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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM ADMINISTRATIVE LAW COURT

Shirley C. Robinson, Administrative Law Judge

Docket No. 14-ALJ-17-0285-CC

Dish DBS Corporation f/k/a EchoStar, DBS Corp. and Affiliates ..... Appellant,

v.

South Carolina Department of Revenue ..... Respondent.

RECORD ON APPEAL

VOLUME III

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lengthy law review article. Are you familiar with that?

A: That's not the one on Allied Signal, is it, and NYU?

Q: Right.

A: That's over 100 pages.

Q: Right.

A: I have not read it.

Q: You have not. But the book itself ---

A: It's the whole article. That journal is one -- it's one article.

Q: Your book lightly discusses a constitutional right to some factor apportionment, correct? And if you're not familiar with that I'll move on.

A: I'm generally aware of what factor apportionment is.

Q: Uh-huh.

A: I don't know. I'd have to review what we say about it. I don't recall what we say about it.

Q: Okay.

MR. MAYBANK: That's it for me, Your Honor.

THE COURT: Okay. Ms. Wooten.

MS. WOOTEN: Just a few questions, Your Honor.

PROFESSOR SWAIN - REDIRECT EXAMINATION BY MS. WOOTEN:

Q: Mr. Maybank got you to read some analysis in the *DIRECTV* opinion. What is the conclusion that Judge Anderson came to in the final order or the amended order?

A: So the conclusion says, "After considering the evidence in the record and the permit legal authorities, I conclude that based on the reliable evidence, DIRECTV's income-producing activity is the delivery of the single signal into the homes and onto the television sets of DIRECTV's customers. All those income produces activity relate to South Carolina, customers occur entirely within South Carolina; therefore, 100 percent DIRECTV's subscription receipts from South Carolina customers must be sourced to the numerator of the gross receipts ratio." And this actually looks like the language that Professor Hellerstein quoted. I may be wrong.

Q: And did Judge Anderson say that the income-producing activity was the broadcasting of the signal?

A: I just don't know. I mean, I think we all can read this. I'm sorry, but I just don't know.

Q: Is the word "broadcasting" in that conclusion

anywhere?

A: Not in this conclusion, no.

Q: All right. Thank you. And just to clarify, did you write the supplement that quotes the *DIRECTV* language and the Heller Western language that Mr. Maybank asked you earlier from the treatise?

A: No, I think I said that it's Walter Hellerstein's responsibility to write Chapter 9, and I didn't involve myself in that.

Q: In that Heller Western case, do you recall if the Arizona statute included the actual word "solicitation"?

A: I don't -- I don't recall. I'd have to look at the case to refresh my recollection as it were.

Q: And do you know if South Carolina is a full member state of the MTC?

A: I do not know.

Q: And he also asked you the result in this case was a market share result, those were his words; do you recall that line of questioning or that question?

A: It sounds familiar.

Q: Okay. Does a state that has income-producing activity language in the statute automatically

get a market share result in every situation?

A: I don't think so. I think it's sort of a fallacy we get the -- because there's a market state result in this case doesn't mean you're going to get a market state result in every case. You have to just look at the facts of those cases.

MS. WOOTEN: That's all from the Department, Your Honor.

THE COURT: Okay.

MR. MAYBANK: I just have one question, Your Honor.

PROFESSOR SWAIN - RECROSS-EXAMINATION BY MR. MAYBANK:

Q: If you just look at the final act as the only income- producing activity, aren't you going to get the market share result in every single case?

A: You would in a heck of a lot of cases.

MR. MAYBANK: We have nothing further for this witness, Your Honor.

THE COURT: Thank you, Professor Swain.

PROFESSOR SWAIN: And I don't think that's a bad thing.

MR. MAYBANK: And we would like to call whenever you think it appropriate Mr. Stevens as a short rebuttal witness.

THE COURT: Okay. Ms. Wooten, is that the State's case?

MS. WOOTEN: Yes, Your Honor, we have no further witnesses.

THE COURT: Okay. Mr. Maybank.

MR. MAYBANK: Thank you.

THE COURT: Call your rebuttal witness.

MR. MAYBANK: All right.

THE COURT: Mr. Stevens, you're still under oath.

MR. STEVENS: Yes, ma'am. Thank you.

MR. STEVENS - REBUTTAL DIRECT EXAMINATION BY MR. MAYBANK:

Q: All right. Mr. Stevens, you heard the Department's expert witness discuss Hellerstein's treatment of *DIRECTV* first in his direct exam and then in my cross-exam. In his direct exam he noted that the Administrative Law Court held the income-producing activity of DIRECTV was the delivery of the signal. Is that what the *DIRECTV* decision states?

