EchoStar Acquires Media4, Inc.; Technology/Service Offering to Revolutionize Satellite PC Market

LITTLETON, Colo.--(BUSINESS WIRE)--Feb. 2, 1999--EchoStar Communications Corp. (NASDAQ: DISH, DISHP) announced today that it has completed its agreement to acquire privately-held Media4, Inc., of Atlanta, Ga., a supplier of broadband satellite networking equipment for personal computers.

EchoStar issued approximately 170,000 shares of DISH common stock for 100 percent ownership of Media4.

"Media4 is an integral link in our continuing effort to bring interactive television to consumers and helps to establish EchoStar as a leader in educational, business television and data delivery applications," said Charlie Ergen, chairman and CEO of EchoStar.

Media4, founded in 1995, is a supplier of PC-based, digital video broadcast (DVB) compatible satellite transmission products. Its flagship product line, MediaStream®, provides a complete software-driven, DVB-compatible satellite uplink system along with low-cost, PC-resident DVB receiver technology and application software. MediaStream includes a wide range of satellite uplink and downlink products that allow private network operators and service providers to take advantage of both digital video compression technology and multimedia-capable personal computers.

EchoStar hopes to begin broadband data delivery of interactive channels in the summer of 1999, providing subscribers with higher quality video, audio and multi-media than that offered in wire-based technology. By converging the capabilities of TV and the Internet, EchoStar is working to develop a new medium for producers, broadcasters and viewers to create interactive content for nationwide broadband delivery, allowing subscribers to interact with programming and other viewers at the same time via personal computers.

Media4 will continue to market its MediaStream products to private network operators and corporations around the world which need to deliver broadband IP traffic over satellite for use in such applications as video distribution, distance learning, remote caching and broadband Internet access. Additionally, Media4 plans to build on EchoStar's direct broadcast satellite (DBS) service platform in the United States to enable customers to add broadband video and data solutions to their networks.

Media4's approximately 35 employees have become part of EchoStar Communications Corporation and provide an Eastern U.S. presence for EchoStar's engineering and satellite services organizations.

EchoStar Communications Corp., includes three interrelated business units:

- DISH Network™ is EchoStar's state-of-the-art DBS system that offers customers over 300 channels of digital video and CD-quality audio programming, fully MPEG-2/DVB compliant hardware, installation, financing and leasing.

- EchoStar Technologies Corporation (ETC, formerly HTS™ - Houston Tracker Systems, Inc.), designs, manufactures and distributes DBS set-top boxes, antennas and other digital equipment for DISH Network and various international customers that include ExpressVu Canada and Telefonica's Via Digital system in Spain. ETC also provides uplink-center design, construction oversight and project-integration services for customers internationally.

- Satellite Services provides the delivery of video, audio and data services to business television customers and other satellite users. These services include satellite uplink, satellite transponder space-usage and other services. Satellite Services also administers SKY VISTA, a direct broadcast satellite service offering up to 27 channels of popular digital satellite television programming to viewers in Alaska, Hawaii, Puerto Rico and the U.S. territories in the Caribbean.

DISH Network currently serves over 2 million customers. DISH Network is a trademark of EchoStar Communications Corporation. HTS is a trademark of Houston Tracker Systems, Inc. DISH Network is located on the Internet at: www.dishnetwork.com. Media4 is located on the Internet at: http://www.m4.com.

Certain matters discussed in this statement are "forward looking statements" intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These "forward looking statements" can generally be identified as such because the context of the statement will include words such as the Company "believes," "anticipates," "expects," or words of similar import. Similarly, statements that describe the Company's future plans, objectives or goals are forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause

actual results to differ materially from those currently anticipated. Such risks and uncertainties include, but are not limited to: a total or partial loss of a satellite due to operational failures, space debris or otherwise; uncertainty as to the Company's future profitability; the Company's ability to develop and implement operational and financial systems to manage rapidly growing operations; an increase in competition from cable television, Direct Broadcast Satellite ("DBS"), other satellite system operators, and other providers of subscription television services; the introduction of new technologies and competitors into the subscription television business; a merger of existing DBS competitors; the Company's ability to integrate and successfully operate acquired businesses and the risks associated with such businesses; the Company's ability to obtain financing on acceptable terms to finance the Company's growth strategy and for the Company to operate within the limitations imposed by financing arrangements; uncertainty as to the future profitability of acquired businesses; trends in the cable television, broadcast television and satellite television industries; impediments to the retransmission of local or distant broadcast network signals; a decrease in sales of digital equipment and related services to international service providers; a decrease in Dish Network subscriber growth; an increase in subscriber acquisition costs; lower than expected demand for the Company's delivery of local broadcast network signals; changes in relationships with customers; changes in the regulatory environment, such as the inability of the Company to retain necessary authorizations from the Federal Communications Commission ("FCC") or a change in the regulations governing the subscription television service industry; the outcome of pending litigation and regulatory inquiries; an unexpected business interruption due to the failure of third parties to remediate Year 2000 issues; failure to consummate EchoStar's pending acquisition with The News Corporation Limited and MCI WorldCom, Inc. whereby the Company would issue equity securities in exchange for two satellites that have not yet been completed or the failure of such satellites to be successfully launched or to become operational or a delay in such launch or operation; and the impact of accounting policies required to be adopted. Other factors that could materially affect such forward-looking statements can be found in EchoStar's periodic reports filed with the Securities and Exchange Commission. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements made herein are only made as of the date of this statement and EchoStar undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

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