10.9*	Amendment No. 1 to Satellite Service Agreement dated March 31, 2003 between SES Americom Inc., DISH Network L.L.C. and DISH Network Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended September 30, 2003, Commission File No. 0-26176).****
10.10*	Satellite Service Agreement dated as of August 13, 2003 between SES Americom Inc., DISH Network L.L.C. and DISH Network Corporation (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended September 30, 2003, Commission File No. 0-26176). ****
10.11*	Satellite Service Agreement, dated February 19, 2004, between SES Americom, Inc., DISH Network L.L.C. and DISH Network Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176). ****
10.12*	Amendment No. 1 to Satellite Service Agreement, dated March 10, 2004, between SES Americom, Inc., DISH Network L.L.C. and DISH Network Corporation (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176).****
10.13*	Amendment No. 3 to Satellite Service Agreement, dated February 19, 2004, between SES Americom, Inc., DISH Network L.L.C. and DISH Network Corporation (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176). ****
10.14*	Amendment No. 2 to Satellite Service Agreement, dated April 30, 2004, between SES Americom, Inc., DISH Network L.L.C. and DISH Network Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended June 30, 2004, Commission File No. 0-26176). ****
10.15*	Amendment No. 4 to Satellite Service Agreement, dated October 21, 2004, between SES Americom, Inc., DISH Network L.L.C. and DISH Network Corporation (incorporated by reference to Exhibit 10.23 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2004, Commission File No. 0-26176).****
10.16*	Amendment No. 3 to Satellite Service Agreement, dated November 19, 2004 between SES Americom, Inc., DISH Network L.L.C. and DISH Network Corporation (incorporated by reference to Exhibit 10.24 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 1, 2004, Commission File No. 0-26176). ****
10.17*	Amendment No. 5 to Satellite Service Agreement, dated November 19, 2004, between SES Americom, Inc., DISH Network L.L.C. and DISH Network Corporation (incorporated by reference to Exhibit 10.25 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2004, Commission File No. 0-26176). ****
10.18*	Amendment No. 6 to Satellite Service Agreement, dated December 20, 2004, between SES Americom, Inc., DISH Network L.L.C. and DISH Network Corporation (incorporated by reference to Exhibit 10.26 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2004, Commission File No. 0-26176).****
10.19*	Amendment No. 4 to Satellite Service Agreement, dated April 6, 2005, between SES Americom, Inc., DISH Network L.L.C. and DISH Network Corporation (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended June 30, 2005, Commission File No. 0-26176).****

10.20*	Amendment No. 5 to Satellite Service Agreement, dated June 20, 2005, between SES Americom, Inc., DISH Network L.L.C. and DISH Network Corporation (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended June 30, 2005, Commission File No. 0-26176).****
10.21*	Form of EchoStar Corporation 2008 Class B CEO Stock Option Plan (incorporated by reference to Exhibit 10.25 to Amendment No. 3 of EchoStar Corporation's Form 10 dated December 28, 2007, Commission File No. 001-33807).**
10.22*	Form of Satellite Capacity Agreement between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference from Exhibit 10.28 to Amendment No. 2 to Form 10 of EchoStar Corporation filed on December 26, 2007, Commission File No. 001-33807).
10.23*	Pricing Agreement, dated March 11, 2008, by and among EchoStar Technologies L.L.C., Bell ExpressVu Inc., in its capacity as General Partner of Bell ExpressVu Limited Partnership, Bell Distribution Inc, and Bell Canada (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of EchoStar Corporation for the quarter ended March 31, 2008, Commission File No. 001-33807). ****
10.24*	QuetzSat-1 Satellite Service Agreement, dated November 24, 2008, between SES Latin America S.A. and EchoStar 77 Corporation, a direct wholly-owned subsidiary of EchoStar Corporation (incorporated by reference to Exhibit 10.24 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807). ****
10.25*	QuetzSat-1 Transponder Service Agreement, dated November 24, 2008, between EchoStar 77 Corporation, a direct wholly-owned subsidiary of EchoStar Corporation, and DISH Network L.L.C. (incorporated by reference to Exhibit 10.25 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807). ****
10.26*	Bell TV Pricing Amendment, dated February 6, 2009, between EchoStar Corporation and Bell TV (incorporated by reference to Exhibit 10.26 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807). ****
10.27*	Amended and Restated EchoStar Corporation 2008 Employee Stock Purchase Plan (incorporated by reference to EchoStar Corporation's Definitive Proxy Statement on Form 14 filed March 31, 2009, Commission File No. 001-33807).
10.28*	Amended and Restated EchoStar Corporation 2008 Stock Incentive Plan (incorporated by reference to EchoStar Corporation's Definitive Proxy Statement on Form 14 filed March 31, 2009, Commission File No. 001-33807).
10.29*	Amended and Restated EchoStar Corporation 2008 Non-Employee Director Stock Option Plan (incorporated by reference to EchoStar Corporation's Definitive Proxy Statement on Form 14 filed March 31, 2009, Commission File No. 001-33807).
10.30*	NIMIQ 5 Whole RF Channel Service Agreement, dated September 15, 2009, between Telesat Canada and EchoStar Corporation (incorporated by reference to Exhibit 10.30 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807).****
10.31*	NIMIQ 5 Whole RF Channel Service Agreement, dated September 15, 2009, between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference to Exhibit 10.31 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807).****

10.32*	Professional Services Agreement, dated August 4, 2009, between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 10.3 to the Quarterly Report on Form 10-Q of EchoStar Corporation for the quarter ended September 30, 2009, Commission File No. 001-33807).****
10.33*	Allocation Agreement, dated August 4, 2009, between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 10.4 to the Quarterly Report on Form 10-Q of EchoStar Corporation for the quarter ended September 30, 2009, Commission File No. 001-33807).
10.34*	Amendment to form of Satellite Capacity Agreement (Form A) between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference to Exhibit 10.34 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807).
10.35*	Amendment to Form of Satellite Capacity Agreement (Form B) between EchoStar Satellite Services L.L.C. and DISH Network L.L.C. (incorporated by reference to Exhibit 10.35 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807).
10.36*	EchoStar XVI Satellite Capacity Agreement between EchoStar Satellite Services L.L.C. and DISH Network L.L.C. (incorporated by reference to Exhibit 10.36 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807).****
10.37*	Assignment of Rights Under Launch Service Contract from EchoStar Corporation to DISH Orbital II L.L.C. (incorporated by reference to Exhibit 10.37 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807).
21☐	Subsidiaries of EchoStar Corporation.
23☐	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
24☐	Powers of Attorney authorizing signature of Charles W. Ergen, Joseph P. Clayton, David K. Moskowitz, Tom A. Ortolf and C. Michael Schroeder.
31.1☐	Section 302 Certification of Chief Executive Officer.
31.2☐	Section 302 Certification of Chief Financial Officer.
32.1☐	Section 906 Certification of Chief Executive Officer.
32.2☐	Section 906 Certification of Chief Financial Officer.
99.1*	Amendment No. 1 to Receiver Agreement dated December 31, 2007 between EchoSphere L.L.C. and EchoStar Technologies L.L.C. (incorporated by reference to Exhibit 99.1 to the Quarterly Report on Form 10-Q of EchoStar Corporation for the quarter ended September 30, 2008, Commission File No. 001-33807). ****
99.2*	Amendment No. 1 to Broadcast Agreement dated December 31, 2007 between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference to Exhibit 99.2 to the Quarterly Report on Form 10-Q of EchoStar Corporation for the quarter ended September 30, 2008, Commission File No. 001-33807). ****
101***	The following materials from the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2010, filed on February 24, 2011, formatted in eXtensible Business Reporting Language ("XBRL"): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Consolidated Statement of Changes in Stockholders' Equity (Deficit), (iv) Consolidated Statements of Cash Flows, and (v) related notes to these financial statements tagged as blocks of text.

☐	Filed herewith.
*	Incorporated by reference.
**	Constitutes a management contract or compensatory plan or arrangement.
***	In accordance with Rule 402 of Regulation S-T, the information in this Exhibit 101 shall not be deemed "filed" for the purposes of section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by the specific reference in such filing.
****	Certain portions of the exhibit have been omitted and separately filed with the Securities and Exchange Commission with a request for confidential treatment.
*****	Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. We agree to furnish supplementally to the Securities and Exchange Commission a copy of any omitted schedule or exhibit upon request, subject to our right to request confidential treatment of any requested schedule or exhibit.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ECHOSTAR CORPORATION

By: /s/ *David J. Rayner*
David J. Rayner
Chief Financial Officer

Date: February 24, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ *Michael T. Dugan* Michael T. Dugan	Chief Executive Officer, President and Director *(Principal Executive Officer)*	February 24, 2011
/s/ *David J. Rayner* David J. Rayner	Chief Financial Officer *(Principal Financial and Accounting Officer)*	February 24, 2011
* Charles W. Ergen	Chairman	February 24, 2011
* Joseph P. Clayton	Director	February 24, 2011
/s/ *R. Stanton Dodge* R. Stanton Dodge	Director	February 24, 2011
* David K. Moskowitz	Director	February 24, 2011
* Tom A. Ortolf	Director	February 24, 2011
* C. Michael Schroeder	Director	February 24, 2011

* By: /s/ *R. Stanton Dodge*
R. Stanton Dodge
Attorney-in-Fact

DISH_337-TA-1265_00020812

DISH TECHNOLOGIES L.L.C., Exhibit 2080, p. 80
Aylo Freesites Ltd. v. Dish Technologies L.L.C., IPR2024-00045

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
EchoStar Corporation:

We have audited the accompanying consolidated balance sheets of EchoStar Corporation and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity (deficit) and cash flows for each of the years in the three-year period ended December 31, 2010. We also have audited EchoStar Corporation's internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). EchoStar Corporation's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on EchoStar Corporation's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of EchoStar Corporation and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles. Also in our opinion, EchoStar Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control – Integrated Framework* issued by the COSO.

Management's evaluation of the effectiveness of EchoStar Corporation and subsidiaries' internal control over financial reporting as of December 31, 2010, excluded Move Networks, which was acquired in 2010. Our audit of internal control over financial reporting of EchoStar Corporation and subsidiaries also excluded an evaluation of the internal control over financial reporting of this subsidiary. The aggregate amount of total assets and revenue of Move Networks included in the consolidated financial statements of EchoStar Corporation and subsidiaries as of and for the year ended December 31, 2010 was $45 million and $0, respectively.

/s/ KPMG LLP

Denver, Colorado
February 24, 2011

ECHOSTAR CORPORATION
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share amounts)

	As of December 31, 2010	2009
Assets		
Current Assets:		
Cash and cash equivalents	$ 141,814	$ 23,330
Marketable investment securities	989,086	805,832
Trade accounts receivable - DISH Network, net of allowance for doubtful accounts of zero	238,997	373,454
Trade accounts receivable - other, net of allowance for doubtful accounts of $7,644 and $5,605, respectively	42,247	84,178
Inventory	30,433	53,014
Deferred tax assets	—	5,053
Other current assets	92,890	18,997
Total current assets	1,535,467	1,363,858
Noncurrent Assets:		
Restricted cash and marketable investment securities	17,426	18,003
Property and equipment, net	1,263,303	1,233,185
FCC authorizations	69,810	69,810
Intangible assets, net	165,451	151,813
Marketable and other investment securities	725,588	562,019
Other noncurrent assets, net	64,975	69,380
Total noncurrent assets	2,306,553	2,104,210
Total assets	$3,842,020	$3,468,068
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities:		
Trade accounts payable - other	$ 145,203	$ 171,335
Trade accounts payable - DISH Network	14,155	38,347
Accrued royalties	20,199	22,052
Accrued expenses and other	62,079	78,070
Deferred tax liabilities	64,121	—
Current portion of long-term debt and capital lease obligations	53,060	54,206
Total current liabilities	358,817	364,010
Long-Term Obligations, Net of Current Portion:		
Long-term debt and capital lease obligations, net of current portion	359,825	392,163
Deferred tax liabilities	75,840	31,588
Other long-term liabilities	34,348	15,457
Total long-term obligations, net of current portion	470,013	439,208
Total liabilities	828,830	803,218
Commitments and Contingencies (Note 15)		
Stockholders' Equity (Deficit):		
Preferred Stock, $.001 par value, 20,000,000 shares authorized, none issued and outstanding	—	—
Class A common stock, $.001 par value, 1,600,000,000 shares authorized, 43,103,166 shares and 42,655,772 shares issued, and 37,570,848 shares and 37,157,314 shares outstanding, respectively	43	43
Class B common stock, $.001 par value, 800,000,000 shares authorized, 47,687,039 shares issued and outstanding	48	48
Class C common stock, $.001 par value, 800,000,000 shares authorized, none issued and outstanding	—	—
Class D common stock, $.001 par value, 800,000,000 shares authorized, none issued and outstanding	—	—
Additional paid-in capital	3,311,405	3,278,680
Accumulated other comprehensive income (loss)	188,982	77,120
Accumulated earnings (deficit)	(389,126)	(593,484)
Treasury stock, at cost	(98,162)	(97,557)
Total stockholders' equity (deficit)	3,013,190	2,664,850
Total liabilities and stockholders' equity (deficit)	$3,842,020	$3,468,068

The accompanying notes are an integral part of these consolidated financial statements.

ECHOSTAR CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(In thousands, except per share amounts)

	For the Years Ended December 31,		
	2010	2009	2008
Revenue:			
Equipment revenue - DISH Network	$1,470,173	$1,174,763	$ 1,491,556
Equipment revenue - other	347,765	302,787	246,655
Services and other revenue - DISH Network	468,399	373,226	367,890
Services and other revenue - other	64,032	52,783	44,419
Total revenue	2,350,369	1,903,559	2,150,520
Costs and Expenses:			
Cost of sales - equipment	1,553,129	1,267,172	1,494,641
Cost of sales - services and other (exclusive of depreciation shown below - Note 6)	236,356	203,123	220,817
Research and development expenses	46,093	44,009	34,901
Selling, general and administrative expenses	128,366	116,737	138,459
General and administrative expenses - DISH Network	15,189	23,497	25,354
Depreciation and amortization (Note 6)	228,911	244,129	264,197
Impairments of goodwill, indefinite-lived and long-lived assets	—	—	612,745
Total costs and expenses	2,208,044	1,898,667	2,791,114
Operating income (loss)	142,325	4,892	(640,594)
Other Income (Expense):			
Interest income	14,472	26,441	34,694
Interest expense, net of amounts capitalized	(14,560)	(32,315)	(31,909)
Unrealized and realized gains (losses) on marketable investment securities and other investments	2,923	119,461	(89,795)
Unrealized gains (losses) on investments accounted for at fair value, net	144,473	313,000	(317,994)
Other, net	(860)	(6,120)	(9,270)
Total other income (expense)	146,448	420,467	(414,274)
Income (loss) before income taxes	288,773	425,359	(1,054,868)
Income tax (provision) benefit, net	(84,415)	(60,655)	96,680
Net income (loss)	$ 204,358	$ 364,704	$ (958,188)
Comprehensive Income (Loss):			
Foreign currency translation adjustments	$ 927	$ 569	$ (2,947)
Unrealized holding gains (losses) on available-for-sale securities	141,161	212,070	(209,005)
Recognition of previously unrealized (gains) losses on available-for-sale securities included in net income (loss)	(30,226)	(124,921)	146,954
Comprehensive income (loss)	$ 316,220	$ 452,422	$(1,023,186)
Weighted-average common shares outstanding - Class A and B common stock:			
Basic	85,084	85,765	89,324
Diluted	85,203	86,059	89,324
Earnings per share - Class A and B common stock:			
Basic net income (loss) per share	$ 2.40	$ 4.25	$ (10.73)
Diluted net income (loss) per share	$ 2.40	$ 4.24	$ (10.73)

The accompanying notes are an integral part of these consolidated financial statements.

ECHOSTAR CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands)

	Class A and B Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings/ (Deficit)	Net Investment in EchoStar	Treasury Stock	Total
Balance, December 31, 2007	$ —	$ —	$ 66,696	$ —	$ 1,140,822	$ —	$1,207,518
Contribution from DISH Network in connection with the Spin-off	90	3,230,578	(12,296)	—	(1,140,822)	—	2,077,550
Issuances of Class A common stock:							
Exercise of stock options	—	4,877	—	—	—	—	4,877
Employee Stock Purchase Plan	—	1,398	—	—	—	—	1,398
Class A common stock repurchases, at cost	—	—	—	—	—	(68,045)	(68,045)
Stock-based compensation and other, net of tax	—	11,474	—	—	—	—	11,474
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	(62,051)	—	—	—	(62,051)
Foreign currency translation	—	—	(2,947)	—	—	—	(2,947)
Net income (loss)	—	—	—	(958,188)	—	—	(958,188)
Balance, December 31, 2008	$ 90	$3,248,327	$ (10,598)	$(958,188)	$ —	$(68,045)	$2,211,586
Capital transaction with DISH Network in connection with the launch service (Note 19)	—	14,460	—	—	—	—	14,460
Issuances of Class A common stock:							
Exercise of stock options	1	217	—	—	—	—	218
Employee benefits	—	1,391	—	—	—	—	1,391
Employee Stock Purchase Plan	—	1,803	—	—	—	—	1,803
Class A common stock repurchases, at cost	—	—	—	—	—	(29,512)	(29,512)
Stock-based compensation	—	13,371	—	—	—	—	13,371
Income tax (expense) benefit related to stock awards and other	—	(889)	—	—	—	—	(889)
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	87,149	—	—	—	87,149
Foreign currency translation	—	—	569	—	—	—	569
Net income (loss)	—	—	—	364,704	—	—	364,704
Balance, December 31, 2009	$ 91	$3,278,680	$ 77,120	$(593,484)	$ —	$(97,557)	$2,664,850
Capital transactions with DISH Network, net of tax (Note 19)	—	11,309	—	—	—	—	11,309
Issuances of Class A common stock:							
Exercise of stock options	—	1,577	—	—	—	—	1,577
Employee benefits	—	3,856	—	—	—	—	3,856
Employee Stock Purchase Plan	—	2,437	—	—	—	—	2,437
Class A common stock repurchases, at cost	—	—	—	—	—	(605)	(605)
Stock-based compensation	—	13,546	—	—	—	—	13,546
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	110,935	—	—	—	110,935
Foreign currency translation	—	—	927	—	—	—	927
Net income (loss)	—	—	—	204,358	—	—	204,358
Balance, December 31, 2010	$ 91	$3,311,405	$ 188,982	$(389,126)	$ —	$(98,162)	$3,013,190

The accompanying notes are an integral part of these consolidated financial statements.