A: No. Judge Anderson in *DIRECTV* was faced with a lack of proof, and an end result he ended up with was he had to go with the proof that he did have. Specifically in the course of his decision, he adopted the theory that Professor

Pomp provided to the Court, and just to read it just to be sure that I'm not misstating it, "The Court, however, does not adopt the view of the Department that income-producing activity of businesses within the direct broadcast service industry is completely limited to the delivery of a signal into the customer's home and onto the customer's television. Rather, the Court agrees with Professor Richard Pomp that, 'Opinions can differ on how to measure the extent to which income-producing activities take place in South Carolina, but answering that question by simply ignoring the outside activities is unacceptable.'"

Q: Okay. Moving forward, he mentioned the true object sales tax rule and the true object is certainly the rule in distinguishing between the sale of a service or the sale of tangible personal property. How does that apply to this case?

A: Yeah. In the issue that we're confronted with, the first question is what is the income that we're being asked to apportion, and the way you answer that question as much as the Professor has identified, and that is the true object,

what is it that the taxpayer is buying. No one would seriously contend that what they're buying is delivered. They're buying the programming and they need the programming at the time they want it and where they want it, and they want a clear signal. They don't want snow. They don't want blackouts. It is -- it is the buying of the programming, that is the true object; therefore, in figuring out where the income-producing activities. In other words, in trying to find where the activities are that produced that income, you then look to all of the places that they had to encounter the resources, the activities in order to produce that income. And in my view, an appropriate way of reading the statute is that that income-producing activity is not simply in South Carolina; it's across the nation. Indeed, it's in all of the places where they undertake the activity necessary to give the customer what they ask for, the true object; that is, the programmming that they're paying for.

Q: Mr. Swain also repeatedly referenced the taxation of manufacturers and the taxation of

service providers. Are they taxed the same?
A: Oh, not they're not. And ---
Q: Okay. What's the diffrence?
A: Well, one of the interesting aspects of what our General Assembly did is that they -- they gave us one section, 12-6-2295, and in that section you can look and you can find what are sales and what are gross receipts. We know that the word "sales" is only applicable to those folks who are involved in manufacturing, that is, the tangible personal property dealer in. And in that section before we even get to the listing of what is gross receipts and what is sales, our General Assembly already set a market sourcing basis for those who are dealing in tangible personal property. They specifically said those items are going to be sourced to the place where the delivery occurs. It is clear it is market sourcing. When they get to gross receipts, the silence is deafening. There simply is nothing in there that says it is based on delivery. Had they meant delivery, they easily would have said it. Rather what they said is you look to where the income-producing activity is and find the

income, find the activities that produce the income, and then source the income based on where those activities are occurring, so ---

Q: Didn't they write that -- those two statutes at the same time?

A: They did.

Q: Aren't they even in the same act?

A: Well, yes. Now, the sales definition had been in there for quite a while, but when they -- they sort of recodified everything and went to a single sales factor, all of these statutes were written together.

Q: Okay. Now, the statute that we're fiercely battling over, 12-6-2295(5) contains two prongs. The first prong says receipts from services if the entire income-producing activity is within the state. The second prong says if the income-producing activity is performed partially within and partially without the state. Let me hand you that.

A: Right.

Q: If the final -- if the only income-producing activity was the final act, or the bill, would you ever invoke the second prong?

A: You would never get there.

Q: And why wouldn't you get there?
A: If the final act constitutes the income-producing activity, the final act is always going to be at the delivery source. So the second prong of the definition would be superfluous. It's a rare day in good policy, it's a rare day that our General Assembly writes a statute in which some portion of the statute is simply meaningless or superfluous. So if delivery is all that they were asking for, delivery would always be at one place; it would not be at multiple place. That's what we have in a sales tax transactions. It's a transactional tax and it's based on delivery. I pay a tax based when I make delivery of the product, and that is always at one place. We don't apportion the sales tax so ---
Q: Would you ever have two prongs in a statute that was marked source by definition?
A: Not that I'm aware of, no.
Q: I mean almost by definition you would not, correct?
A: Correct.
Q: And Mr. Swain mentioned the Oregon case, AT&T. Could you briefly discuss that.

