became President of the Internet Business Group to create businesses and extract value from Xerox innovations

From 1996 to 1998, Vice President, Corporate Strategy & Development at AirTouch Communications, a wireless telecommunications company, now part of Vodafone, where he directed the creation of joint ventures to establish wireless operations in the U.S. and internationally, with IRRs of 50%-100%+ on \$ hundreds of millions of investment each

Prior to AirTouch, Managing Director at Salomon Brothers where he worked with the CEO to determine the overall strategic direction, including the use of technology to transform key business activities, e.g. initiating the creation of Yield Book networked fixed income analytics and portfolio management system, now a large business within Citigroup

He has held management positions at IBM and also been a consultant at McKinsey & Company

Began his career as a design engineer, designing computer based missile guidance systems for Ford Aerospace and Communications Corp

Long history in the telecommunications industry with experience ranging from analytical to operational to capital markets. Direct experience with ORBCOMM as an early investor, longtime shareholder and paid advisor during the past 5 years. Has a broad network of valuable and highly relevant relationships that would bring value to the Company.

Has been on the Boards of Directors of a number of private and public companies, and currently on the Boards of eTelemetry, Inc., Iris

Wireless and Juniper Content Corporation

Founder and a Senior Principal, Member of Centripetal Capital Partners, LLC, a private equity investment firm

Founder and President of SGC Advisory Services, Inc., a financial services company
Co-founded WinStar Communications and served as its Vice Chairman from 1993 until the end of 1998, during which time the enterprise value grew from under \$100 million to over \$6 billion and subsequently to over \$11 billion

From 1970 to 1985, at Sanford C. Bernstein & Co., a financial institution and investment management firm that is currently known as Alliance Bernstein, an AXA Company. He became a partner in 1976 and served as its Director of Technology Research and was the top ranked Telecommunications analyst for most of the decade between 1975-1985

Served as Chairman of ALTS, the industry association of local telecom carriers;

a featured lecturer at the Harvard Business School; a member of the Association for Investment Management and Research and the New York Society of Security Analysts

If Elected, Our Nominees Will Urge the Following Agenda

Appoint Michael Miron to the position of Chief Executive Officer

Mandate to execute aggressive growth plan that fully realizes the opportunities enabled by Company's assets

Draw on experience creating, developing and transforming businesses enabled or leveraged by information technologies

Evaluating operations and developing recommendations for improving performance and creating shareholder value

Implement a strategic re-direction by aggressively focusing on market engagement and by fostering the development and deployment of applications to drive subscriber and ARPU growth

Aggressive go-to-market strategy focused on end user applications critical to re-vitalizing subscriber growth

Substantial opportunities to introduce higher value-added functionality to drive ARPU increases over time

Objectively evaluate management's performance and augment the management team in vital areas, including the addition of senior market engagement officers. Objectives and highly qualified candidates identified

VP of Marketing and Sales

Re-orient marketing & sales efforts to include applications / end-user orientation

Adjust personnel & accelerate market engagement to drive subscriber growth and expand usage

VP of Customer Engineering

Work with third parties to deploy applications and hardware that expand the market and drive usage

Identify and develop applications, an SDK, a set of APIs, hardware interfaces to facilitate solutions development and deployment

Seek a capital raise of at least \$25 million to provide greater certainty that there is adequate cash for financing the full deployment of the next generation of satellites in a timely manner

We question Company's ability to finance in timely fashion from existing cash and operating cash flow

Management willing to defer launch schedule to conserve cash, jeopardizing future growth

Various potential financing partners have expressed strong interest in Company with enhanced management

Confident in ability to raise financing, and existing shareholders would have ability to participate

Revised Business Plan More Aggressive Market Engagement

Opportunity to change management, shift the business strategy to a greater applications/customer focus, pursue a more aggressive go-to-market plan to exploit the network assets and drive subscriber and ARPU growth.