ECHOSTAR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Years Ended December 31,		
	2010	2009	2008
Cash Flows From Operating Activities:			
Net income (loss)	$ 204,358	$ 364,704	$ (958,188)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:			
Depreciation and amortization	228,911	244,129	264,197
Equity in losses (earnings) of affiliates	2,813	5,517	7,176
Unrealized and realized (gains) losses on marketable investment securities and other investments	(2,923)	(119,461)	89,795
Unrealized (gains) losses on investments accounted for at fair value, net	(144,473)	(313,000)	317,994
Impairments of goodwill, indefinite-lived and long-lived assets	—	—	612,745
Non-cash, stock-based compensation	13,546	13,371	23,605
Deferred tax expense (benefit)	103,569	45,344	(162,011)
Other, net	(3,067)	(12,584)	(26,352)
Change in noncurrent assets	19,715	(6,785)	(36,230)
Changes in current assets and current liabilities:			
Trade accounts receivable - other	40,623	(52,797)	(7,861)
Allowance for doubtful accounts	2,039	(1,576)	7,130
Trade accounts receivable - DISH Network	32,544	27,088	(297,629)
Inventory	22,581	(6,521)	(15,493)
Other current assets	(61,862)	(1,376)	47,679
Trade accounts payable - other	(33,404)	(15,255)	164,304
Trade accounts payable - DISH Network	(24,192)	16,777	21,570
Accrued expenses and other	3,237	8,701	65,617
Net cash flows from operating activities	404,015	196,276	118,048
Cash Flows From Investing Activities:			
Purchases of marketable investment securities	(2,300,631)	(2,050,495)	(3,069,716)
Sales and maturities of marketable investment securities	2,253,819	2,273,523	2,842,567
Purchases of property and equipment	(196,736)	(213,921)	(229,870)
Launch service assigned to DISH Network (Note 19)	102,913	—	—
Proceeds from insurance settlement	—	—	40,750
Change in restricted cash and marketable investment securities	577	(15,009)	—
Purchase of strategic investments included in marketable and other investment securities	(69,072)	(114,164)	(148,736)
Investment in Move Networks (Note 14)	(44,991)	—	—
Proceeds from sale of strategic investments	15,609	—	—
Other, net	(46)	5,788	(4,737)
Net cash flows from investing activities	(238,558)	(114,278)	(569,742)
Cash Flows From Financing Activities:			
Repayment of long-term debt and capital lease obligations	(50,382)	(55,644)	(47,217)
Contribution of cash and cash equivalents from DISH Network in connection with the Spin-off	—	—	544,065
Class A common stock repurchases (Note 11)	(605)	(29,512)	(68,045)
Net proceeds from Class A common stock options exercised and issued under the Employee Stock Purchase Plan	4,014	2,021	6,276
Net cash flows from financing activities	(46,973)	(83,135)	435,079
Net increase (decrease) in cash and cash equivalents	118,484	(1,137)	(16,615)
Cash and cash equivalents, beginning of period	23,330	24,467	41,082
Cash and cash equivalents, end of period	$ 141,814	$ 23,330	$ 24,467
Supplemental Disclosure of Cash Flow Information:			
Cash paid for interest	$ 41,021	$ 31,767	$ 31,812
Capitalized interest	$ 25,812	$ —	$ —
Cash received for interest	$ 19,028	$ 11,717	$ 23,470
Cash paid for income taxes	$ 15,240	$ 31,500	$ 47,758
Employee benefits paid in Class A common stock	$ 3,856	$ 1,391	$ —
Launch service assigned to DISH Network (Note 19)	$ —	$ 102,913	$ —
Satellites and other assets financed under capital lease obligations	$ 57,397	$ 155,574	$ 16,531
Reduction of capital lease obligations and associated asset value for AMC-16 (Note 6)	$ 39,442	$ —	$ —
Non-cash investing activities	$ —	$ —	$ 15,862
Non-cash proceeds from the sale of a company which held certain FCC authorizations	$ —	$ —	$ 132,900
Net assets contributed in connection with the Spin-off, excluding cash and cash equivalents	$ —	$ —	$ 1,533,485

The accompanying notes are an integral part of these consolidated financial statements.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Business Activities

Principal Business

EchoStar Corporation is a holding company, whose subsidiaries (which together with EchoStar Corporation are referred to as "EchoStar," the "Company," "we," "us" and/or "our") operate two primary business units:

- ***"Digital Set-Top Box" Business*** – which designs, develops and distributes digital set-top boxes and related products, including our Slingbox "placeshifting" technology, primarily for satellite TV service providers, telecommunication and cable companies and, with respect to Slingboxes, directly to consumers via retail outlets. Our "Digital Set-Top Box" business also provides digital broadcast operations including satellite uplinking/downlinking, transmission services, signal processing, conditional access management and other services primarily to DISH Network.
- ***"Satellite Services" Business*** – which uses our ten owned and leased in-orbit satellites and related Federal Communications Commission ("FCC") licenses to lease capacity on a full-time and occasional-use basis primarily to DISH Network, and secondarily to Dish Mexico, U.S. government service providers, state agencies, Internet service providers, broadcast news organizations, programmers and private enterprise customers. We also use certain of our satellites to offer our ViP-TV service, which transports MPEG-4 IP encapsulated standard-definition and high-definition programming on behalf of telecommunications companies and rural cable operators.

Effective January 1, 2008, DISH Network completed its distribution to us (the "Spin-off") of its digital set-top box business and certain infrastructure and other assets, including certain of its satellites, uplink and satellite transmission assets, real estate and other assets and related liabilities. Since the Spin-off, we and DISH Network have operated as separate publicly-traded companies, and neither entity has any ownership interest in the other. However, a substantial majority of the voting power of the shares of both companies is owned beneficially by Charles W. Ergen, our Chairman, or by certain trusts established by Mr. Ergen for the benefit of his family.

2. Summary of Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

We consolidate all majority owned subsidiaries, investments in entities in which we have controlling influence and variable interest entities where we have been determined to be the primary beneficiary. Non-majority owned investments are accounted for using the equity method when we have the ability to significantly influence the operating decisions of the investee. When we do not have the ability to significantly influence the operating decisions of an investee, the cost method is used. All significant intercompany accounts and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the current period presentation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense for each reporting period. Estimates are used in accounting for, among other things, allowances for doubtful accounts, allowance for sales returns, warranty obligations, self-insurance obligations, deferred taxes and related valuation allowances, uncertain tax positions, loss contingencies, fair value of financial instruments, fair value of options granted under our stock-based compensation plans, fair value of assets and liabilities acquired in business combinations, capital leases, asset impairments, useful lives of property,

equipment and intangible assets, and royalty obligations. Weakened economic conditions have increased the inherent uncertainty in the estimates and assumptions indicated above. Actual results may differ from previously estimated amounts, and such differences may be material to the Consolidated Financial Statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected prospectively in the period they occur.

Foreign Currency Translation

The functional currency of the majority of our consolidated foreign subsidiaries is the U.S. dollar because their sales and purchases are predominantly denominated in that currency. However, for our subsidiaries where the functional currency is the local currency, we translate assets and liabilities into U.S. dollars at the period-end exchange rate and revenue and expenses based on the exchange rates at the time such transactions arise, if known, or at the average rate for the period. The difference is recorded to equity as a component of other comprehensive income (loss). Financial assets and liabilities denominated in currencies other than the functional currency are recorded at the exchange rate at the time of the transaction and subsequent gains and losses related to changes in the foreign currency are included in "Other, net" income or expense in our Consolidated Statements of Operations and Comprehensive Income (Loss). During the year ended December 31, 2010, net transaction gains were $1 million. During each of the years ended December 31, 2009 and 2008, net transaction losses were less than $1 million and $1 million, respectively.

Cash and Cash Equivalents

We consider all liquid investments purchased with an original maturity of 90 days or less to be cash equivalents. Cash equivalents as of December 31, 2010 and 2009 primarily consist of money market funds, government bonds, corporate notes and commercial paper. The cost of these investments approximates their fair value.

Marketable Investment Securities

We currently classify all marketable investment securities as available-for-sale, except for the fair value method securities discussed below. We adjust the carrying value of our available-for-sale securities to fair value and report the related temporary unrealized gains and losses as a separate component of "Accumulated other comprehensive income (loss)" within "Total stockholders' equity (deficit)," net of related deferred income tax. Declines in the fair value of a marketable investment security which are determined to be "other-than-temporary" are recognized in the Consolidated Statements of Operations and Comprehensive Income (Loss), thus establishing a new cost basis for such investment.

We evaluate our marketable investment securities portfolio on a quarterly basis to determine whether declines in the fair value of these securities are other-than-temporary. This quarterly evaluation consists of reviewing, among other things:

- the fair value of our marketable investment securities compared to the carrying amount,
- the historical volatility of the price of each security, and
- any market and company specific factors related to each security.

Declines in the fair value of investments below cost basis are generally accounted for as follows:

Length of Time Investment Has Been In a Continuous Loss Position	Treatment of the Decline in Value (absent specific factors to the contrary)
Less than six months	Generally, considered temporary.
Six to nine months	Evaluated on a case by case basis to determine whether any company or market-specific factors exist which would indicate that such decline is other-than-temporary.
Greater than nine months	Generally, considered other-than-temporary. The decline in value is recorded as a charge to earnings.

In situations where the fair value of a debt security is below its carrying amount, we consider the decline to be other-than-temporary and record a charge to earnings if any of the following factors apply:

i. We have the intent to sell the security.

ii. It is more likely than not that we will be required to sell the security before maturity or recovery.

iii. We do not expect to recover the security's entire amortized cost basis, even if there is no intent to sell the security.

In general, we use the first in, first out method to determine the cost basis on sales of marketable investment securities.

Accounts Receivable

Management estimates the amount of required allowances for the potential non-collectability of accounts receivable based upon past collection experience and consideration of other relevant factors. However, past experience may not be indicative of future collections and therefore additional charges could be incurred in the future to reflect differences between estimated and actual collections.

Inventory

Inventory is stated at the lower of cost or market value. Cost is determined using the first-in, first-out method. Proprietary products are built by contract manufacturers to our specifications. We depend on a few manufacturers, and in some cases a single manufacturer, for the production of our digital set-top boxes and related components. Manufactured inventories include materials, labor, freight-in and royalties.

Property and Equipment

Property and equipment are stated at cost. Depreciation is recorded on a straight-line basis over lives ranging from one to forty years. Repair and maintenance costs are charged to expense when incurred. Renewals and betterments are capitalized.

The cost of satellites under construction, including certain amounts prepaid under our satellite service agreements, is capitalized during the construction phase, assuming the eventual successful launch and in-orbit operation of the satellite. If a satellite were to fail during launch or while in-orbit, the resultant loss would be charged to expense in the period such loss was incurred. The amount of any such loss would be reduced to the extent of insurance proceeds estimated to be received, if any.

Long-Lived Assets

We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This evaluation is performed at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. For assets which are held and used in operations, the asset would be impaired if the carrying value of the asset exceeded its undiscounted future net cash flows. Once an impairment is determined, the actual impairment is reported as the difference between the carrying value and the fair value as estimated using discounted cash flows. Assets which are to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. We consider relevant cash flow, estimated future operating results, trends and other available information in assessing whether the carrying value of assets are recoverable.

Intangible Assets and FCC Authorizations

We do not amortize goodwill and intangible assets with indefinite useful lives, but test for impairment annually or whenever indicators of impairments arise. Intangible assets that have finite lives are amortized over their estimated useful lives and tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Generally, we have determined that our FCC licenses have indefinite useful lives due to the following:

- FCC spectrum is a non-depleting asset;
- replacement satellite applications are generally authorized by the FCC subject to certain conditions, without substantial cost under a stable regulatory, legislative and legal environment;
- maintenance expenditures in order to obtain future cash flows are not significant; and
- we intend to use these assets indefinitely.

In conducting our annual impairment test in 2010, we determined that the estimated fair value of the FCC licenses, calculated using the discounted cash flow analysis, exceeded their carrying amount.

Marketable and Other Investment Securities – Cost and Equity Method

Generally, we account for our unconsolidated equity investments under either the equity method or cost method of accounting. Because these equity securities are generally not publicly traded, it is not practical to regularly estimate the fair value of the investments; however, these investments are subject to an evaluation for other-than-temporary impairment on a quarterly basis. This quarterly evaluation consists of reviewing, among other things, company business plans and current financial statements, if available, for factors that may indicate an impairment of our investment. Such factors may include, but are not limited to, cash flow concerns, material litigation, violations of debt covenants, bankruptcy and changes in business strategy. The fair value of these equity investments is not estimated unless there are identified changes in circumstances that may indicate an impairment exists and these changes are likely to have a significant adverse effect on the fair value of the investment. When impairments occur related to our foreign investments, any cumulative translation adjustment associated with these investments will remain in "Accumulated other comprehensive income (loss)" within "Total stockholders' equity (deficit)" on our Consolidated Balance Sheets until the investments are sold or otherwise liquidated; at which time, they will be released into our Consolidated Statements of Operations and Comprehensive Income (Loss).

Marketable and Other Investment Securities – Fair Value Method

We elect the fair value method for certain debt and equity investments in affiliates when we believe the fair value method of accounting provides more meaningful information to our investors. Changes in the fair value of marketable investment securities, non-marketable convertible debt, and interest on debt investment securities accounted for at fair value are recognized as "Unrealized gains (losses) on investments accounted for at fair value, net" on our Consolidated Statements of Operations and Comprehensive Income (Loss). The fair value of the non-marketable convertible debt is determined each reporting period based upon inputs other than quoted market prices that are observable for the debt, either directly or indirectly. The fair value analysis takes into consideration the price of the underlying company stock as well as changes in the credit market, including yield curves and interest rates. In addition, the fair value of these debt and equity investment securities takes into consideration the impact of any bankruptcy proceedings.

Sales Taxes

We account for sales taxes imposed on our goods and services on a net basis in our Consolidated Statements of Operations and Comprehensive Income (Loss). Since we primarily act as an agent for the governmental authorities, the amount charged to the customer is collected and remitted directly to the appropriate jurisdictional entity.

Income Taxes

We establish a provision for income taxes currently payable or receivable and for income tax amounts deferred to future periods. Deferred tax assets and liabilities are recorded for the estimated future tax effects of differences that exist between the book and tax basis of assets and liabilities. Deferred tax assets are offset by valuation allowances when we believe it is more likely than not that such net deferred tax assets will not be realized.

Accounting for Uncertainty in Income Taxes

From time to time, we engage in transactions where the tax consequences may be subject to uncertainty. We record a liability when, in management's judgment, a tax filing position does not meet the more likely than not threshold. For tax positions that meet the more likely than not threshold, we may record a liability depending on management's assessment of how the tax position will ultimately be settled. We adjust our estimates periodically based on ongoing examinations by and settlements with various taxing authorities, as well as changes in tax laws, regulations and precedent. We classify interest and penalties, if any, associated with our uncertain tax positions as a component of "Interest expense, net of amounts capitalized" and "Other, net," respectively.

Fair Value of Financial Instruments

As of December 31, 2010 and 2009, the carrying value of our cash and cash equivalents, current marketable investment securities, trade accounts receivable, net of allowance for doubtful accounts, and current liabilities is equal to or approximates fair value due to their short-term nature. Disclosure regarding fair value of capital leases is not required.

Revenue Recognition

Revenue is recognized when an arrangement exists, prices are determinable, collectibility is reasonably assured and the goods or services have been delivered. If any of these criteria are not met, revenue recognition is deferred until such time as all of the criteria are met. Revenue from equipment sales are generally recognized upon shipment to customers. Revenue from digital broadcast operations and satellite services and other is recognized when the related services are performed.

Cost of Equipment and Other Sales

Cost of equipment and other sales associated with digital set-top boxes, Slingboxes and related components includes materials, labor, freight-in and royalties. We have designed and developed digital set-top boxes, antennae and other equipment for DISH Network and international satellite service providers and other international customers. The costs associated with digital broadcast operations and satellite services and other are recognized as the services are performed or as incurred.

Research and Development

The cost of research and development is charged to expense as incurred.

New Accounting Pronouncements

Revenue Recognition – Multiple-Deliverable Arrangements

In October 2009, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2009-13 ("ASU 2009-13"), Revenue Recognition - Multiple-Deliverable Revenue Arrangements. ASU 2009-13 changes the requirements for establishing separate units of accounting in a multiple deliverable arrangement and requires the allocation of arrangement consideration to each deliverable to be based on the relative selling price. This standard was effective January 1, 2011. We do not expect the adoption of ASU 2009-13 to have a material impact on our financial position or results of operations.

3. Basic and Diluted Net Income (Loss) Per Share

We present both basic earnings per share ("EPS") and diluted EPS. Basic EPS excludes potential dilution and is computed by dividing "Net income (loss)" by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if stock awards were exercised.

The potential dilution from stock awards was computed using the treasury stock method based on the average market value of our Class A common stock. The following table presents earnings per share amounts for all periods and the basic and diluted weighted-average shares outstanding used in the calculation.

	For the Years Ended December 31,		
	2010	2009	2008
	(In thousands, except per share amounts)		
Net income (loss)	$204,358	$364,704	$(958,188)
Weighted-average common shares outstanding - Class A and B common stock:			
Basic	85,084	85,765	89,324
Dilutive impact of stock awards outstanding	119	294	—
Diluted	85,203	86,059	89,324
Earnings per share - Class A and B common stock:			
Basic net income (loss) per share	$ 2.40	$ 4.25	$ (10.73)
Diluted net income (loss) per share	$ 2.40	$ 4.24	$ (10.73)

We had a net loss for the year ended December 31, 2008; therefore, the effect of stock awards is excluded from the computation of diluted earnings (loss) per share since the effect is anti-dilutive. As of December 31, 2010 and 2009, there were stock awards to purchase 5.9 million and 4.7 million shares, respectively, of Class A common stock outstanding, not included in the weighted-average common shares outstanding above, as their effect is antidilutive.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Vesting of options and rights to acquire shares of our Class A common stock ("Restricted Performance Units") granted pursuant to a performance-based stock incentive plan is contingent upon meeting a certain company goal which is not yet probable of being achieved. As a consequence, the following are also not included in the diluted EPS calculation.

	As of December 31,		
	2010	2009	2008
	(In thousands)		
Performance-based options	697	724	886
Restricted Performance Units	93	100	109
Total	790	824	995

4. Marketable Investment Securities, Restricted Cash and Other Investment Securities

Our marketable investment securities, restricted cash, and other investment securities consist of the following:

	As of December 31,	
	2010	2009
	(In thousands)	
Marketable investment securities:		
Current marketable investment securities - VRDNs	$ 395,715	$ 398,630
Current marketable investment securities - strategic	232,718	126,622
Current marketable investment securities - other	360,653	280,580
Total marketable investment securities - current	989,086	805,832
Restricted marketable investment securities (1)	1,337	2,995
Total	990,423	808,827
Restricted cash and cash equivalents (1)	16,089	15,008
Marketable and other investment securities - noncurrent:		
Marketable and other investment securities - cost method	3,097	33,288
Marketable and other investment securities - equity method	109,366	94,826
Marketable and other investment securities - fair value method	613,125	433,905
Total marketable and other investment securities - noncurrent	725,588	562,019
Total marketable investment securities, restricted cash and other investment securities	$1,732,100	$1,385,854

(1) Restricted marketable investment securities and restricted cash and cash equivalents are included in "Restricted cash and marketable investment securities" on our Consolidated Balance Sheets.

Marketable Investment Securities

Our marketable investment securities portfolio consists of various debt and equity instruments, all of which are classified as available-for-sale (see Note 2).

Current Marketable Investment Securities - VRDNs

Variable rate demand notes ("VRDNs") are long-term floating rate municipal bonds with embedded put options that allow the bondholder to sell the security at par plus accrued interest. All of the put options are secured by a pledged liquidity source. Our VRDN portfolio is comprised of investments in many municipalities, which are backed by financial institutions or other highly rated companies that serve as the pledged liquidity source. While they are classified as marketable investment securities, the put option allows VRDNs to be liquidated generally on a same day or on a five business day settlement basis.

Current Marketable Investment Securities - Strategic

Our current strategic marketable investment securities are highly speculative and have experienced and continue to experience volatility. As of December 31, 2010, a significant portion of our strategic investment portfolio consisted of securities of several issuers and the value of that portfolio depends on those issuers.

Current Marketable Investment Securities - Other

Our other current marketable investment securities portfolio includes investments in various debt instruments including corporate and government bonds.

Restricted Cash and Marketable Investment Securities

As of December 31, 2010 and 2009, our restricted marketable investment securities, together with our restricted cash, included amounts required as collateral for our letters of credit or surety bonds.

Marketable and Other Investment Securities - Noncurrent

We account for our unconsolidated debt and equity investments under the fair value, equity and/or cost method of accounting. We have several strategic investments in certain equity securities that are included in noncurrent "Marketable and other investment securities" on our Consolidated Balance Sheets.