A: Yes. The Oregon case involved AT&T, and again it is a cost of performance. It's an MTC income-producing activity cost of performance state. But the reason why that case gets down to the minutiae, if you will, of the individual transaction is because the Multistate Tax Commission regulation, which is adopted in that state, it literally says the income-producing activity is based on each separate item of income. That language is absent from what our General Assembly adopted. We don't have anything in there about separate items of income. We simply ask what's your income, and then we ask what are the activities that you encounter to produce that income. And it's the generic, what do you do, and then the true object test again, what I do as a customer is I'm buying programming. And again, those activities are encountered all over the place. So it clearly is an activity which is partly within South Carolina and partly without, and because of that, I have to apportion it, and we are not prohibited from using cost. We should not begin from the premise that says -- because UDITPA has this language that says based on

cost of performance, we shouldn't begin with the premise that we have to do that. South Carolina is a soveriegn. It can pick any statute that it wants, and it simply said we're going to look to where the income-producing activity is and if it's partly within and partly without, which it is here, we're going to apportion it, because the standard is not -- we're not told exactly what standard. Our General Assembly knew *Lockwood Greene* was out there; they knew *Lockwood Greene* was a cost of performance, it was based on payroll, and because of that, that is the law in our state, in my opinion.

Q: All right. Anything else you'd like to add on income-producing activities?

A: No, I think that about covers it.

Q: Okay. That's all -- anything you want to add in rebuttal that I haven't covered?

A: No, I believe we're fine.

MR. MAYBANK: That's it for me, Your Honor.

THE COURT: Thank you.

MS. WOOTEN: Yes, Your Honor, just a few questions.

MR. STEVENS - REBUTTAL CROSS-EXAMINATION BY MS. WOOTEN:

Q: You stated earlier that the income-producing activity is the programming, correct?
A: The customer is paying for programming, that's what they -- that's what they're paying for, yes.
Q: But Judge Anderson concluded in his decision that programming is, "Too attenuated to the production of income to be considered income-producing activity for purposes of Section 12-6-2295(A)(5)"; is that correct?
A: That is what he said.
Q: And you also stated that under the Department's interpretation of 2295 that we would never reach the second prong of that statute; is that correct?
A: Under the theory as I understand the Department's position, it's always based on the final act something that takes place that allows the customer to get what they have paid for, and that final act will always occur at one spot.
Q: But for personal services, South Carolina wouldn't always source to the place of delivery, correct?
A: Well, no. For personal services *Lockwood*

Greene, and apparently the Department agrees, that we're going to look to some activity which is partly performed here and partly performed elsewhere. But for whatever reason in the Dish case we're looking at a single delivery point. Even in *Lockwood Greene*, which we all agree the court apportioned, if you will, based on cost of performance, it's very difficult to see why that sort of analysis should not also apply to Dish. Services are services. We believe, at least in my opinion, that the same statute would govern and that we would apportion it under some cost of performance basis.

MS. WOOTEN: If I can have a moment, Your Honor. That's all from the Department, Your Honor.

THE COURT: Okay.

MR. MAYBANK: That's all for us, Your Honor.

THE COURT: Thank you, Mr. Stevens.

MR. STEVENS: Thank you.

THE COURT: Okay. That concludes the evidentiary part of the hearing. And I'm going to leave it up to the parties on how you want to proceed with closing. I'm happy -- we've got the entire day and I'm happy to listen to your closing arguments, or I don't know if you

wanted to forego the closings and just submit your ---

MR. MAYBANK: I would prefer to forego the closing and just submit the proposed order. I think you've heard enough.

MS. WOOTEN: We can waive as well and we'll submit proposed orders, Your Honor.

THE COURT: Okay. Thank you.

MS. WOOTEN: Your Honor, we would just ask that -- is there a time limit that you would want to put. We would like the transcript to be ordered.

THE COURT: Right, of course. Of course I would never require it prior to the transcript. When do you anticipate the transcript?

COURT REPORTER: Two weeks.

THE COURT: Okay. And to give you all an opportunity to review the transcript because there's been quite a lot that's been presented here, I am going to say 60 days for submitting the proposed orders, and that's from today. If you think that additional time is needed, just communicate with my office.

MR. MAYBANK: That certainly sounds fine with us, typically something this long would take the

transcript how long, couple weeks?

THE COURT: She said two weeks. Yeah.

MR. MAYBANK: That's fine with us, Your Honor.

THE COURT: Okay. And when you submit your proposed orders, Word.

MS. HENDERSON: To me.

THE COURT: Yeah, Ms. Henderson in Word format, as well as a hard copy. Is there anything else we need to address?

MS. WOOTEN: Yes, hold on just one second, Your Honor. May I have one moment, please? I'm sorry, I didn't mean to do that. Your Honor, would you allow the parties to submit a response to the opposing counsel's proposed order?

THE COURT: Thank you. I always do.

MS. WOOTEN: Thank you. Ten days?

THE COURT: And I usually give ten days for any response.

MS. WOOTEN: Thank you.