Revised Business Plan

Stepped up market engagement, with new capabilities/skills for

Direct engagement of end-users / 3rd parties through applications / platform development

Facilitation of applications and solutions deployment through focused vertical market programs

Selected marketing direct to end-users

More aggressive and visible industry marketing

Active VAR and OEM management and partnering

Selected VAR acquisitions

Increased operational tempo and style

Benefits

Gain more direct customer control and awareness

Faster development of new end-user applications that are core to a customer's business, creating greater customer value add

Increase growth of subscribers and ARPUs

Expand revenue opportunity and share of customer dollar

Deeper penetration within customer base and customer stickiness

Reach operational scale faster by exploiting network assets

The Need for Applications / Solutions Focus

A key factor for success for new providers of disruptive technology platforms is to work with channel and technology partners as well as end users to develop applications and solutions that address specific needs in order to:

Accelerate customer adoption: New technologies require a provider to actively work with technology and channel partners and end-users on vertical applications that address specific needs.

Leverage network technology platform: Aggressively partner to build solution ecosystems to address needs that can be easily and rapidly propagated across industries, thereby growing usage.

Take advantage of first mover opportunities: ORBCOMM must aggressively exploit its unique assets, or risk that potential customers may find imperfect substitutes over time with applications that have some fit, embedding those solutions in their business operations with high switching costs.

Minimize difficulties of current economic environment: Need to architect turnkey solutions that do not require IT project development within customer environment that are deployable in the current year with variable costs and very near term payback. Otherwise it is difficult to get adopted in normal corporate budgeting (particularly for large OEMs).

Case Study: Commercial Transport

Today, Commercial Transport generates low ARPUs from basic services such as position reporting. By focusing more on the end-user and both directly and working with VARs to implement additional services, ORBCOMM can substantially ramp revenues through increased usage, something that may not happen as quickly if left to channel partners and customers to pursue.

Benefits:

Deeper penetration within current customer base

Expansion to new customers

Additional applications dramatically increase margins

Case Study: Heavy Equipment

Similarly, heavy equipment usage has substantial potential for increased ARPUs through more active customer engagement, as well as to ensure that un-activated subscriber units are not shipped again (as reported in 3Q 08 results).

Benefits:

Deeper penetration within current customer base

Expansion to new customers

Additional applications dramatically increase margins

Case Study: Automated Identification System

ORBCOMM's new capability to receive signals from the 68,000 ships equipped with the Automatic Identification System (AIS)¹ represents another opportunity to realize substantial growth. Compelling applications that make use of this data must be developed to realize full value from it.

1 As required by the International Maritime Organization (IMO) Safety of Life at Sea (SOLAS) Agreement for ships over 300 tons

Case Study: Automated Identification System

Today, ships are monitored solely from ship or shore-based locations. Even the largest provider, Lloyd's Maritime Information Unit, does so from 6,900 ports and terminals.

Case Study: Automated Identification System Potential

ORBCOMM has the potential to surpass all of today's AIS data providers with truly global seamless AIS data coverage, including offshore, opening huge additional market potential - particularly as the number of AIS capable satellites grows beyond the current 5 with network replenishment. However, more active engagement of customers and a focus on creating applications that drive demand will be required in order to realize the potential opportunities such as:

Selling individual subscriptions to AIS monitoring (Lloyds' current pricing \$1,200 - \$15,000 per year)

Contract with US Coast Guard to monitor all ships approaching US (80,000 port calls per year)

Provide AIS data to US Military to integrate with intelligence data for planning, logistics and operational tracking (will likely require a backup to the Network Control Center)

Contracts with other governments for security, safety and tracking (subject to US Government approval)

Integration with ORBCOMM subscriber communicators on shipping containers to provide container security and tracking services for US ports

Information and asset tracking services to oil tanker fleets, fishing fleets, passenger shipping companies, etc.