Marketable and Other Investment Securities – Cost and Equity

Non-majority owned investments are generally accounted for using the equity method when we have the ability to significantly influence the operating decisions of an investee. However, when we do not have the ability to significantly influence the operating decisions of an investee, the cost method is used.

Our ability to realize value from our strategic investments in companies that are not publicly traded depends on the success of those companies' businesses and their ability to obtain sufficient capital to execute their business plans. Because private markets are not as liquid as public markets, there is also increased risk that we will not be able to sell these investments, or that when we desire to sell them we will not be able to obtain fair value for them.

Marketable and Other Investment Securities – Fair Value

We elect the fair value method for certain debt and equity investments in affiliates when we believe the fair value method of accounting provides more meaningful information to our investors. For our investments carried at fair value, interest and dividends are measured at fair value and are recorded in "Unrealized gains (losses) on investments accounted for at fair value, net." See "Investments in TerreStar" below for more information.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Unrealized Gains (Losses) on Marketable Investment Securities

As of December 31, 2010 and 2009, we had accumulated net unrealized gains of $188 million and $77 million, both net of related tax effect, respectively, as a part of "Accumulated other comprehensive income (loss)" within "Total stockholders' equity (deficit)." A full valuation allowance has been established against any net tax assets that are capital in nature. The components of our available-for-sale investments are detailed in the table below.

	As of December 31,							
	2010				2009			
	Marketable Investment Securities	Unrealized Gains	Unrealized Losses	Unrealized Net	Marketable Investment Securities	Unrealized Gains	Unrealized Losses	Unrealized Net
	(In thousands)							
Debt securities:								
VRDNs	$395,715	$ —	$ —	$ —	$398,630	$ —	$ —	$ —
Other (including restricted)	375,814	1,154	(233)	921	316,793	15,696	(137)	15,559
Equity securities:								
Other	218,894	186,745	—	186,745	93,404	61,172	—	61,172
Total marketable investment securities	$990,423	$187,899	$(233)	$187,666	$808,827	$76,868	$(137)	$76,731

As of December 31, 2010, restricted and non-restricted marketable investment securities include debt securities of $762 million with contractual maturities of one year or less and $10 million with contractual maturities greater than one year. Actual maturities may differ from contractual maturities as a result of our ability to sell these securities prior to maturity.

Marketable Investment Securities in a Loss Position

The following table reflects the length of time that the individual securities, accounted for as available-for-sale, have been in an unrealized loss position, aggregated by investment category. We do not intend to sell our investments in debt securities before they recover or mature, and it is more likely than not that we will hold these debt investments until that time. In addition, we are not aware of any specific factors indicating that the underlying issuers of these debt securities would not be able to pay interest as it becomes due or repay the principal at maturity. Therefore, we believe that these changes in the estimated fair values of these marketable investment securities are related to temporary market fluctuations.

		As of December 31, 2010						
			Less than Six Months		Six to Nine Months		Nine Months or More	
Investment Category	Primary Reason for Unrealized Loss	Total Fair Value	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
		(In thousands)						
Debt securities	Temporary market fluctuations	$119,135	$26,358	$ (44)	$17,566	$ (71)	$75,211	$ (118)
Total		$119,135	$26,358	$ (44)	$17,566	$ (71)	$75,211	$ (118)

		As of December 31, 2009						
			Less than Six Months		Six to Nine Months		Nine Months or More	
Investment Category	Primary Reason for Unrealized Loss	Total Fair Value	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
		(In thousands)						
Debt securities	Temporary market fluctuations	$ 57,683	$50,648	$ (94)	$ 7,035	$ (43)	$ —	$ —
Total		$ 57,683	$50,648	$ (94)	$ 7,035	$ (43)	$ —	$ —

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Fair Value Measurements

We determine fair value based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. Market or observable inputs are the preferred source of values, followed by unobservable inputs or assumptions based on hypothetical transactions in the absence of market inputs. We apply the following hierarchy in determining fair value:

- Level 1, defined as observable inputs being quoted prices in active markets for identical assets;
- Level 2, defined as observable inputs other than quoted prices included in Level 1, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which significant inputs and significant value drivers are observable in active markets; and
- Level 3, defined as unobservable inputs for which little or no market data exists, consistent with reasonably available assumptions made by other participants therefore requiring assumptions based on the best information available.

Our assets measured at fair value on a recurring basis were as follows:

	As of							
	December 31, 2010				December 31, 2009			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
	(In thousands)							
Debt securities:								
VRDNs	$ 395,715	$ —	$395,715	$ —	$ 398,630	$ —	$ 398,630	$ —
Other (including restricted)	375,814	—	375,814	—	316,793	2,998	313,795	—
Equity securities	218,894	218,894	—	—	93,404	93,404	—	—
Marketable and other investment securities - noncurrent	613,125	4,170	—	608,955	433,905	28,200	339,677	66,028
Total assets at fair value	$1,603,548	$223,064	$771,529	$608,955	$1,242,732	$124,602	$1,052,102	$66,028

Changes in Level 3 instruments are as follows:

	Level 3 Investment Securities
	(In thousands)
Balance as of December 31, 2009	$ 66,028
Net realized and unrealized gains (losses) included in earnings	80,727
Purchases, issuances and settlements, net	74,927
Transfers from level 2 to level 3	387,273
Balance as of December 31, 2010	$ 608,955

Transfers from Level 2 into Level 3 are due to a lack of observable market data for these securities during the year ended December 31, 2010.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Unrealized and Realized Gains (Losses) on Marketable Investment Securities and Other Investments

"Unrealized and realized gains (losses) on marketable investment securities and other investments" on our Consolidated Statements of Operations and Comprehensive Income (Loss) includes changes in the carrying amount of our investments as follows:

	For the Years Ended December 31,		
	2010	2009	2008
		(In thousands)	
Unrealized and realized gains (losses) on marketable investment securities and other investments:			
Marketable investment securities - gains (losses) on sales/exchange	$ 30,231	$126,232	$ 16,195
Marketable investment securities - other-than-temporary impairments	—	—	(163,139)
Gain on sale of a company which held certain FCC authorizations	—	—	67,624
Marketable and other investment securities - gains (losses) on sales/exchange	9,437	—	—
Marketable and other investment securities - other-than-temporary impairments	(36,745)	(6,771)	(10,475)
Total unrealized and realized gains (losses) on marketable investment securities and other investments	$ 2,923	$119,461	$ (89,795)

Investments in TerreStar

We account for our investments in TerreStar Corporation ("TerreStar Corporation") and TerreStar Networks Inc. ("TerreStar Networks"), an indirect, majority-owned subsidiary of TerreStar Corporation, using the fair value method of accounting which we believe provides more meaningful information to our investors. TerreStar Networks is the principal operating subsidiary of TerreStar Corporation. As discussed further below, TerreStar Networks and TerreStar Corporation filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code on October 19, 2010 and February 16, 2011, respectively.

We have been an investor in TerreStar Corporation and TerreStar Networks for over three years. In February 2008, we completed several transactions under a Master Investment Agreement between us, TerreStar Corporation and TerreStar Networks. Under the Master Investment Agreement, we acquired $50 million in aggregate principal amount of TerreStar Networks' 6 1/2% Senior Exchangeable Paid-in-Kind Notes due June 15, 2014 ("Exchangeable Notes") as well as $50 million aggregate principal amount of TerreStar Networks' 15% Senior Secured Paid-in-Kind Notes due February 15, 2014 ("15% PIK Notes"). The Master Investment Agreement also provides that we have the right to appoint two representatives to TerreStar Corporation's Board of Directors. We do not presently have any representatives on TerreStar Corporation's Board of Directors. We have from time to time acquired, and we currently hold, other securities issued by TerreStar Corporation and TerreStar Networks.

Furthermore, in February 2008, we entered into a Spectrum Agreement with TerreStar Corporation, under which, in June 2008, TerreStar Corporation completed the acquisition of our holdings of 1.4 GHz spectrum in exchange for the issuance of 30 million shares of its common stock to us. On February 16, 2011, TerreStar Corporation and its subsidiary, TerreStar Holdings Inc. (together, the "TSC Debtors"), filed for protection under Chapter 11 of the U.S. Bankruptcy Code in the Bankruptcy Court.

We also entered into an agreement with TerreStar Networks and Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund LP (collectively, "Harbinger"), in February 2008, in which we and Harbinger each committed to provide up to $50 million in secured financing, the proceeds of which were advanced to TerreStar Networks from time to time as required for TerreStar Networks to make required payments in connection with a communications satellite to be constructed and launched for TerreStar Networks. As of December 31, 2010, we were owed $44 million by TerreStar Networks under the terms of this credit agreement.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

In connection with the filings by TerreStar Networks and certain of its affiliates (other than TerreStar Corporation) (the "Debtors") for protection under Chapter 11 of the U.S. Bankruptcy Code and an ancillary proceeding under the Companies' Creditors Arrangement Act in Canada, on October 19, 2010, we entered into a commitment to provide a debtor-in-possession credit facility (the "Credit Facility") to the Debtors. On November 18, 2010, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") approved the Credit Facility on a final basis and authorized the Debtors to enter into the Credit Facility. The Credit Facility consists of a non-revolving, multiple draw term loan in the aggregate principal amount of $75 million, with drawings subject to the terms and conditions set forth in the Credit Facility. As of December 31, 2010, we had funded $25 million to the Debtors under this Credit Facility which is included in "Marketable and other investment securities" on our Consolidated Balance Sheets.

Our debt investments in TerreStar Networks had a fair value of $609 million and $406 million as of December 31, 2010 and 2009, respectively. Our equity investments in TerreStar Corporation had a fair value of $4 million and $28 million as of December 31, 2010 and 2009, respectively. TerreStar Corporation and its subsidiary, TerreStar Holdings Inc. filed for protection under Chapter 11 of the U.S. Bankruptcy Code on February 16, 2011. As a result, the fair value of our equity investment as of December 31, 2010 may be negatively impacted. Our debt and equity investments in TerreStar Corporation and TerreStar Networks had an aggregate fair value of $613 million and $434 million as of December 31, 2010 and 2009, respectively. Fluctuations in fair value of these investments are recorded in "Unrealized gains (losses) on investments accounted for at fair value, net" on our Consolidated Statements of Operations and Comprehensive Income (Loss) and directly impact our profitability. For the years ended December 31, 2010, 2009 and 2008, we recorded a $144 million gain, a $313 million gain and a $318 million loss on these investments, respectively.

On November 19, 2010, we entered into an agreement with the Debtors (the "Restructuring Support Agreement") pursuant to which we committed to (i) support the Debtors' proposed plan of reorganization and (ii) backstop a rights offering for preferred shares of TerreStar Networks, which rights offering was to be completed upon the Debtors' emergence from bankruptcy, on the terms set forth in the Restructuring Support Agreement. The Bankruptcy Court approved the Restructuring Support Agreement on December 22, 2010.

On February 15, 2011, the Restructuring Support Agreement was terminated by mutual agreement of the parties. It is impossible to predict with certainty the amount of time that the Debtors may spend in bankruptcy or whether the Debtors will be able to obtain confirmation of a plan of reorganization.

Our investments in TerreStar Corporation and TerreStar Networks are highly speculative and have experienced and continue to experience significant volatility. The investments in TerreStar Networks are determined using Level 3 inputs under the fair value hierarchy. In estimating those fair values we consider quotes from brokers and other pricing services, if available, and obtain both observable and unobservable inputs in our valuation models which include the use of option pricing and discounted cash flow techniques. The fair value of these investments can be significantly impacted by adverse changes in securities markets generally, as well as risks related to the performance of TerreStar Corporation and TerreStar Networks, their ability to obtain sufficient capital to execute their business plans, risks associated with their specific industries, bankruptcy and other factors. We are continuing to evaluate the effect of developments in the Debtors' and the TSC Debtors' chapter 11 cases on the fair value of our investment in TerreStar Networks and TerreStar Corporation. In particular, as a result of the termination of the Restructuring Support Agreement on February 15, 2011, the fair value of our investments in TerreStar Networks may be significantly impacted.

On January 14, 2011, TerreStar Corporation filed a Form 15, terminating the registration of its common stock and Series A Voting Convertible Preferred Stock under Section 12(g) of the Securities Exchange Act of 1934 and suspending its obligations to file reports with the Securities and Exchange Commission (other than with respect to its fiscal year ended December 31, 2010).

DISH_337-TA-1265_00020832

DISH TECHNOLOGIES L.L.C., Exhibit 2080, p. 100
Aylo Freesites Ltd. v. Dish Technologies L.L.C., IPR2024-00045

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

The balance sheets for TerreStar Corporation are presented below as of September 30 and the statements of operations data include twelve months ended September 30 for each respective period presented. As of February 24, 2011, TerreStar Corporation had not filed its quarterly report on Form 10-Q for the quarter ended September 30, 2010. As such, we have relied on TerreStar Corporation's management to provide us with accurate summary financial information, including portions of the information shown below. We are not aware of any errors in, or possible misstatements of, the financial information provided to us that would have a material effect on our Consolidated Financial Statements. The following table provides summarized financial information from TerreStar Corporation:

Balance Sheets (unaudited):	2010	2009
	(In thousands)	
Assets		
Current assets	$ 17,149	$ 80,970
Noncurrent assets	1,384,863	1,259,783
Total assets	$1,402,012	$1,340,753
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities	$ 633,917	$ 53,521
Long-term liabilities	1,080,364	929,427
Cumulative preferred dividend	—	408,500
Stockholders' equity (deficit)	(312,269)	(50,695)
Total liabilities and stockholders' equity (deficit)	$1,402,012	$1,340,753

Statement of Operations (unaudited):	2010	2009	2008
		(In thousands)	
Revenue	$ 17,120	$ —	$ —
Operating expenses	$ 230,644	$ 152,203	$ 215,246
Net income (loss) from continuing operations	$(323,705)	$(217,669)	$ —
Net income (loss)	$(298,257)	$(201,357)	$(286,757)
Net income (loss) available to common stockholders	$(321,441)	$(226,690)	$(314,418)

5. Inventory

Inventory consists of the following:

	As of December 31,	
	2010	2009
	(In thousands)	
Finished goods	$21,084	$32,988
Raw materials	6,819	16,647
Work-in-process	2,530	3,379
Total inventory	$30,433	$53,014

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

6. Property and Equipment

Property and equipment consist of the following:

	Depreciable Life (In Years)	As of December 31, 2010	2009
		(In thousands)	
Land	—	$ 28,240	$ 28,301
Buildings and improvements	1-40	232,208	226,964
Furniture, fixtures, equipment and other	1-10	791,247	756,827
Satellites:			
EchoStar III - fully depreciated	12	234,083	234,083
EchoStar IV - fully depreciated	N/A	78,511	78,511
EchoStar VI	12	244,305	244,305
EchoStar VIII	12	175,801	175,801
EchoStar IX	12	127,376	127,376
EchoStar XII	10	190,051	190,051
Satellites acquired under capital leases	10-15	534,673	508,553
Construction in process	—	393,098	271,490
Total property and equipment		3,029,593	2,842,262
Accumulated depreciation		(1,766,290)	(1,609,077)
Property and equipment, net		$ 1,263,303	$ 1,233,185

"Construction in process" consists of the following:

	As of December 31, 2010	2009
	(In thousands)	
Progress amounts for satellite construction, including certain amounts prepaid under satellite service agreements and launch costs:		
EchoStar XVI	$100,312	$ 30,400
QuetzSat-1	162,947	102,315
Other	93,958	102,974
Uplinking equipment	11,933	27,331
Other	23,948	8,470
Construction in process	$393,098	$271,490

During the year ended December 31, 2010, $26 million of interest was capitalized into construction in progress, including $7 million which relates to interest expense that should have been capitalized in 2009.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Depreciation and amortization expense consists of the following:

	For the Years Ended December 31,		
	2010	2009	2008
		(In thousands)	
Satellites	$ 92,750	$105,270	$139,079
Furniture, fixtures, equipment and other	98,481	99,428	86,629
Identifiable intangible assets subject to amortization	31,095	33,057	32,606
Buildings and improvements	6,585	6,374	5,883
Total depreciation and amortization	$228,911	$244,129	$264,197

Cost of sales and operating expense categories included in our accompanying Consolidated Statements of Operations and Comprehensive Income (Loss) do not include depreciation expense related to satellites or equipment leased to customers.

Satellites

We currently utilize ten satellites in geostationary orbit approximately 22,300 miles above the equator, four of which are leased. Three of our leased satellites are accounted for as capital leases and are depreciated over the terms of the satellite service agreements. We also lease capacity on one satellite from DISH Network that is accounted for as an operating lease.

Satellites	Launch Date	Degree Orbital Location	Original Useful Life/ Lease Term (In Years)
Owned:			
EchoStar III (1)	October 1997	61.5	12
EchoStar IV (2)	May 1998	77	12
EchoStar VI (1)	July 2000	77	12
EchoStar VIII (1)	August 2002	77	12
EchoStar IX (1)	August 2003	121	12
EchoStar XII (1)	July 2003	61.5	10
Leased from DISH Network:			
EchoStar I (1)	December 1995	77	12
Leased from Other Third Parties:			
AMC-15 (3)	December 2004	105	10
AMC-16 (3)	January 2005	85	10
Nimiq 5 (1) (3)	September 2009	72.7	15
Under Construction:			
QuetzSat-1 (leased) (1)	2011	77	10
EchoStar XVI (owned) (1)	2012	61.5	15
CMBStar (owned)	Construction Suspended		

(1) See Note 19 for further discussion of our Related Party Agreements.
(2) Fully depreciated and not currently in service.
(3) These satellites are accounted for as capital leases.

Prior to 2010, certain satellites in our fleet experienced anomalies, some of which have had a significant adverse impact on their remaining useful life and/or commercial operation. There can be no assurance that future anomalies will not further impact the remaining useful life and commercial operation of any of these satellites. See "*Long-Lived Satellite Assets*" below for further discussion of evaluation of impairment. There can be no assurance that we can recover critical transmission capacity in the event one or more of our in-orbit satellites were to fail. We generally do not carry insurance for any of the in-orbit satellites that we use, and therefore we will bear the risk of any in-orbit failures. Recent developments with respect to certain of our satellites are discussed below.

Owned Satellites

EchoStar III. EchoStar III was originally designed to operate a maximum of 32 DBS transponders in a mode that provides service to the entire continental United States ("CONUS") at approximately 120 watts per channel, switchable to 16 transponders operating at over 230 watts per channel, and was equipped with a total of 44 traveling wave tube amplifiers ("TWTAs") to provide redundancy. As a result of TWTA failures in previous years, during January and May 2010, and February 2011, only 10 transponders are currently available for use. Although these failures have impacted the commercial operation of the satellite, the satellite has been fully depreciated. It is likely that additional TWTA failures will occur from time to time in the future and such failures could further impact commercial operation of the satellite.

EchoStar VI. EchoStar VI was designed with 108 solar array strings, of which approximately 102 are required to assure full power availability for the original minimum 12-year useful life of the satellite. During March and August of 2010, EchoStar VI experienced anomalies resulting in the loss of 24 solar array strings, reducing the number of functional solar array strings to 84. While these anomalies did not reduce the estimated useful life of the satellite to less than 12 years, commercial operation has been impacted and there can be no assurance that future anomalies will not reduce its useful life or further impact its commercial operation. The satellite was designed to operate 32 DBS transponders in CONUS at approximately 125 watts per channel, switchable to 16 DBS transponders operating at approximately 250 watts per channel. The power reduction resulting from the solar array failures currently limits us to operating 24 DBS transponders in CONUS at approximately 125 watts per channel, switchable to 12 DBS transponders operating at approximately 250 watts per channel. The number of transponders to which power can be provided is expected to decline in the future at the rate of approximately one transponder every three years.