THE COURT: And there's nothing else to be addressed, that concludes the hearing and thank you all.

MR. MAYBANK: Thank you.

MS. WOOTEN: Thank you.

(There being nothing further, the hearing was concluded at 12:27 p.m.)

CERTIFICATE

This is to certify that the within hearing consisting of five hundred and seventy four (574) pages, is a true and correct transcript of the testimony given by said witnesses after being duly sworn; said hearing was reported by the method of Stenomask with Backup.

I further certify that I am neither employed by nor related to any of the parties in this matter or their counsel; nor do I have any interest, financial or otherwise, in the outcome of same.

IN WITNESS WHEREOF I have hereunto set my hand and seal on October 26, 2015.

Andrea R. Taylor
Court Reporter

Notary Public for South Carolina
My Commission Expires: February 18, 2024

DTTT

State of South Carolina

'C' CORPORATION INCOME TAX RETURN

Return is due on or before the 15th day of the 3rd month following the close of the taxable year.

Mail return to: SC DEPARTMENT OF REVENUE, Corporation Return, Columbia SC 29214-0100

SC 1120
(Rev 8/18/05)
3091

SC FILE # [redacted]

INCOME TAX PERIOD ENDING 12 31 2005

LICENSE FEE PERIOD ENDING 12 31 2006

FED EI # [redacted]

NAME EchoStar DBS Corporation

MAILING ADDRESS 9601 South Meridian Blvd

CITY Englewood STATE CO ZIP CODE 80112

Change of ☐ Address ☐ Accounting Period

A COMPLETE COPY OF FEDERAL RETURN MUST BE ATTACHED TO THIS RETURN.

County or Counties in SC Where Property is Located: All within State

City	Audit Location	State
Englewood	Englewood	CO

Audit Contact: Jeanne Root — Telephone Number: 3037233233

Check if ▶ ☐ Consolidated Return

Total Gross Receipts. ▶ 16,491,072,905

Total cost of depreciable personal property in SC. ▶ 23,832,557

If Filing a Final Return, See Instructions for Further Information. ▶ ☐ Merged ☐ Reorganized ☐ Dissolved ☐ Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY

1.	Federal Taxable Income per Federal Form 1120 or 1120A	1.	786,705,031
2.	Net Adjustment from line 12, Schedule A and B	2.	-160,139,798
3.	Total Net Income as Reconciled (line 1 plus or minus line 2)	3.	626,565,233
4.	If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3.	4.	1,493,732
5.	LESS: South Carolina net operating loss carryover, if applicable Statement 3	5.	356,766
6.	South Carolina Net Income subject to tax (line 4 less line 5)	6.	1,136,966
7.	TAX: Multiply amount on line 6 by .05 (5.0%)	7.	56,848
8.	Less tax deferred on income from foreign trade receipts (see instructions)	8.	0
9.	Balance (line 7 less line 8)	9.	56,848
10.	Credit Carryover (line 7, Schedule C) ▶ 0 Non-refundable credits (line 5, Schedule C)	10.	0
11.	Balance of tax (line 9 less line 10). Enter the difference but not less than zero.	11.	56,848
12.	Interest on DISC-deferred tax liability 0; or Foreign Trade Deferred Tax Liability 0	12.	0
13.	Total tax and/or interest (add lines 11 and 12)	13.	56,848
14.	**Payments:** (a) Tax Withheld (see instructions) ▶ 0 (b) Paid by Declaration ▶ 96,215		
	(c) Paid with Tentative Return ▶ 0 (d) Credit from Line 29b ▶ 0		
	Refundable Credits: (e) Ammonia Additive ▶ 0 (f) Milk Credit ▶ 0		
15.	Total Payments and Refundable Credits (add lines 14a through 14f)	15.	96,215
16.	Balance of Tax and/or Interest Due (line 13 less line 15) 74066565	16.	-39,367
17.	Interest Due ▶ 0 Penalty Due ▶ 0 (See penalty and interest instructions.) Enter Total.	17.	0
18.	**TOTAL INCOME TAX,** Interest and Penalty Due (add lines 16 and 17) **BALANCE DUE**	18.	0
19.	**OVERPAYMENT** (line 15 less line 13) 39,367 To be applied as follows:		
	(a) Estimated Tax ▶ 32,577 (b) License Fee ▶ 6,790 (c) Refunded ▶		0