Company's Ability to Fully Finance Second Generation of Satellites is Questionable

We believe that investors are concerned regarding the Company's ability to fund the deployment of its second generation satellites in a timely fashion, and as a result the stock trades with an overhang.

- (1) \$117 million contract with Sierra Nevada Corp., less estimated \$24.6 million spent to date (as of 12/31/08, per 10-K)**
- (2) Launch costs based on \$50-60 million estimate from management (UBS conference), plus \$5 million maint./ ground stations costs estimate**
- (3) Based on Oppenheimer research report dated 3/16/2009 for 2009E-11E, 2012E extrapolated**

Without Rapidly Accelerating EBITDA, Cash Depleted in 2011

Management has stated its willingness to defer the launch schedule in order to conserve cash.

(\$ millions)	<u>2009E</u>	<u>2010E</u>	<u>2011E</u>	<u>2012E</u>	<u>Cumulative</u>
<i><u>Illustrative P&L and Operating Cash Flow</u></i>					
Total Revenue	\$38.2	\$44.2	\$54.7	\$68.4	
<i>% Growth</i>	<i>27%</i>	<i>16%</i>	<i>24%</i>	<i>25%</i>	
Operating Income	(4.5)	(1.0)	4.9	9.8	
Depr & Amort	6.2	6.2	6.2	6.3	
Non-Cash Stock Comp	4.0	4.0	4.0	4.0	
Adjusted EBITDA	5.7	9.2	15.1	20.1	\$50.0
<i>% Adjusted EBITDA margin</i>	<i>14.9%</i>	<i>20.8%</i>	<i>27.5%</i>	<i>29.4%</i>	
Interest Income	0.7	1.1	0.4	-	
Other Income	0.2	0.2	0.2	0.2	
Interest Expense	(0.2)	(0.2)	(0.2)	(0.2)	
Minority Interest	(0.6)	(0.6)	(0.6)	(0.6)	
Operating Cash Flow	\$5.8	\$9.7	\$14.9	\$19.5	\$49.9
<i><u>Funding Capacity Roll-forward</u></i>					
Beginning Cash (Net)	\$79.8	\$55.6	\$28.3	(\$16.8)	
Plus: Operating Cash Flow	5.8	9.7	14.9	19.5	\$49.9
Less: Estimated CAPEX (1)	(30.0)	(37.0)	(60.0)	(30.0)	(\$157.0)
Ending Cash (Net)	\$55.6	\$28.3	(\$16.8)	(\$27.3)	

Note: 2009E-2011E per Oppenheimer Research dated 3/16/2009, 2012E subjectively extrapolated
(1) Based on management guidance given at Raymond James conference

We believe at least \$25 million new capital is needed to provide certainty regarding funding the deployment of the second generation of satellites in a timely fashion.

Unlocking Value from a Uniquely Positioned But Under-Managed Asset 31

Why You Should Vote For Our Nominees

The Chairman and CEO have presided over substantial underperformance and value destruction

Consistently disappointed on growth objectives due to a flawed strategy and ineffective execution

Share price down 88% since the IPO and 77% since Marc Eisenberg appointed CEO

Manifestly inappropriate and unacceptable conflict of interest in Chairman and CEO relationship

Our two nominees, Michael Miron and Steven Chrust, would bring to ORBCOMM substantial relevant experience and proven talent

Entrepreneurial approach, fresh perspectives, relevant operational experience

Commitment to remedy the Company's failed strategies and stagnating financial performance and to deliver results and increase value for all shareholders

Representation for all shareholders

We believe our action plan and our nominees' proven ability to execute will set ORBCOMM back on a path of strong, profitable growth thereby unlocking value from its uniquely positioned assets for the benefit of all shareholders

Senior management team enhanced with new talent

New growth strategy aggressively focusing on end-user engagement and applications development

Raise capital to ensure adequate funding for second generation satellite network and allay investor concerns

We thank you for your time

Committee to Realize Value for ORBCOMM