EchoStar VIII. EchoStar VIII was designed to operate 32 DBS transponders in CONUS at approximately 120 watts per channel, switchable to 16 DBS transponders operating at approximately 240 watts per channel. EchoStar VIII was also designed with spot-beam technology. This satellite has experienced several anomalies prior to 2011, but none have reduced its useful life or impacted its commercial operation. During January 2011, the satellite experienced an anomaly, which temporarily disrupted electrical power to some components causing an interruption of broadcast service. Testing is being performed to determine if this anomaly will reduce the satellite's useful life or impact its commercial operations. There can be no assurance that this anomaly or any future anomalies will not reduce its useful life or impact its commercial operation.

Leased Satellites

AMC-16. AMC-16 commenced commercial operation during February 2005 and currently operates at the 85 degree orbital location. This SES World Skies satellite is equipped with 24 Ku-band fixed satellite services ("FSS") transponders that operate at approximately 120 watts per channel and a Ka-band payload consisting of 12 spot beams. During the first quarter 2010, SES World Skies notified us that AMC-16 had experienced a solar-array anomaly that further reduced its available transponder capacity. As a result, our monthly recurring payment was reduced accordingly and our capital lease obligation and the corresponding asset value were lowered by approximately $39 million.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Long-Lived Satellite Assets

We evaluate our satellites for impairment and test for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. This evaluation is performed at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Certain of the anomalies discussed above, and previously disclosed, may be considered to represent a significant adverse change in the physical condition of a particular satellite. However, based on the redundancy designed within each satellite, these anomalies are not considered to be significant events that would require evaluation for impairment recognition because the projected cash flows have not been significantly affected by these anomalies.

7. Intangible Assets

As of December 31, 2010 and 2009, our identifiable intangibles subject to amortization consisted of the following:

	As of			
	December 31, 2010		December 31, 2009	
	Intangible Assets	Accumulated Amortization	Intangible Assets	Accumulated Amortization
	(In thousands)			
Contract-based	$190,566	$(108,361)	$190,566	$ (91,733)
Customer relationships	23,632	(23,605)	23,600	(17,700)
Technology-based	118,305	(35,086)	73,314	(26,234)
Total	$332,503	$(167,052)	$287,480	$(135,667)

Amortization of these intangible assets is recorded on a straight line basis over an average finite useful life primarily ranging from approximately three to 20 years. Amortization was $31 million, $33 million and $33 million for the years ended December 31, 2010, 2009 and 2008, respectively.

Estimated future amortization of our identifiable intangible assets as of December 31, 2010 is as follows (in thousands):

For the Years Ended December 31,	
2011	$ 27,944
2012	26,124
2013	26,120
2014	24,910
2015	20,279
Thereafter	40,074
Total	$165,451

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

8. Impairments of Goodwill, Indefinite-Lived and Long-Lived Assets

During the years ended December 31, 2010 and 2009, we did not record any impairments on goodwill, indefinite-lived or long-lived assets. During the year ended December 31, 2008, we recorded impairment charges in "Impairments of goodwill, indefinite-lived and long-lived assets" on our Consolidated Statements of Operations and Comprehensive Income (Loss), detailed in the table below.

	For the Year Ended December 31, 2008	
	Pre-Tax	After-Tax
	(In thousands)	
Impairments of goodwill, indefinite-lived and long-lived assets:		
Goodwill impairment	$247,253	$247,253
FCC authorization impairment	38,720	33,434
Satellite impairments:		
AMC-15	137,955	85,339
AMC-16	79,745	49,331
CMBStar	85,000	52,581
Casualty loss - AMC-14	12,799	7,918
Other impairments	11,273	8,678
Total impairments of goodwill, indefinite-lived and long-lived assets	$612,745	$484,534

The after tax amounts presented in the table above consider their specific tax attributes, including the effect of any required valuation allowance for deferred tax assets (see Note 10).

Goodwill and Indefinite-Lived Asset Impairments

We assess the carrying value of goodwill and other indefinite-lived intangible assets for impairment annually, or more frequently whenever events occur and circumstances change indicating potential impairment.

Goodwill Impairment. The fair value of goodwill carried in our "Digital Set-Top Box" reporting unit was determined using a discounted cash flow model. The discounted cash flows were based on probability weighted financial forecasts developed by management. This model used Level 3 inputs. The implied fair value of goodwill was measured as the difference between the fair value of the "Digital Set-Top Box" reporting unit and the reporting unit's carrying value.

Based on this assessment, during 2008, we recorded a $247 million charge to fully impair our goodwill. This impairment was the result of the significant decline in the fair value of our "Digital Set-Top Box" reporting unit caused by the weak economic conditions and the effect of those conditions on our expected cash flows.

FCC Authorization Impairment. Prior to September 2008, we held certain FCC licenses with an aggregate carrying amount of $43 million in our "All Other" reporting unit. During 2008, as a result of the weak domestic economy, we determined that we no longer plan to invest additional amounts to exploit these assets. As a result of this change in the business environment and changes in our business plan for these assets, we determined that we had a triggering event related to these FCC frequencies. Based on this triggering event we performed an impairment review of these assets using Level 3 inputs in a discounted cash flow model to determine our estimated fair value. Based on this assessment, during 2008, we recorded an impairment charge of $39 million.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Long-Lived Asset Impairments

We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

AMC-15 and AMC-16 Impairments. In connection with the Spin-off, the satellite lease agreements for AMC-15 and AMC-16, two in-orbit satellites with substantial unused satellite capacity, were contributed to us by DISH Network. These assets are part of our "Satellite Services" business. Our business plan contemplated sufficient cash inflows to support the carrying amount of these satellites. However, during 2008, due to our inability to successfully generate planned cash inflows from business opportunities, together with a decrease in demand for satellite services as a result of the weak economy we performed an impairment analysis and determined that the respective undiscounted cash flows would not recover the carrying amount of these satellites. We estimated the fair values of these satellites using a discounted cash flow model based on discrete financial forecasts developed by management. The discounted cash flow models used Level 3 inputs.

Based on the results of this analysis, the carrying value of AMC-15 and AMC-16 exceeded the fair value by $138 million and $80 million, respectively, and we recorded these amounts as impairment charges during 2008. These assets are included in our "Satellite Services" segment.

CMBStar Impairment. In connection with the Spin-off, DISH Network contributed to us, a satellite under construction, CMBStar. We have suspended construction of the CMBStar satellite and during April 2008, we notified the State Administration of Radio, Film and Television of China that we were suspending construction of the CMBStar satellite pending, among other things, further analysis relating to efforts to meet the satellite performance criteria and/or confirmation that alternative performance criteria would be acceptable. During 2008, we continued to explore remedies and alternative uses for this satellite. During the fourth quarter of 2008, there were significant adverse changes in the business climate, and we were unable to secure a commercial agreement for an alternative use. As a result, we performed an impairment analysis and determined that the undiscounted cash flows would not recover the carrying amount of this satellite. We determined the fair value of this satellite by evaluating the probable cash flows that we may receive from potential uses, including what other purchasers in the market may have paid for a reasonably similar asset and the fair value we could realize should we deploy the satellite in a manner different from its original intended use (for example, we considered component resale values). The valuation model used Level 3 inputs.

Based on the results of this analysis, the carrying value of CMBStar exceeded its fair value by $85 million, and we recorded an impairment charge during 2008. This asset is included in our "All Other" segment.

AMC-14 Casualty Loss. In connection with the Spin-off, the satellite lease agreement for AMC-14 was contributed to us by DISH Network. During 2008, AMC-14 experienced a launch anomaly and failed to reach its intended orbit. SES World Skies subsequently declared the AMC-14 satellite a total loss due to a lack of viable options to reposition the satellite to its proper geostationary orbit. Therefore, we have no obligation to make any future monthly lease payments to SES World Skies with respect to the satellite. However, we did make up-front payments with respect to the satellite prior to launch and recorded capitalized interest and insurance costs related to the satellite. These amounts, net of insurance proceeds of $41 million, totaled $13 million and were written-off during 2008 and were attributed to our "Satellite Services" segment.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

9. Long-Term Debt and Capital Lease Obligations

Long-Term Debt and Capital Lease Obligations

Long-term debt and capital lease obligations consist of the following:

	As of December 31,	
	2010	2009
	(In thousands)	
Capital lease obligations:		
Satellites financed under capital lease obligations	$405,449	$436,924
Other equipment financed under capital lease obligations	901	2,210
8% note payable for EchoStar IX satellite vendor financing, payable over 14 years from launch	6,315	6,970
8% mortgage payable due in installments through 2015	220	265
Total	412,885	446,369
Less current portion	(53,060)	(54,206)
Capital lease obligations, mortgages and other notes payable, net of current portion	$359,825	$392,163

Capital Lease Obligations

As of December 31, 2010 and 2009, we had $535 million and $509 million capitalized for the estimated fair value of satellites acquired under capital leases included in "Property and equipment, net," with related accumulated depreciation of $268 million and $240 million, respectively. In our Consolidated Statements of Operations and Comprehensive Income (Loss), we recognized $28 million, $21 million and $55 million in depreciation expense on satellites acquired under capital lease agreements during the years ended December 31, 2010, 2009 and 2008, respectively.

Nimiq 5. Nimiq 5 was launched in September 2009 and commenced commercial operation at the 72.7 degree orbital location during October 2009, where it provides additional high-powered capacity to our satellite fleet. See Note 19 for further discussion.

AMC-15. AMC-15, an FSS satellite, commenced commercial operation during January 2005. This lease is renewable by us on a year-to-year basis following the initial ten-year term, and provides us with certain rights to lease capacity on replacement satellites.

AMC-16. AMC-16 commenced commercial operation during February 2005. This lease is renewable by us on a year-to-year basis following the initial ten-year term, and provides us with certain rights to lease capacity on replacement satellites.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Future minimum lease payments under these capital lease obligations, together with the present value of the net minimum lease payments as of December 31, 2010 are as follows (in thousands):

For the Years Ended December 31,	
2011	$ 118,134
2012	117,412
2013	117,315
2014	111,971
2015	44,150
Thereafter	377,521
Total minimum lease payments	886,503
Less: Amount representing lease of the orbital location and estimated executory costs (primarily insurance and maintenance) including profit thereon, included in total minimum lease payments	(260,309)
Net minimum lease payments	626,194
Less: Amount representing interest	(219,844)
Present value of net minimum lease payments	406,350
Less: Current portion	(52,311)
Long-term portion of capital lease obligations	$ 354,039

10. Income Taxes

Our income tax policy is to record the estimated future tax effects of temporary differences between the tax bases of assets and liabilities and amounts reported on our Consolidated Balance Sheets, as well as probable operating loss, tax credit and other carryforwards. Deferred tax assets are offset by valuation allowances when we believe it is more likely than not that net deferred tax assets will not be realized. We periodically evaluate our need for a valuation allowance. Determining necessary valuation allowances requires us to make assessments about historical financial information as well as the timing of future events, including the probability of expected future taxable income and available tax planning opportunities. Our deferred tax assets included tax effected net operating losses ("NOLs") and credits of $4 million as of December 31, 2010 which has been offset by a valuation allowance. As of December 31, 2010, we had capital loss carryforwards for federal income tax purposes of $58 million, which has been offset by a valuation allowance.

The components of pretax income (loss) are as follows:

	For the Years Ended December 31,		
	2010	2009	2008
		(In thousands)	
Domestic	$284,501	$425,793	$(1,046,999)
Foreign	4,272	(434)	(7,869)
Total	$288,773	$425,359	$(1,054,868)

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

The components of the (provision for) benefit from income taxes are as follows:

	For the Years Ended December 31,		
	2010	2009	2008
		(In thousands)	
Current (provision) benefit:			
Federal	$ 21,542	$ (9,240)	$ (55,166)
State	(579)	(5,216)	(7,953)
Foreign	(1,809)	(855)	(2,212)
	19,154	(15,311)	(65,331)
Deferred (provision) benefit:			
Federal	(98,626)	(134,287)	297,201
State	(6,593)	(16,162)	42,846
Decrease (increase) in valuation allowance	1,650	105,105	(178,036)
	(103,569)	(45,344)	162,011
Total benefit (provision)	$ (84,415)	$ (60,655)	$ 96,680

The actual tax provisions for 2010, 2009 and 2008 reconcile to the amounts computed by applying the statutory Federal tax rate to income before taxes as shown below:

	For the Years Ended December 31,		
	2010	2009	2008
		% of pre-tax (income)/loss	
Statutory rate	(35.0)	(35.0)	35.0
State income taxes, net of Federal benefit	(1.9)	(4.4)	2.3
Foreign taxes and income not U.S. taxable	(0.1)	—	(0.5)
Stock option compensation	0.1	(0.4)	0.1
Goodwill impairment	—	—	(8.3)
Decrease (increase) in valuation allowance	2.0	24.7	(17.1)
Stock write-off	2.0	—	—
Other	3.7	0.8	(2.3)
Total benefit (provision) for income taxes	(29.2)	(14.3)	9.2

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

The temporary differences, which give rise to deferred tax assets and liabilities as of December 31, 2010 and 2009, are as follows:

	As of December 31,	
	2010	2009
	(In thousands)	
Deferred tax assets:		
NOL, credit and other carryforwards	$ 23,062	$ 5,140
Unrealized (gains) losses on investments	15,243	79,099
Accrued expenses	12,042	13,532
Stock compensation	8,998	9,062
State taxes net of federal effect	(1,843)	8,287
Total deferred tax assets	57,502	115,120
Valuation allowance	(46,670)	(95,102)
Deferred tax asset after valuation allowance	10,832	20,018
Deferred tax liabilities:		
Unrealized (gains) losses on investments	(61,797)	(38,380)
Depreciation, amortization and intangible assets	(88,996)	(8,173)
Total deferred tax liabilities	(150,793)	(46,553)
Net deferred tax asset (liability)	$(139,961)	$ (26,535)
Current portion of net deferred tax asset (liability)	$ (64,121)	$ 5,053
Noncurrent portion of net deferred tax asset (liability)	(75,840)	(31,588)
Total net deferred tax asset (liability)	$(139,961)	$ (26,535)

Overall, our net deferred tax assets are offset by a valuation allowance of $47 million and $95 million as of December 31, 2010 and 2009, respectively, principally related to losses that are capital in nature. The decrease in the valuation allowance primarily relates to realized and unrealized gains on marketable investment securities and other investments. Approximately $43 million of the change in valuation allowance is accounted for in accumulated other comprehensive income in 2010. We evaluated and assessed the expected near-term utilization of NOLs, book and taxable income trends, available tax strategies and the overall deferred tax position to determine the valuation allowance required as of December 31, 2010 and 2009.

As of December 31, 2010, we had undistributed earnings attributable to foreign subsidiaries. Since net undistributed earnings are positive, and we intend to permanently reinvest in our foreign subsidiaries, we have not recognized a deferred tax liability for any outside basis differences. It is not practicable to determine the amount of the unrecognized deferred tax liability at this time.

Accounting for Uncertainty in Income Taxes

In addition to filing federal income tax returns, we and one or more of our subsidiaries will file income tax returns in all states that impose an income tax. We are not currently under any to U.S. federal, state or local income tax examinations. We also file income tax returns in the United Kingdom, The Netherlands, Spain and a number of other foreign jurisdictions where we have insignificant operations. We are generally open to income tax examination in these foreign jurisdictions by tax authorities in taxable years beginning in 2003. As of December 31, 2010, no taxing authority has proposed any significant adjustments to our tax positions. We have no significant current tax examinations in process in our foreign jurisdictions.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

Unrecognized tax benefit	For the Years Ended December 31, 2010	2009	2008
		(In thousands)	
Balance as of beginning of period	$14,559	$15,181	$ 800
Additions based on tax positions related to the current year	—	155	14,381
Additions based on tax positions related to prior years	15,440	—	—
Reductions based on tax positions related to prior years	—	(777)	—
Balance as of end of period	$29,999	$14,559	$15,181

We have $15 million in unrecognized tax benefits that, if recognized, could favorably affect our effective tax rate. We do not expect to pay or effectively settle any of the unrecognized tax benefits within the next twelve months.

Accrued interest and penalties on uncertain tax positions are recorded as a component of "Interest expense, net of amounts capitalized" and "Other, net," respectively, on our Consolidated Statements of Operations and Comprehensive Income (Loss). During the year ended December 31, 2010, we recorded a $1 million benefit for interest and penalty in earnings. There was no accrued interest and penalties at December 31, 2010. The table above excludes these amounts.

11. Stockholders' Equity (Deficit)

Common Stock

The Class A, Class B and Class C common stock are equivalent except for voting rights. Holders of Class A and Class C common stock are entitled to one vote per share and holders of Class B common stock are entitled to 10 votes per share. Each share of Class B and Class C common stock is convertible, at the option of the holder, into one share of Class A common stock. Upon a change in control of DISH Network, each holder of outstanding shares of Class C common stock is entitled to 10 votes for each share of Class C common stock held. Our principal stockholder owns the majority of all outstanding Class B common stock and, together with all other stockholders, owns outstanding Class A common stock. There are no shares of Class C common stock outstanding.

Each holder of Class D common stock is not entitled to a vote on any matter. Each share of Class D common stock is entitled to receive dividends and distributions upon liquidation on a basis equivalent to that of the Class A common stock. There are no shares of Class D common stock outstanding.

Preferred Stock

Our Board of Directors is authorized to divide the preferred stock into series and, with respect to each series, to determine the preferences and rights and the qualifications, limitations or restrictions of the series, including the dividend rights, conversion rights, voting rights, redemption rights and terms, liquidation preferences, sinking fund provisions, the number of shares constituting the series and the designation of such series. Our Board of Directors may, without stockholder approval, issue additional preferred stock of existing or new series with voting and other rights that could adversely affect the voting power of the holders of common stock and could have certain anti-takeover effects.

Common Stock Repurchase Program

During the years ended December 31, 2010, 2009 and 2008, we repurchased 34,000, 1.9 million and 3.6 million shares of our common stock for $605,000, $30 million and $68 million, respectively. On November 3, 2010, our Board of Directors extended the plan and authorized an increase in the maximum dollar value of shares that may be repurchased under the plan, such that we are currently authorized to repurchase up to $500 million of our outstanding shares of Class A common stock through and including December 31, 2011. As of December 31, 2010, we may repurchase up to $500 million under this plan.

12. Employee Benefit Plans

Employee Stock Purchase Plan

Our employees participate in EchoStar's employee stock purchase plan (the "ESPP"), in which we are authorized to issue 2.5 million shares of Class A common stock. At December 31, 2010, we had 2.0 million shares of Class A common stock which remain available for issuance under this plan. Substantially all full-time employees who have been employed by us for at least one calendar quarter are eligible to participate in the ESPP. Employee stock purchases are made through payroll deductions. Under the terms of the ESPP, employees may not deduct an amount which would permit such employee to purchase our capital stock under all of our stock purchase plans at a rate which would exceed $25,000 in fair value of capital stock in any one year. The purchase price of the stock is 85% of the closing price of the Class A common stock on the last business day of each calendar quarter in which such shares of Class A common stock are deemed sold to an employee under the ESPP. During each of the years ended December 31, 2010, 2009 and 2008, employee purchases of Class A common stock through the ESPP totaled 0.1 million shares.

401(k) Employee Savings Plan

We sponsor a 401(k) Employee Savings Plan (the "401(k) Plan") for eligible employees. Voluntary employee contributions to the 401(k) Plan may be matched 50% by us, subject to a maximum annual contribution of $1,500 per employee. Forfeitures of unvested participant balances which are retained by the 401(k) Plan may be used to fund matching and discretionary contributions. We also may make an annual discretionary contribution to the plan with approval by our Board of Directors, subject to the maximum deductible limit provided by the Internal Revenue Code of 1986, as amended. These contributions may be made in cash or in our stock.