PART II COMPUTATION OF LICENSE FEE

20.	Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E)	20.	6,774,973
21.	FEE DUE - Line 20 x .001, plus $15.00 **(Fee cannot be less than $25.00 per taxpayer)** 74066566	21.	6,790
22.	LESS: Applicable Credits against License Fee (attach SC1120-TC)	22.	0
23.	Balance (line 21 less line 22)	23.	6,790
24.	Payments: (a) Paid with Tentative Return ▶ 0 (b) Credit from line 19b ▶ 6,790		
25.	Total Payments (add line 24(a) and (b))	25.	6,790
26.	Balance of Fee Due (line 23 less line 25)	26.	0
27.	Interest Due ▶ 0 Penalty Due ▶ 0 (See penalty and interest instructions.) Enter Total.	27.	0
28.	**TOTAL LICENSE FEE,** Interest and Penalty Due (add lines 26 and 27) **BALANCE DUE**	28.	0
29.	**OVERPAYMENT** (line 25 less line 23) 0 To be applied as follows:		
	(a) Estimated Tax ▶ 0 (b) Income Tax ▶ 0 (c) Refunded ▶		0
30.	**GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28)** EFT ☐	30.	0

Please Sign Here

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Signature of officer Karen Frank — Date 9/13/06 — Title Vice President of Tax — Telephone Number 303-723-1000

I **authorize** the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes ☐ No ☒

Preparer's Printed Name

Preparer's Use Only

Preparer's signature — Date — Check if self-employed ▶ ☐ — Preparer's telephone number

Firm's name (or yours if self-employed) and address — EI # ▶ — ZIP Code ▶

1023 2005 Deloitte & Touche Tax Technologies LLC

SC1120P1

PETITIONER'S EXHIBIT #1

002367

SCHEDULE A AND B — ADDITIONS TO FEDERAL TAXABLE INCOME

1.	Taxes on or Measured By Income STATEMENT 2	1.	15,211,751	
2.	Federal Net Operating Loss	2.	0	
3.		3.	0	
4.		4.	0	
5.	Other Additions (attach schedule)	5.	0	
6.	Total Additions (add lines 1 through 5)			6. 15,211,751

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7.	Interest On Obligations Of The U.S.	7.	0	
8.		8.	0	
9.		9.	0	
10.	Other Deductions (attach schedule) STATEMENT 1	10.	175,351,549	
11.	Total Deductions (add lines 7 through 10)			11. 175,351,549
12.	Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120			12. -160,139,798

SCHEDULE C — SUMMARY OF CREDITS (FROM SC1120-TC)

1.	Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 27)	1.	0
2.	Enter Total Credits from SC1120-TC, Column B, line 27. **SC1120-TC must be attached to return.**	2.	0
3.	Total Credits (add lines 1 and 2)	3.	0
4.	Tax (line 9, Part 1, SC1120)	4.	0
5.	Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 27.)	5.	0
6.	Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 27.)	6.	0
7.	Credit Carryover (line 3 less line 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 27.)	7.	0

SCHEDULE D — ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

1. Name EchoStar DBS Corporation
2. Incorporated under the laws of the State of CO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 5000 Thurmond Mall Blvd.
   In the City of Columbia Registered Agent at such address is Corporation Service Company
4. Location of principal office (street address) 9601 South Meridian Blvd. Englewood CO 80112
   Nature of principal business in SC Satellite TV
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1000 CLASS: COMMON STOCK SERIES:
   PREFERRED STOCK
6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1000 CLASS: COMMON STOCK SERIES:
   PREFERRED STOCK
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	BUSINESS ADDRESS AND OFFICE			
Charles W. Ergen	9601 S. Meridan Blvd.	Englewood	CO 80112	CEO
David K. Moskowitz	9601 S. Meridian Blvd	Englewood	CO 80112	EVP
David Rayner	9601 S. Meridian Blvd	Englewood	CO 80112	EVP
O. Nolan Daines	9601 S. Meridian Blvd	Englewood	CO 80112	EVP
Michael Kelly	9601 S. Meridian Blvd	Englewood	CO 80112	EVP

8. Date Incorporated 01/16/1996 Date commenced business in the State of South Carolina was 01/01/2004
9. Date of this report 09/15/2005 Fed EI # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is
11. Was the name of the Corporation changed during the year? No Give old name
12. The Corporation's books are in the care of Jeanne Root
    Located at (street address) 9601 South Meridian Blvd Englewood CO 80112
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) $ 10
    B. Total paid in Capital Surplus (cannot be a negative amount) $ 2,841,851,208
    C. Total amount of stated Capital (cannot be a negative amount) $ 2,841,851,218

SCHEDULES E, F, G, AND H ARE TO BE COMPLETED BY MULTI-STATE CORPORATIONS

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-in-Surplus at end of Year	$	2,841,851,218
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) Also enter on line 20, Part II	$	6,774,973

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business	0	0	0	0		
2. Dividends received	0	0	0	0		
3. Rents	0	0	0	0	0	0
4. Gains/losses on real property	0	0	0	0		
5. Gains/losses on intangible pers. prop.	0	0	0	0		
6. Investment income directly allocated	0	0	0	0	0	0
7. TOTAL INCOME DIRECTLY ALLOCATED		0	0			
8. INCOME DIRECTLY ALLOCATED TO SC		0		0		
9. TOTALS TO APPORTIONMENT FACTORS					0	0

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1	1.	626,565,233
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7	2.	0
3. Total net income subject to apportionment (line 1 less line 2)	3.	626,565,233
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, 2, or 3 and enter result here	4.	1,493,732
5. Add: Income subject to direct allocation to SC from Schedule F, line 8	5.	0
6. Total S.C. Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1	6.	1,493,732

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land	0	0	4,991,916	5,883,419
2. Buildings	25,493	25,493	74,448,112	73,982,670
3. Machinery and Equipment	14,824,814	23,827,468	3,177,054,894	2,246,074,743
4. Inventories	1,180,026	753,926	258,426,918	222,761,063
5. Other Property	30,296	38,334	219,061,591	343,731,144
6. Exclusions	< 0 >	< 0 >	< 67,537,325 >	< 156,457,451 >
7. TOTAL (add lines 1-5; subtract line 6)	16,060,629	24,645,221	3,666,446,106	2,735,975,588

	1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)	20,352,925	3,201,210,847	
9. Rental or Lease Value	535,696	2,397,276,264	
10. TOTAL **Property** Add lines 8 and 9. (Col. 1 / Col. 2 and enter ratio in Col. 3)	20,888,621	5,598,487,111	0.3731 %
11. GROSS Payroll	1,245,242	505,820,953	
12. Less: Officers Compensation and Exclusions	< 0 >	< 0 >	
13. TOTAL **Payroll** (Col. 1 / Col. 2 and enter ratio in Col. 3)	1,245,242	505,820,953	0.2462 %
14. TOTAL **Sales** (Col. 1 / Col. 2 and enter ratio in Col. 3)	15,825,227	9,464,458,836	0.1672 %
15. TOTAL **Sales** (same as line 14)	15,825,227	9,464,458,836	0.1672 %
16. TOTAL of Ratios (add Column 3 - lines 10, 13, 14 and 15)			0.9537 %
17. Arithmetical Average of Ratios			0.2384 %

SCHEDULE H-2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts	0	0	
2. Less: Exclusion (see instructions)	< 0 >	< 0 >	
3. Gross Receipts (for ratio)	0	0	
4. Ratio of Gross Receipts (line 3, Col. 1 / line 3, Col. 2)			0.0000 %

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina	0	
2. Total for System	0	
3. Ratio (South Carolina / Total System)		0.0000 %

SCHEDULE I RESERVED

SCHEDULE J CORPORATIONS INCLUDED IN CONSOLIDATED RETURN

AFFILIATED CORPORATION NO. 1

1. Name _____
2. Incorporated under the laws of the State of _____
3. Location of the Registered Office of the Corporation in the State of South Carolina is _____
   In the City of _____ Registered Agent at such address is _____
4. Location of principal office (street address) _____
   Nature of principal business in S.C. _____
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES
0		
0		
0		

6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES
0		
0		
0		

7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	BUSINESS ADDRESS AND OFFICE

8. Date Incorporated 01/16/1996 Date commenced business in the State of South Carolina was _____
9. Date of this report 09/15/2006 Fed. EI # [redacted] SC File # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is _____
11. Was the name of the Corporation changed during the year? _____ Give old name _____
12. The Corporation's books are in the care of _____
    Located at (street address) _____
13. Corporate Mailing Address _____
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) . . . . . $ 0
    B. Total paid in Capital Surplus (cannot be a negative amount) . . . . . $ 0
    C. Total amount of stated Capital (cannot be a negative amount) . . . . . $ 0

0 **For additional affiliated corporations duplicate Schedule J as needed.**

ATTACH COMPLETED COPY OF FEDERAL RETURN.

Make check payable to: SC Department of Revenue.

DTTT

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
CORPORATE TAX CREDITS

SC 1120-TC
(Rev. 8/31/05)
3370

NAME OF CORPORATION: Star DBS Corporation

FED EI #: [redacted]

SC FILE #:

These credits are computed on separate forms. Be sure to attach the appropriate form(s) to this schedule for the credit you are claiming.