The following table summarizes the expense associated with matching contributions and discretionary contributions:

Expense Recognized Related to the 401(k) Plan	For the Years Ended December 31, 2010	2009	2008
		(In thousands)	
Matching contributions, net of forfeitures	$ 1,481	$ 1,424	$ 1,251
Discretionary stock contributions, net of forfeitures	$ 4,032	$ 3,719	$ 1,467

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

13. Stock-Based Compensation

Stock Incentive Plans

We maintain stock incentive plans to attract and retain officers, directors and key employees. Stock awards under these plans include both performance and non-performance based stock incentives. As of December 31, 2010, we had outstanding under these plans stock options to acquire 7.8 million shares of our Class A common stock and 0.1 million restricted stock units. Stock options granted prior to and on December 31, 2010 were granted with exercise prices equal to or greater than the market value of our Class A common stock at the date of grant and with a maximum term of ten years. While historically we have issued stock awards subject to vesting, typically at the rate of 20% to 33% per year, some stock awards have been granted with immediate vesting, and other stock awards vest only upon the achievement of certain company-wide objectives. As of December 31, 2010, we had 6.9 million shares of our Class A common stock available for future grant under our stock incentive plans.

In connection with the Spin-off, as permitted by DISH Network's existing stock incentive plans and consistent with the Spin-off exchange ratio, each DISH Network stock option was converted into two stock options as follows:

- an adjusted DISH Network stock option for the same number of shares that were exercisable under the original DISH Network stock option, with an exercise price equal to the exercise price of the original DISH Network stock option multiplied by 0.831219.
- a new EchoStar stock option for one-fifth of the number of shares that were exercisable under the original DISH Network stock option, with an exercise price equal to the exercise price of the original DISH Network stock option multiplied by 0.843907.

Similarly, each holder of DISH Network restricted stock units retained his or her DISH Network restricted stock units and received one EchoStar restricted stock unit for every five DISH Network restricted stock units that they held.

Consequently, the fair value of the DISH Network stock award and the new EchoStar stock award immediately following the Spin-off was equivalent to the fair value of such stock award immediately prior to the Spin-off.

As of December 31, 2010, the following stock awards were outstanding:

	As of December 31, 2010			
	EchoStar Awards		DISH Network Awards	
Stock Awards Outstanding	Stock Options	Restricted Stock Units	Stock Options	Restricted Stock Units
Held by EchoStar employees	6,757,399	48,465	3,471,496	292,348
Held by DISH Network employees	1,037,974	58,784	N/A	N/A
Total	7,795,373	107,249	3,471,496	292,348

We are responsible for fulfilling all stock awards related to EchoStar common stock, and DISH Network is responsible for fulfilling all stock awards related to DISH Network common stock, regardless of whether such stock awards are held by our or DISH Network's employees. Notwithstanding the foregoing, our stock-based compensation expense, resulting from stock awards outstanding at the Spin-off date, is based on the stock awards held by our employees regardless of whether such stock awards were issued by EchoStar or DISH Network. Accordingly, stock-based compensation that we expense with respect to DISH Network stock awards is included in "Additional paid-in capital" on our Consolidated Balance Sheets.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Exercise prices for stock options outstanding and exercisable as of December 31, 2010 are as follows:

	Options Outstanding			Options Exercisable		
	Number Outstanding as of December 31, 2010	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable as of December 31, 2010	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price
$ — - $ 10.00	16,758	5.44	$ 2.77	16,140	5.41	$ 2.71
$10.00 - $ 15.00	1,155,808	8.22	$ 14.83	173,008	8.07	$ 14.83
$15.00 - $ 20.00	1,416,150	9.31	$ 18.67	59,950	6.70	$ 16.89
$20.00 - $ 25.00	2,067,644	6.82	$ 22.24	685,744	6.48	$ 22.09
$25.00 - $ 30.00	2,894,932	6.07	$ 28.68	1,643,330	5.29	$ 28.22
$30.00 - $ 35.00	96,581	5.09	$ 32.15	65,840	4.35	$ 32.26
$35.00 - $ 40.00	147,500	6.21	$ 36.84	78,697	6.07	$ 36.78
$ — - $ 40.00	7,795,373	7.17	$ 23.24	2,722,709	5.80	$ 25.77

Stock Award Activity

Our stock option activity was as follows:

	For the Years Ended December 31,					
	2010		2009		2008	
	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
Total options outstanding, beginning of period	7,203,101	$ 24.85	5,184,415	$ 28.61	4,182,755	$ 22.96
Granted	1,258,000	$ 19.15	2,523,000	$ 17.09	2,498,500	$ 29.33
Exercised	(105,573)	$ 15.06	(37,931)	$ 5.73	(228,090)	$ 21.77
Forfeited and cancelled	(560,155)	$ 33.99	(466,383)	$ 26.08	(1,268,750)	$ 12.63
Total options outstanding, end of period	7,795,373	$ 23.24	7,203,101	$ 24.85	5,184,415	$ 28.61
Performance based options outstanding, end of period (1)	697,100	$ 25.38	724,450	$ 25.40	885,650	$ 25.61
Exercisable at end of period	2,722,709	$ 25.77	1,904,479	$ 29.46	1,296,512	$ 29.45

(1) These stock options, which are included in the caption "Total options outstanding, end of period," were issued pursuant to a performance-based stock incentive plan. Vesting of these stock options is contingent upon meeting a certain company goal which is not yet probable of being achieved. See discussion of the 2005 LTIP below.

We realized tax benefits from stock awards exercised during the years ended December 31, 2010, 2009 and 2008 as follows:

	For the Years Ended December 31,		
	2010	2009	2008
		(In thousands)	
Tax benefit from stock awards exercised	$ 1,810	$ 1,044	$ 1,933

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Based on the closing market price of our Class A common stock on December 31, 2010, the aggregate intrinsic value of our stock options was as follows:

	As of December 31, 2010	
	Options Outstanding	Options Exercisable
	(In thousands)	
Aggregate intrinsic value	$ 26,665	$ 4,571

Our restricted stock unit activity was as follows:

	For the Years Ended December 31,					
	2010		2009		2008	
	Restricted Stock Units	Weighted-Average Grant Date Fair Value	Restricted Stock Units	Weighted-Average Grant Date Fair Value	Restricted Stock Units	Weighted-Average Grant Date Fair Value
Total restricted stock units outstanding, beginning of period	130,040	$ 27.78	272,856	$ 29.40	343,386	$ 29.69
Granted	—	$ —	—	$ —	—	$ —
Vested	(13,975)	$ 31.84	(21,025)	$ 30.26	(56,000)	$ 31.24
Forfeited and cancelled	(8,816)	$ 26.70	(121,791)	$ 31.00	(14,530)	$ 29.14
Total restricted stock units outstanding, end of period	107,249	$ 27.33	130,040	$ 27.78	272,856	$ 29.40
Restricted Performance Units outstanding, end of period (1)	93,274	$ 26.66	99,990	$ 26.56	108,856	$ 26.42

(1) These Restricted Performance Units, which are included in the caption "Total restricted stock units outstanding, end of period," were issued pursuant to a performance-based stock incentive plan. Vesting of these Restricted Performance Units is contingent upon meeting a certain company goal which is not yet probable of being achieved. See discussion of the 2005 LTIP below.

Long-Term Performance-Based Plans

2005 LTIP. During 2005, DISH Network adopted a long-term, performance-based stock incentive plan (the "2005 LTIP"). The 2005 LTIP provides stock options and restricted stock units, either alone or in combination, which vest over seven years at the rate of 10% per year during the first four years, and at the rate of 20% per year thereafter. Exercise of the stock awards is subject to a performance condition that a company-specific goal is achieved by March 31, 2015.

Contingent compensation related to the 2005 LTIP will not be recorded in our financial statements unless and until the achievement of the performance condition is probable. The competitive nature of our industry and certain other factors can significantly impact achievement of the goal. Consequently, while it was determined that achievement of the goal was not probable as of December 31, 2010, this assessment could change at any time.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

If all of the stock awards under the 2005 LTIP were vested and the goal had been met, or if we had determined that achievement of the goal was probable during the year ended December 31, 2010, we would have recorded total non-cash, stock-based compensation expense for our employees as indicated in the table below. If the goal is met and there are unvested stock awards at that time, the vested amounts would be expensed immediately on our Consolidated Statements of Operations and Comprehensive Income (Loss), with the unvested portion recognized ratably over the remaining vesting period.

	2005 LTIP	
	Total	Vested Portion
	(In thousands)	
DISH Network awards held by EchoStar employees	$17,641	$10,108
EchoStar awards held by EchoStar employees	3,455	1,977
Total	$21,096	$12,085

Of the 7.8 million stock options and 0.1 million restricted stock units outstanding under our stock incentive plans as of December 31, 2010, the following awards were outstanding pursuant to the 2005 LTIP:

	As of December 31, 2010	
	Number of Awards	Weighted-Average Exercise Price
Stock options	697,100	$ 25.38
Restricted performance units	93,274	
Total	790,374	

Stock-Based Compensation

Total non-cash, stock-based compensation expense for all of our employees is shown in the following table for the years ended December 31, 2010, 2009 and 2008 and was allocated to the same expense categories as the base compensation for such employees:

	For the Years Ended December 31,		
	2010	2009	2008
	(In thousands)		
Cost of sales - services and other	$ —	$ —	$ 722
Research and development expenses	3,579	3,663	6,901
Selling, general and administrative expenses	9,967	9,708	15,982
Total non-cash, stock-based compensation	$13,546	$13,371	$23,605

As of December 31, 2010, our total unrecognized compensation cost related to our non-performance based unvested stock awards was $27 million and includes compensation expense that we will recognize for DISH Network stock awards held by our employees as a result of the Spin-off. This cost is based on an estimated future forfeiture rate of approximately 1.2% per year and will be recognized over a weighted-average period of approximately three years. Share-based compensation expense is recognized based on stock awards ultimately expected to vest and is reduced for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Changes in the estimated forfeiture rate can have a significant effect on share-based compensation expense since the effect of adjusting the rate is recognized in the period the forfeiture estimate is changed.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Valuation

The fair value of each stock award for the years ended December 31, 2010, 2009 and 2008 was estimated at the date of the grant using a Black-Scholes option valuation model with the following assumptions:

	For the Years Ended December 31,		
Stock Options	**2010**	**2009**	**2008**
Risk-free interest rate	1.64% - 2.97%	1.70% - 3.16%	2.74% - 3.42%
Volatility factor	31.00% - 32.73%	28.48% - 42.68%	19.98% - 24.90%
Expected term of options in years	6.1 - 6.2	3.0 - 6.4	6.0 - 6.1
Weighted-average fair value of options granted	$6.44 - $9.11	$4.76 - $7.43	$7.63 - $9.29

We do not currently intend to pay dividends on our common stock and accordingly, the dividend yield percentage used in the Black-Scholes option valuation model is set at zero for all periods. The Black-Scholes option valuation model was developed for use in estimating the fair value of traded stock options which have no vesting restrictions and are fully transferable. Consequently, our estimate of fair value may differ from other valuation models. Further, the Black-Scholes option valuation model requires the input of subjective assumptions. Changes in the subjective input assumptions can materially affect the fair value estimate. Therefore, we do not believe the existing models provide as reliable a single measure of the fair value of stock-based compensation awards as a market-based model would.

We will continue to evaluate the assumptions used to derive the estimated fair value of our stock options as new events or changes in circumstances become known.

14. Acquisition of Move Networks

On December 31, 2010, we acquired certain assets of Move Networks, Inc. ("Move Networks") for $45 million, of which $2.25 million was placed into escrow for certain potential contingencies. These assets include patented technology that enables the adaptive delivery of video content via the Internet which will enable us to expand our portfolio of advanced technologies serving cable, satellite, telecommunications companies and IPTV video providers. This transaction was accounted for as a business combination. However, we have not completed allocating the purchase price amongst the assets that were acquired and thus the allocation in the table below may change.

	Purchase Price Allocation
	(In thousands)
Acquisition intangibles (1)	$ 44,991
Total purchase price	$ 44,991

(1) "Acquisition Intangibles" in the table above are primarily comprised of technology-based intangibles with an estimated useful life of approximately fifteen years.

The transaction did not have an impact on our results of operations for the year ended December 31, 2010 and would not have materially impacted our results of operations for this period had the transaction occurred on January 1, 2010. Furthermore, the transaction would not have had a material impact on our results of operations for the comparable period in 2009 or 2008 had the transaction occurred on January 1, 2009 or January 1, 2008, respectively.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

15. Commitments and Contingencies

Commitments

Future maturities of our contractual obligations are summarized as follows:

	Payments due by period						
	Total	2011	2012	2013	2014	2015	Thereafter
				(In thousands)			
Long-term debt obligations	$ 6,535	$ 749	$ 808	$ 871	$ 940	$ 1,005	$ 2,162
Capital lease obligations	406,350	52,311	56,928	62,651	64,850	11,088	158,522
Interest expense on long-term debt and capital lease obligations	222,057	37,256	32,504	27,267	21,489	17,852	85,689
Satellite-related obligations	1,020,744	160,930	160,058	79,583	76,451	65,289	478,433
Operating lease obligations	17,554	6,977	4,609	2,566	1,635	1,014	753
Purchase and other obligations	287,513	287,513	—	—	—	—	—
Total	$1,960,753	$545,736	$254,907	$172,938	$165,365	$96,248	$725,559

In certain circumstances the dates on which we are obligated to make these payments could be delayed. These amounts will increase to the extent we procure insurance for our satellites or contract for the construction, launch or lease of additional satellites.

The table above does not include $30 million of liabilities associated with unrecognized tax benefits which were accrued and are included on our Consolidated Balance Sheets as of December 31, 2010. We do not expect any portion of this amount to be paid or settled within the next twelve months.

In connection with TerreStar Networks' bankruptcy, we entered into agreements to provide a $75 million Credit Facility to TerreStar Networks and certain of its affiliates, of which $25 million has been funded as of December 31, 2010. The table above does not include any unfunded amounts. See Note 4 under "*Investments in TerreStar*" for further discussion.

During December 2009, we entered into a joint venture to provide a direct-to-home ("DTH") satellite service in Taiwan and certain other targeted regions in Asia. We own 50% and have joint control of the joint venture. Pursuant to these arrangements, we sell hardware such as digital set-top boxes and provide certain technical support services to the joint venture. We have provided $18 million of cash to the joint venture, and an $18 million line of credit that the joint venture may only use to purchase set-top boxes from us. This investment is subject to an evaluation for other-than-temporary impairment on a quarterly basis. This quarterly evaluation consists of reviewing, among other things, company business plans and current financial statements, if available, for factors that may indicate an impairment of our investment. During the year ended December 31, 2010, we recorded a $14 million charge to fully impair this investment, which is included in "Unrealized and realized gains (losses) on marketable investment securities and other investments" on our Consolidated Statements of Operations and Comprehensive Income (Loss). As of December 31, 2010, the remaining amount available under the line of credit is $10 million and if advanced would be subject to our evaluation for other-than-temporary impairment. The table above includes this $10 million under "Purchase and other obligations."

Satellite-Related Obligations

Satellites Under Construction. As of December 31, 2010, we had entered into the following contracts to construct new satellites which are contractually scheduled to be completed within the next two years. Future commitments related to these satellites are included in the table above under "Satellite-related obligations."

- *QuetzSat-1*. During 2008, we entered into a ten-year satellite service agreement with SES Latin America S.A. ("SES") to lease all of the capacity on QuetzSat-1. QuetzSat-1 is expected to be launched during the second half of 2011 and will operate at the 77 degree orbital location. Upon expiration of the initial term, we have the option to renew the transponder service agreement on a year-to-year basis through the end-of-life of the QuetzSat-1 satellite. DISH Network has agreed to lease 24 of the 32 DBS transponders on this satellite from us. The expected future payments related to QuetzSat-1 included in the table above are $301 million.
- *EchoStar XVI.* During November 2009, we entered into a contract for the construction of EchoStar XVI, a DBS satellite, which is expected to be completed during the second half of 2012 and will operate at the 61.5 degree orbital location. DISH Network has agreed to lease all of the capacity on this satellite from us for a portion of its useful life. The expected future payments related to EchoStar XVI included in the table above are $85 million.

Purchase Obligations

Our purchase obligations primarily consist of binding purchase orders for digital set-top boxes and related components, digital broadcast operations and transitional service agreements. Our purchase obligations can fluctuate significantly from period to period due to, among other things, management's control of inventory levels, and can materially impact our future operating asset and liability balances, and our future working capital requirements.

Rent Expense

For the years ended December 31, 2010, 2009, and 2008, total rent expense for operating leases approximated $25 million, $7 million and $12 million, respectively. The increase in rent expense from 2009 to 2010 primarily resulted from an increase in costs related to the EchoStar I satellite, which we began leasing from DISH Network during the first quarter of 2010. The decrease in rent expense from 2008 to 2009 was primarily attributable to a decrease in transponder lease expense primarily resulting from the termination of a lease agreement.

Patents and Intellectual Property

Many entities, including some of our competitors, now have and may in the future obtain patents and other intellectual property rights that cover or affect products or services directly or indirectly related to those that we offer. We may not be aware of all patents and other intellectual property rights that our products and services may potentially infringe. Damages in patent infringement cases can include a tripling of actual damages in certain cases. Further, we cannot estimate the extent to which we may be required in the future to obtain licenses with respect to intellectual property rights held by others and the availability and cost of any such licenses. Various parties have asserted patent and other intellectual property rights with respect to components within our direct broadcast satellite products and services. We cannot be certain that these persons do not own the rights they claim, that these rights are not valid, that our products and services do not infringe on these rights, that we would be able to obtain licenses from these persons on commercially reasonable terms or, if we were unable to obtain such licenses, that we would be able to redesign our products and services to avoid infringement.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Contingencies

In connection with the Spin-off, we entered into a separation agreement with DISH Network, which provides, among other things, for the division of certain liabilities, including liabilities resulting from litigation. Under the terms of the separation agreement, we have assumed certain liabilities that relate to our business including certain designated liabilities for acts or omissions prior to the Spin-off. Certain specific provisions govern intellectual property related claims under which, generally, we will only be liable for our acts or omissions following the Spin-off and DISH Network will indemnify us for any liabilities or damages resulting from intellectual property claims relating to the period prior to the Spin-off as well as DISH Network's acts or omissions following the Spin-off.

Acacia

During 2004, Acacia Media Technologies ("Acacia") filed a lawsuit against us and DISH Network in the United States District Court for the Northern District of California. The suit also named DirecTV, Comcast, Charter, Cox and a number of smaller cable companies as defendants. Acacia is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein. The suit alleges infringement of United States Patent Nos. 5,132,992; 5,253,275; 5,550,863; 6,002,720; and 6,144,702, which relate to certain systems and methods for transmission of digital data. On September 25, 2009, the District Court granted summary judgment to the defendants on invalidity grounds, and dismissed the action with prejudice. On October 8, 2010, the Federal Circuit Court of Appeals affirmed the dismissal. Acacia may no longer appeal this dismissal since their time to seek en banc review with the Federal Circuit Court of Appeal or petition the United States Supreme Court for certiorari have now expired.

Broadcast Innovation, L.L.C.

During 2001, Broadcast Innovation, L.L.C. ("Broadcast Innovation") filed a lawsuit against DISH Network, DirecTV, Thomson Consumer Electronics and others in United States District Court in Denver, Colorado. Broadcast Innovation is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein. The suit alleges infringement of United States Patent Nos. 6,076,094 (the '094 patent) and 4,992,066 (the '066 patent). The '094 patent relates to certain methods and devices for transmitting and receiving data along with specific formatting information for the data. The '066 patent relates to certain methods and devices for providing the scrambling circuitry for a pay television system on removable cards. Subsequently, DirecTV and Thomson settled with Broadcast Innovation leaving DISH Network as the only defendant.