Part I Corporate Income Tax Credits

	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. Drip/Trickle Irrigation Systems Credit (TC-1)	0	0	0	0	0
2. Minority Business Credit (TC-2)	0	0	0	0	0
3. Water Resources Credit (TC-3)	0	0	0	0	0
4. New Jobs Credit (TC-4)	0	0	0	0	0
5. Scenic River Tax Credit (TC-5)	0	0	0	0	0
6. Infrastructure Credit (TC-6)	0	0	0	0	0
7. Palmetto Seed Capital Credit (TC-7)	0	0	0	0	0
8. Corporate Headquarters Credit (TC-8)	0	0	0	0	0
9. Credit for Child Care Program (TC-9)	0	0	0	0	0
10. Base Closure/Federal Facility Employment Reduction Hiring Credit (TC-10)	0	0	0	0	0
11. Economic Impact Zone Property Investment Credit (TC-11)	0	0	0	0	0
Credit for Employers Hiring Recipients of Family Independence Payments (TC-12)	0	0	0	0	0
12A. Additional Credit for Employers Hiring Recipients of Family Independence Payments (TC-12A)	0	0	0	0	0
13. Motion Picture Credits (TC-13)	0	0	0	0	0
14. Community Development Tax Credit (TC-14)	0	0	0	0	0
15. Corporate Tax Moratorium per Section 12-10-35 (TC-15)	0	0	0	0	0
16. Corporate Tax Moratorium per Section 12-6-3365 (TC-16)	0	0	0	0	0
17. Recycling Property Tax Credit per SC Code Section 12-6-3460 (TC-17)	0	0	0	0	0
18. Research Expenses Credit (TC-18)	0	0	0	0	0
19. Credit for Qualified Conservation Contribution of Real Property After May 31, 2001 (TC-19)	0	0	0	0	0
20. Credit for Expenses Incurred through Brownfields Voluntary Cleanup Program (TC-20)	0	0	0	0	0
21. Credit for Certified Historic Structure (TC-21)	0	0	0	0	0
22. Credit for Textiles Rehabilitation (TC-23)	0	0	0	0	0
23. Commercials Credit (TC-24)	0	0	0	0	0
24. New Motion Picture Credit (TC-25)	0	0	0	0	0
Venture Capital Investment Credit (TC-26)	0	0	0	0	0
26. SC Quality Forum Credit (TC-28)	0	0	0	0	0
27. Total Corporate Income Credits. (See instructions)	0	0	0	0	0

2005 Deloitte & Touche Tax Technologies LLC

EchoStar DBS Corporation
FEIN [redacted]
Tax Year Ending 12/31/2005

Statement 1 - Form SC 1120, PG 2, SCHA - B, L10
OTHER DEDUCTIONS

LINE 10: OTHER DEDUCTIONS	
JOBS CREDIT	
WORK OPP CR - QUAL1ST YR WAGES, 25%	10,757
WORK OPP CR - QUAL2ND YR WAGES, 40%	73,246
TOTAL	84,003
JCWA/JGTRRA GAIN/LOSS ADJUSTMENT	55,784,061
BONUS DEPRECIATION ADJUSTMENT	119,483,485
TOTAL	175,351,549

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Echostar
DBS
Corporation
EIN# [redacted]

Statement 2 - Form SC1120, Page 2, Sch A and B, Line 1
State and Local Income Tax

Jurisdiction	Amount
AL	869,710
AK	0
AR	979,168
AZ	0
CA	0
CO	(93,087)
CT	512,649
DC	56,253
DE	93,800
FL	2,281,489
GA	3,390,390
HI	0
IA	2,377,497
ID	0
IL	0
IN	800,768
KS	0
KY	(12,676,005)
LA	879,275
MA	466,755
MD	821,115
ME	0
MI	136,061
MN	0
MO	767,894
MS	99,049
MT	0
NE	0
NC	1,853,323
ND	0
NH	(3,125,063)
NJ	3,498,651
NM	0
NY	2,903,570
NYC	1,354,829
OH	0
OK	1,679,258
OR	0
PA	2,289,449
RI	65,475
SC	194,827
TN	436,471
TX	690,403
UT	0
VA	1,262,466
VT	109,458
WI	371,915
WV	0
4N	
SUBTOTAL	15,347,812
Less:	
Michigan SBT	(136,061)
ADDBACK	15,211,751

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Echostar DBS Corporation
FEIN [redacted]
South Carolina NOL Schedule
Tax Year Ending 12/31/2005

Statement 3 - Form SC1120, Part 1, Line 5

Company	TAX YEAR ENDING	NOL Generated	NOL Utilized	NOL Carry Forward
Dish Network Services Corporation	12/31/1998	1,292	0	1,292
Dish Network Services Corporation	12/31/1999	15	0	15
Dish Network Services Corporation	12/31/2000	8,381	0	8,381
Dish Network Services Corporation	12/31/2001	911,816	0	911,816
Dish Network Services Corporation	12/31/2002	0	58,856	(58,856)
Dish Network Services Corporation	12/31/2003		28,486	(28,486)
Echosphere Corporation	12/31/2003	34,934		34,934
	12/31/2004		512,330	(512,330)
	Total Prior Years	956,438	599,672	356,766
	12/31/2005		356,766	(356,766)
Total with Current Year		956,438	956,438	0

Carryforward 20 years.