During 2004, the District Court issued an order finding the '066 patent invalid. Also in 2004, the District Court found the '094 patent invalid in a parallel case filed by Broadcast Innovation against Charter and Comcast. In 2005, the United States Court of Appeals for the Federal Circuit overturned that finding of invalidity with respect to the '094 patent and remanded the Charter case back to the District Court. During June 2006, Charter filed a reexamination request with the United States Patent and Trademark Office. The District Court has stayed the Charter case pending reexamination, and our case has been stayed pending resolution of the Charter case.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe any of the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain user-friendly features that we currently offer to consumers. We are being indemnified by DISH Network for any potential liability or damages resulting from this suit relating to the period prior to the effective date of the Spin-off. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Finisar Corporation

Finisar Corporation ("Finisar") obtained a $100 million verdict in the United States District Court for the Eastern District of Texas against DirecTV for patent infringement. Finisar, an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein, alleged that DirecTV's electronic program guide and other elements of its system infringe United States Patent No. 5,404,505 (the '505 patent).

During 2006, we and DISH Network, together with NagraStar L.L.C., filed a Complaint for Declaratory Judgment in the United States District Court for the District of Delaware against Finisar that asks the Court to declare that we do not infringe, and have not infringed, any valid claim of the '505 patent. Finisar brought counterclaims against us, DISH Network and NagraStar alleging that we infringed the '505 patent. During April 2008, the Federal Circuit reversed the judgment against DirecTV and ordered a new trial. On remand, the District Court granted summary judgment in favor of DirecTV and during January 2010, the Federal Circuit affirmed the District Court's grant of summary judgment, and dismissed the action with prejudice. Finisar then agreed to dismiss its counterclaims against us, DISH Network and NagraStar without prejudice. We also agreed to dismiss our Declaratory Judgment action without prejudice.

Joao Control

During December 2010, Joao Control & Monitoring Systems ("Joao") filed suit against Sling Media Inc., our indirect wholly owned subsidiary, ACTI Corporation, ADT Security, Alarmclub.Com, American Honda Motor Company. BMW, Byremote, Drivecam, Honeywell, Iveda Corporation, Magtec Products, Mercedes-Benz, On-Net Surveillance, OnStar, SafeFreight Technology, Skyway Security, SmartVue Corporation, Toyota Motor Sales, Tyco, UTC Fire and Xanboo in the United States District Court for the Central District of California alleging infringement of United States Patent Nos. 6,549,130 and 6,587,046. The abstracts of the patents state that the claims are directed to the remote control of devices and appliances. Joao is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patent, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Nazomi Communications

On February 10, 2010, Nazomi Communications, Inc. ("Nazomi") filed suit against Sling Media, Inc., a subsidiary of ours, Nokia Corp, Nokia Inc., Microsoft Corp., Amazon.com Inc., Western Digital Corp., Western Digital Technologies, Inc., Garmin Ltd., Garmin Corp., Garmin International, Inc., Garmin USA, Inc., Vizio Inc. and iOmega Corp in the United States District Court for the Central District of California alleging infringement of United States Patent No. 7,080,362 ("the '362 patent") and United States Patent No. 7,225,436 ("the '436 patent"). The '362 patent and the '436 patent relate to Java hardware acceleration. The suit alleges that the Slingbox-Pro-HD product infringes the '362 patent and the '436 patent because the Slingbox-PRO HD allegedly incorporates an ARM926EJ-S processor core capable of Java hardware acceleration.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patent, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

NorthPoint Technology

On July 2, 2009, NorthPoint Technology, Ltd filed suit against us, DISH Network, and DirecTV in the United States District Court for the Western District of Texas alleging infringement of United States Patent No. 6,208,636 (the '636 patent). The '636 patent relates to the use of multiple low-noise block converter feedhorns, or LNBFs, which are antennas used for satellite reception.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patent, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We are being indemnified by DISH Network for any potential liability or damages resulting from this suit relating to the period prior to the effective date of the Spin-off. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Personalized Media Communications

During 2008, Personalized Media Communications, Inc. ("PMC") filed suit against us, DISH Network and Motorola, Inc. in the United States District Court for the Eastern District of Texas alleging infringement of United States Patent Nos. 4,694,490; 5,109,414; 4,965,825; 5,233,654; 5,335,277; and 5,887,243, which relate to satellite signal processing. PMC is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe any of the asserted patents, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain user-friendly features that we currently offer to consumers. We are being indemnified by DISH Network for any potential liability or damages resulting from this suit relating to the period prior to the effective date of the Spin-off. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Suomen Colorize Oy

During October 2010, Suomen Colorize Oy ("Suomen") filed suit against us and DISH Network L.L.C., an indirect wholly owned subsidiary of DISH Network, in the United States District Court for the Middle District of Florida alleging infringement of United States Patent No. 7,277,398. Suomen is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein. The abstract of the patent states that the claims are directed to a method and terminal for providing services in a telecommunication network.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patent, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain features that we currently offer to consumers. We are being indemnified by DISH Network for any potential liability or damages resulting from this suit relating to the period prior to the effective date of the Spin-off. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Technology Development Licensing

On January 22, 2009, Technology Development and Licensing L.L.C. ("TDL") filed suit against us and DISH Network in the United States District Court for the Northern District of Illinois alleging infringement of United States Patent No. Re. 35,952, which relates to certain favorite channel features. TDL is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein. In July 2009, the Court granted our motion to stay the case pending two re-examination petitions before the Patent and Trademark Office.

We intend to vigorously defend this case. In the event that a court ultimately determines that we infringe the asserted patent, we may be subject to substantial damages, which may include treble damages, and/or an injunction that could require us to materially modify certain user-friendly features that we currently offer to consumers. We are being indemnified by DISH Network for any potential liability or damages resulting from this suit relating to the period prior to the effective date of the Spin-off. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Tivo Inc.

During January 2008, the United States Court of Appeals for the Federal Circuit affirmed in part and reversed in part the April 2006 jury verdict concluding that certain of our digital video recorders, or DVRs, infringed a patent held by Tivo. In its January 2008 decision, the Federal Circuit affirmed the jury's verdict of infringement on Tivo's "software claims," and upheld the award of damages from the District Court. The Federal Circuit, however, found that we did not literally infringe Tivo's "hardware claims," and remanded such claims back to the District Court for further proceedings. On October 6, 2008, the Supreme Court denied our petition for certiorari. As a result, DISH Network paid approximately $105 million to Tivo.

We also developed and deployed "next-generation" DVR software. This improved software was automatically downloaded to our current customers' DVRs, and is fully operational (our "original alternative technology"). The download was completed as of April 2007. We received written legal opinions from outside counsel that concluded our original alternative technology does not infringe, literally or under the doctrine of equivalents, either the hardware or software claims of Tivo's patent. Tivo filed a motion for contempt alleging that we are in violation of the Court's injunction. We opposed this motion on the grounds that the injunction did not apply to DVRs that have received our original alternative technology, that our original alternative technology does not infringe Tivo's patent, and that we were in compliance with the injunction.

In June 2009, the United States District Court granted Tivo's motion for contempt, finding that our original alternative technology was not more than colorably different than the products found by the jury to infringe Tivo's patent, that the original alternative technology still infringed the software claims, and that even if the original alternative technology was "non-infringing," the original injunction by its terms required that DISH Network disable DVR functionality in all but approximately 192,000 digital set-top boxes in the field. The District Court also amended its original injunction to require that we inform the court of any further attempts to design around Tivo's patent and seek approval from the court before any such design-around is implemented. The District Court awarded Tivo $103 million in supplemental damages and interest for the period from September 2006 through April 2008, based on an assumed $1.25 per subscriber per month royalty rate. DISH Network posted a bond to secure that award pending appeal of the contempt order. On July 1, 2009, the Federal Circuit Court of Appeals granted a permanent stay of the District Court's contempt order pending resolution of our appeal.

The District Court held a hearing on July 28, 2009 on Tivo's claims for contempt sanctions. Tivo sought up to $975 million in contempt sanctions for the period from April 2008 to June 2009 based on, among other things, profits Tivo alleges DISH Network made from subscribers using DVRs. We opposed Tivo's request arguing, among other things, that sanctions are inappropriate because we made good faith efforts to comply with the Court's injunction. We also

challenged Tivo's calculation of profits. On September 4, 2009, the District Court partially granted Tivo's motion for contempt sanctions and awarded $2.25 per DVR subscriber per month for the period from April 2008 to July 2009 (as compared to the award for supplemental damages for the prior period from September 2006 to April 2008, which was based on an assumed $1.25 per DVR subscriber per month). By the District Court's estimation, the total award for the period from April 2008 to July 2009 is approximately $200 million. The District Court also awarded Tivo its attorneys' fees and costs incurred during the contempt proceedings. Enforcement of these awards has been stayed by the District Court pending resolution of our appeal of the underlying June 2009 contempt order. On February 8, 2010, we and Tivo submitted a stipulation to the District Court that the attorneys' fees and costs, including expert witness fees and costs, that Tivo incurred during the contempt proceedings amounted to $6 million.

In light of the District Court's finding of contempt, and its description of the manner in which it believes our original alternative technology infringed the '389 patent, we are also developing and testing potential new alternative technology in an engineering environment. As part of our development process, we downloaded several of our design-around options to less than 1,000 subscribers for "beta" testing. On March 11, 2010, we requested that the District Court approve the implementation of one of our design-around options on an expedited basis. There can be no assurance that the District Court will approve this request.

Oral argument on our appeal of the contempt ruling took place on November 2, 2009, before a three-judge panel of the Federal Circuit Court of Appeals. On March 4, 2010, the Federal Circuit affirmed the District Court's contempt order in a 2-1 decision. On May 14, 2010, our petition for en banc review of that decision by the full Federal Circuit was granted and the opinion of the three-judge panel was vacated. Oral argument occurred on November 9, 2010. There can be no assurance that the full Federal Circuit will reverse the decision of the three-judge panel. Tivo has stated that it will seek additional damages for the period from June 2009 to the present.

On October 6, 2010, the Patent and Trademark Office (the "PTO") issued an office action confirming the validity of certain of the software claims of United States Patent No. 6,233,389 (the '389 patent). However, the PTO only confirmed the validity of the '389 patent after Tivo made statements that we believe narrow the scope of its claims. The claims that were confirmed thus should not have the same scope as the claims that we were found to have infringed and which underlie the contempt ruling that we are now appealing. Therefore, we believe that the PTO's conclusions are relevant to the issues on appeal. The PTO's conclusions support our position that our original alternative technology does not infringe and that we acted in good faith to design around Tivo's patent.

If we are unsuccessful in overturning the District Court's ruling on Tivo's motion for contempt, we are not successful in developing and deploying potential new alternative technology and we are unable to reach a license agreement with Tivo on reasonable terms, we may be required to cease distribution of digital set-top boxes with DVR functionality. In that event, our sales of digital set-top boxes to DISH Network and others would likely significantly decrease and could even potentially cease for a period of time. Furthermore, the inability to offer DVR functionality would place us at a significant disadvantage to our competitors and make it even more difficult for us to penetrate new markets for digital set-top boxes. The adverse effect on our financial position and results of operations if the District Court's contempt order is upheld would be significant.

If we are successful in overturning the District Court's ruling on Tivo's motion for contempt, but unsuccessful in defending against any subsequent claim in a new action that our original alternative technology or any potential new alternative technology infringes Tivo's patent, we could be prohibited from distributing DVRs. In that event, we would be at a significant disadvantage to our competitors who could continue offering DVR functionality and the adverse effect on our business would be material.

Because both we and DISH Network are defendants in the Tivo lawsuit, we and DISH Network are jointly and severally liable to Tivo for any final damages and sanctions that may be awarded by the District Court. DISH Network has agreed that it is obligated under the agreements entered into in connection with the Spin-off to indemnify us for substantially all liability arising from this lawsuit. We contributed an amount equal to our $5 million intellectual property liability limit

under the Receiver Agreement, and during 2009, we recorded a charge included in "General and administrative expenses – DISH Network" on our Consolidated Statements of Operations and Comprehensive Income (Loss) for this amount to reflect this contribution. We and DISH Network have further agreed that our $5 million contribution would not exhaust our liability to DISH Network for other intellectual property claims that may arise under the Receiver Agreement. We and DISH Network also agreed that we would each be entitled to joint ownership of, and a cross-license to use, any intellectual property developed in connection with any potential new alternative technology.

Because we are jointly and severally liable with DISH Network, to the extent that DISH Network does not or is unable to pay any damages or sanctions arising from this lawsuit, we would then be liable for any portion of these damages and sanctions not paid by DISH Network. Any amounts that DISH Network may be required to pay could impair its ability to pay us and also negatively impact our future liquidity.

If we become liable for any portion of these damages or sanctions, we may be required to raise additional capital at a time and in circumstances in which we would normally not raise capital and there can be no assurance that such capital would be available on terms that would be attractive to us or at all. Therefore, any capital we raise may be on terms that are unfavorable to us, which might adversely affect our financial position and results of operations and might also impair our ability to raise capital on acceptable terms in the future to fund our own operations and initiatives.

Other

In addition to the above actions, we are subject to various other legal proceedings and claims which arise in the ordinary course of business. In our opinion, the amount of ultimate liability with respect to any of these actions is unlikely to materially affect our financial position, results of operations or liquidity.

16. Segment Reporting

Operating segments are components of an enterprise for which separate financial information is available and regularly evaluated by the chief operating decision maker(s) of an enterprise. Total assets by segment have not been specified because the information is not available to the chief operating decision-maker. Under this definition, we operate two primary business units.

- ***"Digital Set-Top Box" Business*** – which designs, develops and distributes digital set-top boxes and related products, including our Slingbox "placeshifting" technology, primarily for satellite TV service providers, telecommunication and cable companies and, with respect to Slingboxes, directly to consumers via retail outlets. Our "Digital Set-Top Box" business also provides digital broadcast operations including satellite uplinking/downlinking, transmission services, signal processing, conditional access management and other services primarily to DISH Network.
- ***"Satellite Services" Business*** – which uses our ten owned and leased in-orbit satellites and related FCC licenses to lease capacity on a full-time and occasional-use basis primarily to DISH Network, and secondarily to Dish Mexico, U.S. government service providers, state agencies, Internet service providers, broadcast news organizations, programmers and private enterprise customers. We also use certain of our satellites to offer our ViP-TV service, which transports MPEG-4 IP encapsulated standard-definition and high-definition programming on behalf of telecommunications companies and rural cable operators.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

The "All Other" category consists of revenue and net income (loss) from other operations including our corporate investment portfolio for which segment disclosure requirements do not apply.

	Digital Set-Top Box Business	Satellite Services Business	All Other	Eliminations	Consolidated Total
			(In thousands)		
Year Ended December 31, 2010					
Total revenue	$ 2,070,672	$ 262,022	$ 17,675	$ —	$ 2,350,369
Total costs and expenses	(2,025,125)	(174,509)	(8,410)	—	(2,208,044)
Depreciation and amortization	113,675	94,943	20,293	—	228,911
Other	15,859	1,214	129,463	—	146,536
EBITDA (1)	175,081	183,670	159,021	—	517,772
Interest income	892	20	13,560	—	14,472
Interest expense, net of amounts capitalized	748	(15,977)	669	—	(14,560)
Income tax benefit (provision), net	(23,957)	(27,652)	(32,806)	—	(84,415)
Net income (loss)	39,089	45,118	120,151	—	204,358
Year Ended December 31, 2009					
Total revenue	$ 1,709,670	$ 173,673	$ 20,216	$ —	$ 1,903,559
Total costs and expenses	(1,732,295)	(155,372)	(11,000)	—	(1,898,667)
Depreciation and amortization	117,447	107,440	19,242	—	244,129
Other	(11,517)	92	437,766	—	426,341
EBITDA (1)	83,305	125,833	466,224	—	675,362
Interest income	1,066	—	25,375	—	26,441
Interest expense, net of amounts capitalized	(167)	(31,463)	(685)	—	(32,315)
Income tax benefit (provision), net	13,031	5,124	(78,810)	—	(60,655)
Net income (loss)	(20,212)	(7,946)	392,862	—	364,704
Year Ended December 31, 2008					
Total revenue	$ 1,940,915	$ 189,166	$ 20,459	$ (20)	$ 2,150,520
Total costs and expenses	(2,231,756)	(422,539)	(136,839)	20	(2,791,114)
Depreciation and amortization	104,903	141,701	17,593	—	264,197
Other	(18,736)	4	(398,327)	—	(417,059)
EBITDA (1)	(204,674)	(91,668)	(497,114)	—	(793,456)
Interest income	1,093	—	36,057	(2,456)	34,694
Interest expense, net of amounts capitalized	(641)	(31,241)	(2,483)	2,456	(31,909)
Income tax benefit (provision), net	117,900	100,922	(122,142)	—	96,680
Net income (loss)	(191,225)	(163,688)	(603,275)	—	(958,188)

(1) EBITDA is not a measure determined in accordance with accounting principles generally accepted in the United States, or GAAP, and should not be considered a substitute for operating income, net income or any other measure determined in accordance with GAAP. Conceptually, EBITDA measures the amount of income generated each period that could be used to service debt, pay taxes and fund capital expenditures. EBITDA should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. EBITDA is used by our management as a measure of operating efficiency and overall financial performance for benchmarking against our peers and competitors. Management believes EBITDA provides meaningful supplemental information regarding liquidity and the underlying operating performance of our business. Management also believes that EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties to evaluate companies in the digital set-top box industry.

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

The following table reconciles EBITDA to reported net income in the Consolidated Statements of Operations and Comprehensive Income (Loss):

	For the Years Ended December 31,		
	2010	2009	2008
		(In thousands)	
EBITDA	$ 517,772	$ 675,362	$(793,456)
Interest expense, net	(88)	(5,874)	2,785
Income tax (provision) benefit, net	(84,415)	(60,655)	96,680
Depreciation and amortization	(228,911)	(244,129)	(264,197)
Net income (loss)	$ 204,358	$ 364,704	$(958,188)

Geographic Information and Transactions with Major Customers

Geographic Information. Revenues are attributed to geographic regions based upon the location where the goods and services are provided. North American revenue includes transactions with North American customers. All other revenue includes transactions with customers in Europe, Asia, South America and the Middle East. The following table summarizes total long-lived assets and revenue attributed to the North American and other foreign locations.

	As of December 31,	
Long-lived assets, including FCC authorizations:	2010	2009
	(In thousands)	
North America	$1,457,208	$1,411,292
All other	41,356	43,516
Total	$1,498,564	$1,454,808

	For the Years Ended December 31,		
Revenue:	2010	2009	2008
		(In thousands)	
North America	$2,302,901	$1,845,839	$2,075,451
All other	47,468	57,720	75,069
Total	$2,350,369	$1,903,559	$2,150,520

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Transactions with Major Customers. During the years ended December 31, 2010, 2009 and 2008, our revenue primarily included sales to three major customers. The following table summarizes sales to each customer and its percentage of total revenue.

	For the Years Ended December 31,		
	2010	2009	2008
		(In thousands)	
Total revenue:			
DISH Network	$1,938,572	$1,547,989	$1,859,446
Bell TV	202,407	200,601	180,470
Dish Mexico	89,430	44,589	175
Other	119,960	110,380	110,429
Total revenue	$2,350,369	$1,903,559	$2,150,520
Percentage of total revenue:			
DISH Network	82.5%	81.3%	86.5%
Bell TV	8.6%	10.5%	8.4%
Dish Mexico	3.8%	2.3%	0.0%

17. Valuation and Qualifying Accounts

Our valuation and qualifying accounts as of December 31, 2010, 2009 and 2008 are as follows:

Allowance for doubtful accounts	Balance at Beginning of Year	Charged to Costs and Expenses	Recovery of Amounts Previously Reserved	Deductions	Balance at End of Year
			(In thousands)		
For the years ended:					
December 31, 2010	$ 5,605	$ 3,801	$ (129)	$ (1,633)	$ 7,644
December 31, 2009	$ 7,182	$ 2,963	$ (4,682)	$ 142	$ 5,605
December 31, 2008	$ 51	$ 6,432	$ —	$ 699	$ 7,182

ECHOSTAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

18. Quarterly Financial Data (Unaudited)

Our quarterly results of operations are summarized as follows:

	For the Three Months Ended			
	March 31	June 30	September 30	December 31
	(In thousands, except per share amounts)			
Year ended December 31, 2010:				
Total revenue	$627,080	$603,049	$ 607,040	$ 513,200
Operating income (loss)	40,766	31,313	38,603	31,643
Net income (loss)	71,746	(41,477)	5,151	168,938
Basic income (loss) per share	$ 0.85	$ (0.49)	$ 0.06	$ 1.98
Diluted income (loss) per share	$ 0.84	$ (0.49)	$ 0.06	$ 1.98
Year ended December 31, 2009:				
Total revenue	$479,547	$383,148	$ 482,932	$ 557,932
Operating income (loss)	(2,348)	(3,050)	(3,836)	14,126
Net income (loss)	(645)	101,814	293,940	(30,405)
Basic income (loss) per share	$ (0.01)	$ 1.18	$ 3.45	$ (0.37)
Diluted income (loss) per share	$ (0.01)	$ 1.18	$ 3.45	$ (0.37)
Year ended December 31, 2008:				
Total revenue	$554,571	$483,340	$ 616,173	$ 496,436
Operating income (loss)	13,661	(2,389)	2,081	(653,947)
Net income (loss)	5,701	47,824	(307,930)	(703,783)
Basic income (loss) per share	$ 0.06	$ 0.53	$ (3.43)	$ (7.89)
Diluted income (loss) per share	$ 0.06	$ 0.53	$ (3.43)	$ (7.89)

19. Related Party Transactions

Related Party Transactions with DISH Network

Following the Spin-off, we and DISH Network have operated as separate public companies and DISH Network has no ownership interest in us. However, a substantial majority of the voting power of the shares of both companies is owned beneficially by our Chairman, Charles W. Ergen or by certain trusts established by Mr. Ergen for the benefit of his family.

In connection with the Spin-off and subsequent to the Spin-off, we and DISH Network have entered into certain agreements pursuant to which we obtain certain products, services and rights from DISH Network, DISH Network obtains certain products, services and rights from us, and we and DISH Network have indemnified each other against certain liabilities arising from our respective businesses. We also may enter into additional agreements with DISH Network in the future. The following is a summary of the terms of the principal agreements that we have entered into with DISH Network that may have an impact on our financial position and results of operations.

We expect that DISH Network will remain our principal customer. However, the agreements pursuant to which DISH Network purchases digital set-top boxes or digital broadcast operation services from us expire on January 1, 2012. Therefore, if we are unable to extend these contracts on similar terms with DISH Network, or if we are otherwise unable to obtain similar contracts from third parties before that date, there could be a significant adverse effect on our business, results of operations and financial position.

Generally, the prices charged for products and services provided under the agreements entered into in connection with the Spin-off are based on our cost plus a fixed margin (unless noted differently below), which varies depending on the nature of the products and services provided.

"Equipment revenue – DISH Network"

Receiver Agreement. In connection with the Spin-off, we entered into a receiver agreement pursuant to which DISH Network has the right but not the obligation to purchase digital set-top boxes and related accessories, and other equipment from us for a period ending January 1, 2012. The receiver agreement allows DISH Network to purchase digital set-top boxes, related accessories and other equipment from us at cost plus a fixed margin, which varies depending on the nature of the equipment purchased. Additionally, we provide DISH Network with standard manufacturer warranties for the goods sold under the receiver agreement. DISH Network may terminate the receiver agreement for any reason upon at least 60 days notice to us. We may terminate the receiver agreement if certain entities were to acquire DISH Network. The receiver agreement also includes an indemnification provision, whereby the parties indemnify each other for certain intellectual property matters.

"Services and other revenue – DISH Network"

Broadcast Agreement. In connection with the Spin-off, we and DISH Network entered into a broadcast agreement pursuant to which we provide certain broadcast services to DISH Network, including teleport services such as transmission and downlinking, channel origination services, and channel management services for a period ending on January 1, 2012. DISH Network may terminate channel origination services and channel management services for any reason and without any liability upon at least 60 days notice to us. If DISH Network terminates teleport services for a reason other than our breach, DISH Network is obligated to pay us the aggregate amount of the remainder of the expected cost of providing the teleport services. The fees for services provided under the broadcast agreement are calculated at cost plus a fixed margin, which varies depending on the nature of the products and services provided.

Broadcast Agreement for Certain Sports Related Programming. During May 2010, we and DISH Network entered into a broadcast agreement pursuant to which we provide certain broadcast services to DISH Network in connection with its carriage of certain sports related programming. The term of this agreement is for ten years. If DISH Network terminates this agreement for a reason other than our breach, DISH Network is generally obligated to reimburse us for any direct costs we incur related to any such termination that they cannot reasonably mitigate. The fees for the broadcast services provided under this agreement depend, among other things, upon the cost to develop and provide such services.

Satellite Capacity Agreements. In connection with the Spin-off and subsequent to the Spin-off, we entered into certain satellite capacity agreements pursuant to which DISH Network leases certain satellite capacity on certain satellites owned or leased by us. The fees for the services provided under these satellite capacity agreements depend, among other things, upon the orbital location of the applicable satellite and the length of the lease. The term of each of the leases is set forth below:

EchoStar III, VI, VIII and XII. DISH Network leases certain satellite capacity from us on EchoStar VI, VIII and XII. The leases generally terminate upon the earlier of: (i) the end of life or replacement of the satellite (unless DISH Network determines to renew on a year-to-year basis); (ii) the date the satellite fails; (iii) the date the transponder on which service is being provided fails; or (iv) a certain date, which depends upon, among other things, the estimated useful life of the satellite, whether the replacement satellite fails at launch or in orbit prior to being placed into service, and the exercise of certain renewal options. DISH Network generally has the option to renew each lease on a year-to-year basis through the end of the respective satellite's life. There can be no assurance that any options to renew such agreements will be exercised. In August 2010, DISH Network's lease of EchoStar III terminated when it was replaced by EchoStar XV, which is owned by DISH Network.

EchoStar IX. DISH Network leases certain satellite capacity from us on EchoStar IX. Subject to availability, DISH Network generally has the right to continue to lease satellite capacity from us on EchoStar IX on a month-to-month basis.

EchoStar XVI. DISH Network will lease certain satellite capacity from us on EchoStar XVI after its service commencement date and this lease generally terminates upon the earlier of: (i) the end of life or replacement of the satellite; (ii) the date the satellite fails; (iii) the date the transponder(s) on which service is being provided under the agreement fails; or (iv) ten years following the actual service commencement date. Upon expiration of the initial term, DISH Network has the option to renew on a year-to-year basis through the end of life of the satellite. There can be no assurance that any options to renew this agreement will be exercised. EchoStar XVI is expected to be launched during the second half of 2012.

EchoStar XV. EchoStar XV is owned by DISH Network and is operated at the 61.5 degree orbital location. The FCC has granted us an authorization to operate the satellite at the 61.5 degree orbital location. For so long as EchoStar XV remains in service at the 61.5 degree orbital location, DISH Network is obligated to pay us a fee which varies depending on the number of frequencies being used by EchoStar XV.

Nimiq 5 Agreement. During September 2009, we entered into a fifteen-year satellite service agreement with Telesat Canada ("Telesat") to receive service on all 32 DBS transponders on the Nimiq 5 satellite at the 72.7 degree orbital location (the "Telesat Transponder Agreement"). During September 2009, DISH Network also entered into a satellite service agreement (the "DISH Telesat Agreement") with us, pursuant to which they will receive service from us on all 32 of the DBS transponders covered by the Telesat Transponder Agreement. We and DISH Network are currently receiving service on 23 of these DBS transponders and will receive service on the remaining nine DBS transponders over a phase-in period that will be completed in 2012.

Under the terms of the DISH Telesat Agreement, DISH Network makes certain monthly payments to us that commenced in October 2009 when the Nimiq 5 satellite was placed into service and continue through the service term. Unless earlier terminated under the terms and conditions of the DISH Telesat Agreement, the service term will expire ten years following the date it was placed into service. Upon expiration of the initial term DISH Network has the option to renew the DISH Telesat Agreement on a year-to-year basis through the end of life of the Nimiq 5 satellite. Upon in-orbit failure or end of life of the Nimiq 5 satellite, and in certain other circumstances, DISH Network has certain rights to receive service from us on a replacement satellite. There can be no assurance that any options to renew this agreement will be exercised or that DISH Network will exercise its option to receive service on a replacement satellite.

QuetzSat-1 Lease Agreement. During 2008, we entered into a ten-year satellite service agreement with SES, which provides, among other things, for the provision by SES to us of service on 32 DBS transponders on the QuetzSat-1 satellite expected to be placed into service at the 77 degree orbital location during the second half of 2011. During 2008, we also entered into a transponder service agreement ("QuetzSat-1 Transponder Agreement") with DISH Network pursuant to which they will receive service from us on 24 of the DBS transponders on QuetzSat-1, which will replace certain other transponders leased from us. The remaining eight DBS transponders on QuetzSat-1 are expected to be used by Dish Mexico.

Under the terms of the QuetzSat-1 Transponder Agreement, DISH Network will make certain monthly payments to us commencing when the QuetzSat-1 satellite is placed into service and continuing through the service term. Unless earlier terminated under the terms and conditions of the QuetzSat-1 Transponder Agreement, the service term will expire ten years following the actual service commencement date. Upon expiration of the initial term, DISH Network has the option to renew the QuetzSat-1 Transponder Agreement on a year-to-year basis through the end of life of the QuetzSat-1 satellite. Upon a launch failure, in-orbit failure or end of life of the QuetzSat-1 satellite, and in certain other circumstances, DISH Network has certain rights to receive service from us on a replacement satellite.

There can be no assurance that any options to renew this agreement will be exercised or that DISH Network will exercise its option to receive service on a replacement satellite.

TT&C Agreement. In connection with the Spin-off, we entered into a telemetry, tracking and control ("TT&C") agreement pursuant to which we provide TT&C services to DISH Network and its subsidiaries for a period ending on January 1, 2012. The fees for services provided under the TT&C agreement are calculated at cost plus a fixed margin. DISH Network may terminate the TT&C agreement for any reason upon at least 60 days notice.

Real Estate Lease Agreements. We have entered into lease agreements pursuant to which DISH Network leases certain real estate from us. The rent on a per square foot basis for each of the leases is comparable to per square foot rental rates of similar commercial property in the same geographic area, and DISH Network is responsible for a portion of the taxes, insurance, utilities and maintenance of the premises. The term of each of the leases is set forth below:

Inverness Lease Agreement. The lease for certain space at 90 Inverness Circle East in Englewood, Colorado expires on January 1, 2012.

Meridian Lease Agreement. DISH Network leases all of 9601 S. Meridian Blvd. in Englewood, Colorado for a period ending on January 1, 2012 with a renewal option for one additional year.

Santa Fe Lease Agreement. DISH Network leases all of 5701 S. Santa Fe Dr. in Littleton, Colorado for a period ending on January 1, 2012 with a renewal option for one additional year.

EchoStar Data Networks Sublease Agreement. The sublease for certain space at 211 Perimeter Center in Atlanta, Georgia is for a period ending on October 31, 2016.

Gilbert Lease Agreement. The lease for certain space at 801 N. DISH Dr. in Gilbert, Arizona expired on January 1, 2010.

Product Support Agreement. In connection with the Spin-off, we entered into a product support agreement pursuant to which DISH Network has the right, but not the obligation, to receive product support (including certain engineering and technical support services) for all set-top boxes and related accessories that our subsidiaries have previously sold and in the future may sell to DISH Network. The fees for the services provided under the product support agreement are calculated at cost plus a fixed margin, which varies depending on the nature of the services provided. The term of the product support agreement is the economic life of such receivers and related accessories, unless terminated earlier. DISH Network may terminate the product support agreement for any reason upon at least 60 days notice. In the event of an early termination of this agreement, DISH Network shall be entitled to a refund of any unearned fees paid to us for the services.

Satellite Procurement Agreement. In connection with the Spin-off, we entered into a satellite procurement agreement pursuant to which DISH Network had the right, but not the obligation, to engage us to manage the process of procuring new satellite capacity for DISH Network. The satellite procurement agreement expired on January 1, 2010. However, we and DISH Network have agreed that following January 1, 2010, DISH Network shall continue to have the right, but not the obligation, to engage us to manage the process of procuring new satellite capacity for DISH Network pursuant to the Professional Services Agreement as described below.

Services Agreement. In connection with the Spin-off, we entered into a services agreement pursuant to which DISH Network had the right, but not the obligation, to receive logistics, procurement and quality assurance services from us. This agreement expired on January 1, 2010. However, we and DISH Network have agreed that following January 1, 2010, DISH Network shall continue to have the right, but not the obligation, to receive from us certain of

the services previously provided under the services agreement pursuant to the Professional Services Agreement as discussed below.

DISHOnline.com Services Agreement. Effective January 1, 2010, DISH Network entered into a two-year agreement with us pursuant to which DISH Network will receive certain services associated with an online video portal. The fees for the services provided under this services agreement depend, among other things, upon the cost to develop and operate such services. DISH Network has the option to renew this agreement for three successive one year terms and the agreement may be terminated for any reason upon at least 120 days notice to us.

DISH Remote Access Services Agreement. Effective February 23, 2010, DISH Network entered into an agreement with us pursuant to which DISH Network will receive, among other things, certain remote DVR management services. The fees for the services provided under this services agreement depend, among other things, upon the cost to develop and operate such services. This agreement has a term of five years with automatic renewal for successive one year terms and may be terminated for any reason upon at least 120 days notice to us.

SlingService Services Agreement. Effective February 23, 2010, DISH Network entered into an agreement with us pursuant to which DISH Network will receive certain place-shifting services. The fees for the services provided under this services agreement depend, among other things, upon the cost to develop and operate such services. This agreement has a term of five years with automatic renewal for successive one year terms and may be terminated for any reason upon at least 120 days notice to us.

International Programming Rights Agreement. DISH Network purchased certain international rights for sporting events from us included in "Services and other revenue – DISH Network" on the Consolidated Statements of Operations and Comprehensive Income (Loss), of which we only retain a certain portion.

"General and administrative expenses – DISH Network"

Management Services Agreement. In connection with the Spin-off, we entered into a management services agreement with DISH Network pursuant to which DISH Network makes certain of its officers available to provide services (which are primarily legal and accounting services) to us. Specifically, R. Stanton Dodge and Paul W. Orban remain employed by DISH Network, but also serve as our Executive Vice President and General Counsel, and Senior Vice President and Controller, respectively. We make payments to DISH Network based upon an allocable portion of the personnel costs and expenses incurred by DISH Network with respect to such DISH Network officers (taking into account wages and fringe benefits). These allocations are based upon the estimated percentages of time to be spent by the DISH Network executive officers performing services for us under the management services agreement. We also reimburse DISH Network for direct out-of-pocket costs incurred by DISH Network for management services provided to us. We and DISH Network evaluate all charges for reasonableness at least annually and make any adjustments to these charges as we and DISH Network mutually agree upon.

The management services agreement automatically renewed on January 1, 2011 for an additional one-year period until January 1, 2012 and renews automatically for successive one-year periods thereafter, unless terminated earlier: (i) by us at any time upon at least 30 days notice; (ii) by DISH Network at the end of any renewal term, upon at least 180 days notice; or (iii) by DISH Network upon notice to us, following certain changes in control.

Real Estate Lease Agreement. During 2008, we entered into a sublease for space at 185 Varick Street, New York, New York from DISH Network for a period of approximately seven years. The rent on a per square foot basis for this sublease was comparable to per square foot rental rates of similar commercial property in the same geographic area at the time of the sublease, and we are responsible for our portion of the taxes, insurance, utilities and maintenance of the premises.

Transition Services Agreement. In connection with the Spin-off, we entered into a transition services agreement with DISH Network pursuant to which we had the right, but not the obligation, to receive the following services from DISH Network: finance, information technology, benefits administration, travel and event coordination, human resources, human resources development (training), program management, internal audit, legal, accounting and tax, and other support services. The fees for the services provided under the transition services agreement were calculated at cost plus a fixed margin, which varied depending on the nature of the services provided. The transition services agreement expired on January 1, 2010. However, we and DISH Network have agreed that following January 1, 2010 we shall continue to have the right, but not the obligation, to receive from DISH Network certain of the services previously provided under the transition services agreement pursuant to the Professional Services Agreement, as discussed below.

Professional Services Agreement. During 2009, we and DISH Network agreed that we shall continue to have the right, but not the obligation, to receive from DISH Network the following services, among others, certain of which were previously provided under the transition services agreement: information technology, travel and event coordination, internal audit, legal, accounting and tax, benefits administration, program acquisition services and other support services. Additionally, we and DISH Network agreed that DISH Network shall continue to have the right, but not the obligation, to engage us to manage the process of procuring new satellite capacity for DISH Network (as discussed above, previously provided under the satellite procurement agreement) and receive logistics, procurement and quality assurance services from us (as discussed above, previously provided under the services agreement). The professional services agreement expires on January 1, 2012, but renews automatically for successive one-year periods thereafter, unless terminated earlier by either party upon at least 60 days notice. However, either party may terminate the services it receives with respect to a particular service for any reason upon at least 30 days notice.

Other Agreements – DISH Network

Satellite Capacity Leased from DISH Network. During 2009, we entered into a satellite capacity agreement pursuant to which we lease certain satellite capacity from DISH Network on EchoStar I. The fee for the services provided under this satellite capacity agreement depends, among other things, upon the orbital location of the satellite and the length of the lease. During the year ended December 31, 2010, the amount of those fees included in "Cost of sales – services and other" on the Consolidated Statements of Operations and Comprehensive Income (Loss) was approximately $19 million. During the years ended December 31, 2009 and 2008, we did not lease satellite capacity from DISH Network on EchoStar I. The lease generally terminates upon the earlier of: (i) the end of life or replacement of the satellite (unless we determine to renew on a year-to-year basis); (ii) the date the satellite fails; (iii) the date the transponder on which service is being provided fails; or (iv) a certain date, which depends, among other things, upon the estimated useful life of the satellite, whether the replacement satellite fails at launch or in orbit prior to being placed into service, and the exercise of certain renewal options. We generally have the option to renew this lease on a year-to-year basis through the end of the satellite's life. There can be no assurance that any options to renew this agreement will be exercised.

Packout Services Agreement. In connection with the Spin-off, we entered into a packout services agreement, whereby we had the right, but not the obligation, to engage a DISH Network subsidiary to package and ship satellite receivers to customers that are not associated with DISH Network or its subsidiaries. This agreement expired on January 1, 2010.

Remanufactured Receiver Agreement. In connection with the Spin-off, we entered into a remanufactured receiver agreement with DISH Network pursuant to which we have the right, but not the obligation, to purchase remanufactured receivers and accessories from DISH Network at cost plus a fixed margin, which varies depending on the nature of the equipment purchased. This agreement expires on January 1, 2012. We may terminate the remanufactured receiver agreement for any reason upon at least 60 days notice to us. DISH Network may also terminate this agreement if certain entities acquire it. During the years ended December 31, 2010, 2009 and 2008,

we purchased remanufactured receivers and accessories from DISH Network for an aggregate amount of $3 million, $7 million and $12 million, respectively.

Tax Sharing Agreement. In connection with the Spin-off, we entered into a tax sharing agreement with DISH Network which governs our respective rights, responsibilities and obligations after the Spin-off with respect to taxes for the periods ending on or before the Spin-off. Generally, all pre-Spin-off taxes, including any taxes that are incurred as a result of restructuring activities undertaken to implement the Spin-off, are borne by DISH Network, and DISH Network will indemnify us for such taxes. However, DISH Network is not liable for and will not indemnify us for any taxes that are incurred as a result of the Spin-off or certain related transactions failing to qualify as tax-free distributions pursuant to any provision of Section 355 or Section 361 of the Code because of: (i) a direct or indirect acquisition of any of our stock, stock options or assets; (ii) any action that we take or fail to take; or (iii) any action that we take that is inconsistent with the information and representations furnished to the IRS in connection with the request for the private letter ruling, or to counsel in connection with any opinion being delivered by counsel with respect to the Spin-off or certain related transactions. In such case, we will be solely liable for, and will indemnify DISH Network for, any resulting taxes, as well as any losses, claims and expenses. The tax sharing agreement will only terminate after the later of the full period of all applicable statutes of limitations, including extensions, or once all rights and obligations are fully effectuated or performed.

Tivo. Because both we and DISH Network are defendants in the Tivo lawsuit, we and DISH Network are jointly and severally liable to Tivo for any final damages and sanctions that may be awarded by the District Court. DISH Network has agreed that it is obligated under the agreements entered into in connection with the Spin-off to indemnify us for substantially all liability arising from this lawsuit. We contributed an amount equal to our $5 million intellectual property liability limit under the Receiver Agreement, and during 2009, we recorded a charge included in "General and administrative expenses – DISH Network" on our Consolidated Statements of Operations and Comprehensive Income (Loss) for this amount to reflect this contribution. We and DISH Network have further agreed that our $5 million contribution would not exhaust our liability to DISH Network for other intellectual property claims that may arise under the Receiver Agreement. We and DISH Network also agreed that we would each be entitled to joint ownership of, and a cross-license to use, any intellectual property developed in connection with any potential new alternative technology.

Multimedia Patent Trust. In December 2009, DISH Network agreed that it is obligated under the agreements entered into in connection with the Spin-off to indemnify us for all of the costs to settle this lawsuit relating to the period prior to the Spin-off and a portion of such settlement costs relating to the period after the Spin-off. We have agreed that our contribution towards such settlement costs shall not be applied against our aggregate liability cap under the Receiver Agreement.

Launch Service. During 2009, we assigned certain of our rights under a launch contract to DISH Network for its fair value of $103 million. We recorded the assignment of these rights at our net book value of $89 million and recorded the $14 million difference between our net book value and DISH Network's purchase price as a capital transaction with DISH Network. The $103 million was received in the first quarter 2010.

Weather Related Programming Agreement. During May 2010, we and DISH Network entered into an agreement pursuant to which, among other things, we agreed to develop certain weather related programming and DISH Network received the right to distribute such programming. This agreement was terminated during June 2010. In July 2010, we sold our interest in the entity that held such weather related programming for $5 million.

Acquisition of Alta Wireless, Inc. and Sale of South.com, L.L.C. During October 2010, we purchased an additional equity interest in Alta Wireless, Inc. from another party for $2.8 million. This transaction increased our ownership in Alta Wireless, Inc. from 49.9% to 95%. Alta Wireless Inc. holds certain authorizations for local multipoint distribution service ("LMDS") spectrum in the United States. Additionally, during October 2010, we and the same counterparty sold our respective interests in South.com, L.L.C. to DISH Network for $2 million and $3 million,

respectively. South.com, L.L.C. holds certain authorizations for multichannel video and data distribution service ("MVDDS") spectrum in the United States.

Other Agreements

In November 2009, Mr. Roger Lynch became employed by both us and DISH Network as Executive Vice President. Mr. Lynch is responsible for the development and implementation of advanced technologies that are of potential utility and importance to both us and DISH Network. Mr. Lynch's compensation consists of cash and equity compensation and is borne by both DISH Network and us.

Related Party Transactions with NagraStar L.L.C.

We own 50% of NagraStar L.L.C. ("NagraStar"), a joint venture that is our primary provider of encryption and related security technology used in our set-top boxes. Although we do not consolidate NagraStar, we have the ability to significantly influence its operating policies; therefore, we account for our investment in NagraStar under the equity method of accounting.

The table below summarizes our transactions with NagraStar.

	For the Years Ended December 31,		
	2010	2009	2008
	(In thousands)		
Purchases:			
Purchases from NagraStar	$18,557	$31,165	$46,712

	As of December 31,	
	2010	2009
	(In thousands)	
Amounts Payable and Commitments:		
Amounts payable to NagraStar	$ 799	$ 3,683
Commitments to purchase from NagraStar	$4,934	$11,836

Related Party Transactions with Dish Mexico

During 2008, we entered into a joint venture for a DTH satellite service in Mexico known as Dish Mexico, S. de R.L. de C.V. ("Dish Mexico"). Pursuant to these arrangements, we provide certain broadcast services and satellite capacity and sell hardware such as digital set-top boxes and related equipment to Dish Mexico. Subject to a number of conditions, we committed to provide $112 million of value over an initial ten year period in the form of cash, equipment and services, which was satisfied as of December 31, 2010.

ECHOSTAR CORPORATION
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The following table summarizes our transactions with Dish Mexico.

	For the Years Ended December 31,		
	2010	2009	2008
	(In thousands)		
Sales not related to the original contribution commitment associated with our investment:			
Digital set-top boxes and related accessories	$ 80,910	$ 36,289	$ —
Sales of satellite services	$ 8,520	$ 8,300	$ 175

	As of December 31,	
	2010	2009
	(In thousands)	
Receivable:		
Amounts receivable from Dish Mexico	$2,296	$15,132

Related Party Transactions with a Joint Venture in Taiwan

During December 2009, we entered into a joint venture to provide a DTH satellite service in Taiwan and certain other targeted regions in Asia. We own 50% and have joint control of the joint venture. Pursuant to these arrangements, we sell hardware such as digital set-top boxes and provide certain technical support services to the joint venture. We have provided $18 million of cash to the joint venture, and an $18 million line of credit that the joint venture may only use to purchase set-top boxes from us. This investment is subject to an evaluation for other-than-temporary impairment on a quarterly basis. This quarterly evaluation consists of reviewing, among other things, company business plans and current financial statements, if available, for factors that may indicate an impairment of our investment. During the year ended December 31, 2010, we recorded a $14 million charge to fully impair this investment, which is included in "Unrealized and realized gains (losses) on marketable investment securities and other investments" on our Consolidated Statements of Operations and Comprehensive Income (Loss). As of December 31, 2010, the remaining amount available under the line of credit is $10 million and if advanced would be subject to our evaluation for other-than-temporary impairment.

20. Subsequent Events

Agreement and Plan of Merger

On February 13, 2011, Hughes Communications, Inc., a Delaware corporation ("Hughes"), and the parent company of Hughes Network Systems, LLC ("HNS"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with EchoStar Corporation, a Nevada corporation ("EchoStar"), EchoStar Satellite Services L.L.C., a Colorado limited liability company ("Satellite Services"), and Broadband Acquisition Corporation, a Delaware corporation ("Merger Sub"), pursuant to which, subject to the terms and conditions set forth therein, Merger Sub will merge with and into Hughes (the "Merger"), with Hughes continuing as the surviving entity, which will become a wholly owned subsidiary of EchoStar.

Pursuant to the Merger Agreement, upon the closing of the Merger, each issued and outstanding share of common stock, par value $0.001 per share ("Common Stock"), of Hughes (other than any Common Stock with respect to which appraisal rights have been duly exercised under Delaware law) will automatically be converted into the right to receive $60.70 in cash (without interest) and cancelled. The Merger Agreement also contemplates the repayment of all of the outstanding debt of Hughes and HNS (including the 9 1/2% Senior Notes due 2014 issued by HNS), except that the $115 million loan facility guaranteed by COFACE, the French Export Credit Agency, will continue to remain outstanding following the Merger if the requisite lender consents thereunder are obtained.

ECHOSTAR CORPORATION
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Each of the boards of directors of Hughes and Merger Sub approved the Merger Agreement and deemed it advisable and fair, and in the best interests of, their respective companies and stockholders, to enter into the Merger Agreement and to consummate the Merger and the transactions and agreements contemplated thereby. The board of directors of EchoStar approved the Merger Agreement and deemed it advisable and fair to, and in the best interests of, its stockholders to enter into the Merger Agreement and to consummate the transactions and agreements contemplated thereby.

The Merger is expected to close later this year, subject to certain closing conditions, including among others, (i) receiving the required approvals of Hughes' stockholders, which approval was effected on February 13, 2011, by written consent of a majority of Hughes' stockholders (the "Majority Stockholders' Written Consents"), (ii) 20 business days having elapsed since the mailing to Hughes' stockholders of the definitive information statement, with respect to such adoption of the Merger Agreement, in accordance with the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder, (iii) receiving certain government regulatory approvals, including approval by the FCC, the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the receipt of the consents required under certain export control laws, (iv) the absence of any order or injunction by a court of competent jurisdiction preventing the consummation of the Merger, and the absence of any action taken, or any law enacted, entered, enforced or made applicable to the Merger, by any governmental entity that makes the consummation of the Merger illegal or otherwise restrains, enjoins or prohibits the Merger, (v) the absence of any proceeding in which the Office of Communications of the United Kingdom seeks to prohibit or enjoin the Merger, (vi) the accuracy of the representations and warranties made by Hughes, EchoStar and Merger Sub, (vii) the performance, in all material respects, by each of Hughes, EchoStar and Merger Sub of all its respective obligations, agreements and covenants under the Merger Agreement, (viii) subject to certain customary exceptions, the absence of (a) a change or event that has a material adverse effect on the business, financial condition or results of operations of Hughes and its subsidiaries, taken as a whole or (b) any event, change, occurrence or effect that would prevent, materially delay or materially impede the performance by Hughes of its obligations under the Merger Agreement or the consummation of the transactions contemplated thereby, if not cured, in either case since February 13, 2011 and (ix) holders of shares of Common Stock representing in excess of 25% of the outstanding shares of Common Stock shall not have exercised (or if exercised, shall not have withdrawn prior to the commencement of the marketing period for the financing of the pending transaction) rights of dissent in connection with the Merger. The Merger Agreement clarifies that no party may rely on a failure of conditions to be satisfied if such party's breach was the proximate cause of the failure.

The Merger Agreement contains customary representations, warranties and covenants of Hughes, EchoStar and Merger Sub. In particular, Hughes makes certain representations and warranties related to the business in which it operates, including with respect to its communications licenses; the health of its satellite currently in orbit and other related information; that there are no claims under coordination and concession agreements; the status of Hughes' earth stations; and compliance with regulatory and export control laws. EchoStar and Merger Sub also make a representation that EchoStar and Satellite Services have sufficient financing in order to complete the Merger.

Hughes has agreed to various covenants in the Merger Agreement, including, among others, covenants (i) to use commercially reasonable efforts to conduct its business in the ordinary course consistent with past practice during the interim period between the execution of the Merger Agreement and completion of the Merger, (ii) not to engage in certain kinds of transactions during this interim period and (iii) to cooperate and use commercially reasonable efforts to take all actions necessary to obtain all governmental and antitrust, FCC and regulatory approvals, subject to certain customary limitations. As noted above, EchoStar and Satellite Services represent and warrant in the Merger Agreement that at the closing of the Merger they will have access to sufficient funds to consummate the Merger and the other transactions contemplated by the Merger Agreement, and there is no closing condition related to them having procured such financing.

The Merger Agreement also contains a covenant pursuant to which Hughes has agreed, subject to certain customary exceptions described below, that it will not, and will cause its representatives not to, solicit, facilitate (including by providing information) or participate in any negotiations or discussions with any person relating to, any takeover proposal, as further described in the Merger Agreement. The Merger Agreement contains a "fiduciary-out" provision, which provides that, prior to the time the stockholders of Hughes have adopted and approved the Merger Agreement (which adoption and approval was obtained on February 13, 2011 pursuant to the Majority Stockholders' Written Consents), the board of directors of Hughes may engage with alternative purchasers, change its recommendation to Hughes' stockholders or enter into a definitive agreement with respect to an unsolicited acquisition proposal, only if the board of directors of Hughes has determined in good faith (a) that failure to take such action is likely to be inconsistent with the board's fiduciary duties, and (b) that the acquisition proposal constitutes a "Superior Proposal." However, as Hughes' stockholders have approved and adopted the Merger Agreement pursuant to a written stockholders' consent, the "fiduciary-out" provision no longer provides an exception to the non-solicitation obligations described in this paragraph.

The Merger Agreement also contains a covenant pursuant to which EchoStar or the surviving entity must indemnify officers, directors and employees of Hughes and its subsidiaries for a period of six years following the closing of the Merger for all liabilities or claims related to their service or employment with Hughes or its subsidiaries occurring prior to the closing of the Merger. This covenant further requires EchoStar to keep in place Hughes' directors and officers liability and fiduciary liability insurance policies in effect at the closing, or purchase a "tail policy" offering similar coverage unless Hughes purchases such a policy prior to closing.

The Merger Agreement contains certain termination rights for both Hughes and EchoStar. In addition to certain termination rights related to breaches of the agreement or actions taken by Hughes with respect to alternative transactions, so long as the failure of the terminating party to comply with its obligations is not the cause for delay in closing, each of EchoStar and Hughes has the right to terminate the Merger Agreement unilaterally if the Merger has not closed by a date nine months from the execution of the Merger Agreement. In addition, the Merger Agreement provides that, upon termination of the Merger Agreement under specified circumstances, Hughes may be required to pay EchoStar a termination fee of $45 million.

The Merger Agreement also contains termination and other rights related to the occurrence of certain reductions in performance or total loss of Hughes' satellite currently in orbit, and certain waivers increasing risks associated with construction, launch or operation of Hughes' satellite currently under construction (a "Material Satellite Event"). Upon a Material Satellite Event, EchoStar is entitled to terminate the Merger Agreement until 60 days after Hughes provides a written plan describing its intended response (the "Mitigation Plan"). If EchoStar has not provided written consent to the Mitigation Plan 30 days after delivery, Hughes can then terminate the Merger Agreement. In addition, from the date of any Material Satellite Event until EchoStar's approval of the Mitigation Plan, Hughes will also be required to provide EchoStar with daily reports of customer complaints and subscriber cancellations.

The representations, warranties and covenants contained in the Merger Agreement were made by the parties thereto only for purposes of that agreement and as of specific dates; were solely for the benefit of the parties to the Merger Agreement; may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts (such disclosures include information that has been included in Hughes' public disclosures, as well as additional non-public information); and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors are not third party beneficiaries under the Merger Agreement (except for the right of Hughes' stockholders to receive the transaction consideration from and after the consummation of the Merger) and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of Hughes or EchoStar or any of their respective subsidiaries or affiliates. Additionally, the representations, warranties, covenants, conditions and other terms of the Merger Agreement may be subject to subsequent waiver or modification. Moreover, information concerning the subject matter of the representations, warranties and covenants

ECHOSTAR CORPORATION
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may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in Hughes' public disclosures.

EchoStar and Satellite Services have obtained an aggregate financing commitment of $1.0 billion in senior secured bridge financing and $800 million in senior unsecured bridge financing, in each case from Deutsche Bank AG Cayman Islands Branch in connection with the pending transaction. These funds, in addition to existing cash balances, will be sufficient to finance the cash consideration to Hughes stockholders and to refinance certain existing Hughes debt. In addition to certain other conditions, the commitment of these funds is contingent on the closing of the transaction. The funding of the financing commitment is not a condition to the transaction or to the obligations of EchoStar or Merger Sub under the Merger Agreement.

EXHIBIT 21

ECHOSTAR CORPORATION AND SUBSIDIARIES
LIST OF SUBSIDIARIES
As of December 31, 2010

Legal Entity	State or Country of Incorporation	% Ownership	Name Doing Business As
EchoStar Technologies L.L.C.	Texas	100%	ETLLC
EchoStar Operating Corporation	Colorado	100%	EOC
EchoStar Satellite Services L.L.C.	Colorado	100%	ESSLLC

EXHIBIT 23

Consent of Independent Registered Public Accounting Firm

The Board of Directors
EchoStar Corporation:

We consent to the incorporation by reference in the following registration statements of EchoStar Corporation of our report dated February 24, 2011, with respect to the consolidated balance sheets of EchoStar Corporation and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2010, and the effectiveness of internal control over financial reporting as of December 31, 2010, which report appears in the December 31, 2010 annual report on Form 10-K of EchoStar Corporation.

Our report on the effectiveness of internal control over financial reporting as of December 31, 2010, contains an explanatory paragraph that states that the aggregate amount of total assets and revenue of Move Networks that are excluded from management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2010 are $45 million and $0, respectively. Our audit of internal control over financial reporting also excluded an evaluation of the internal control over financial reporting of this entity.

Form	Registration Statement No.	Description
S-8	333-162339	Additional shares for 2008 Employee Purchase Plan
S-8	333-148416	2008 Stock Incentive Plan 2008 Employee Purchase Plan 2008 Nonemployee Director Stock Option Plan 2008 Class B CEO Stock Option Plan

/s/ KPMG LLP

Denver, Colorado
February 24, 2011

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints R. Stanton Dodge, individually, as the true and lawful attorney-in-fact and agent of the undersigned, with full power of substitution and resubstitution, for and in the name, place and stead of the undersigned, in any and all capacities, to sign the Annual Report on Form 10-K of EchoStar Corporation, a Nevada corporation formed in October 2007, for the year ended December 31, 2010, and any and all amendments thereto and to file the same, with all exhibits thereto and other documents in connection therewith, with the United States Securities and Exchange Commission, and hereby grants to each such attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully as to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that such attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Power of Attorney has been signed by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ Joseph P. Clayton Joseph P. Clayton	Director	February 24, 2011
/s/ Charles W. Ergen Charles W. Ergen	Director	February 24, 2011
/s/ David K. Moskowitz David K. Moskowitz	Director	February 24, 2011
/s/ Tom A. Ortolf Tom A. Ortolf	Director	February 24, 2011
/s/ C. Michael Schroeder C. Michael Schroeder	Director	February 24, 2011

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Section 302 Certification

I, Michael T. Dugan, certify that:

1. I have reviewed this Annual Report on Form 10-K of EchoStar Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2011

/s/ Michael T. Dugan
President, Chief Executive Officer and Director

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Section 302 Certification

I, David J. Rayner, certify that:

1. I have reviewed this Annual Report on Form 10-K of EchoStar Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2011

/s/ David J. Rayner
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Section 906 Certification

Pursuant to 18 U.S.C. § 1350, the undersigned officer of EchoStar Corporation (the "Company") hereby certifies that to the best of his knowledge the Company's Annual Report on Form 10-K for the year ended December 31, 2010 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 24, 2011

Name: */s/ Michael T. Dugan*

Title: President, Chief Executive Officer and Director

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Section 906 Certification

Pursuant to 18 U.S.C. § 1350, the undersigned officer of EchoStar Corporation (the "Company") hereby certifies that to the best of his knowledge the Company's Annual Report on Form 10-K for the year ended December 31, 2010 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 24, 2011

Name: */s/ David J. Rayner*

Title: Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.