002374

Form **1120** Department of the Treasury Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2005 or tax year beginning _____, 2005, and ending _____, 20 ____

▶ See separate instructions.

OMB No. 1545-0123

2005

A Check if:
1 Consolidated return (attach Form 851) [X]
2 Personal holding co. (attach Sch. PH) [ ]
3 Personal service corp. (see instructions) [ ]
4 Schedule M-3 required (attach Sch. M-3) [X]

Use IRS label. Otherwise, print or type.

Name, Number, street, and room or suite no. If a P.O. box, see instructions.
City or town, state, and ZIP code

EchoStar DBS Corporation
9601 South Meridian Blvd
Englewood CO 80112

B Employer identification number [redacted]

C Date incorporated 04 26 1995

D Total assets (see instructions) $ 4,404,876,017

E Check if: (1) [ ] Initial return (2) [ ] Final return (3) [ ] Name change (4) [ ] Address change

Income	1a	Gross receipts or sales 8,897,900,920	b Less returns and allowances 0	c Bal ▶	1c	8,897,900,920
	2	Cost of goods sold (Schedule A, line 8)			2	4,336,249,779
	3	Gross profit. Subtract line 2 from line 1c			3	4,561,651,141
	4	Dividends (Schedule C, line 19)			4	84,435
	5	Interest			5	34,541,388
	6	Gross rents			6	11,769
	7	Gross royalties			7	0
	8	Capital gain net income (attach Schedule D (Form 1120))			8	57,011,054
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)			9	-29,930,051
	10	Other income (see instructions - attach schedule) STATEMENT 1			10	184,453,894
	11	**Total income.** Add lines 3 through 10 ▶			11	4,807,823,630
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)			12	2,112,014
	13	Salaries and wages (less employment credits)			13	116,015,535
	14	Repairs and maintenance			14	3,048,057
	15	Bad debts			15	-467,368
	16	Rents			16	15,285,737
	17	Taxes and licenses STATEMENT 2			17	62,286,015
	18	Interest			18	283,019,768
	19	Charitable contributions (see instructions for 10% limitation)			19	192,012
	20a	Depreciation (attach Form 4562)	20a 580,606,541			
	b	Less depreciation claimed on Schedule A and elsewhere on return	20b 0		20c	580,606,541
	21	Depletion			21	0
	22	Advertising			22	195,840,466
	23	Pension, profit-sharing, etc., plans			23	29,365,750
	24	Employee benefit programs			24	39,692,697
	25	Domestic production activities deduction (attach Form 8903)			25	0
	26	Other deductions (attach schedule) STATEMENT 3			26	2,694,062,271
	27	**Total deductions.** Add lines 12 through 26 ▶			27	4,021,059,495
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11			28	786,764,135
	29	**Less:** a Net operating loss deduction (see instructions)	29a 0			
		b Special deductions (Schedule C, line 20)	29b 59,104		29c	59,104
	30	**Taxable income.** Subtract line 29c from line 28 (see instructions if Schedule C, line 12, was completed)			30	786,705,031
Tax and Payments	31	**Total tax** (Schedule J, line 11) 0			31	275,346,761
	32	**Payments:** a 2004 overpayment credited to 2005	32a 0			
	b	2005 estimated tax payments 0	32b 16,783,536			
	c	Less 2005 refund applied for on Form 4466	32c (0)	d Bal ▶ 32d 16,783,536		
	e	Tax deposited with Form 7004		32e 0		
	f	Credits: (1) Form 2439 0 (2) Form 4136 0		32f 0	32g	16,783,536
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ [ ]			33	0
	34	**Tax due.** If line 32g is smaller than the total of lines 31 and 33, enter amount owed			34	258,563,225
	35	**Overpayment.** If line 32g is larger than the total of lines 31 and 33, enter amount overpaid			35	0
	36	Enter amount of line 35 you want: **Credited to 2006 estimated tax** ▶ 0 **Refunded** ▶			36	0

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer Karen Frank — Date — Vice President of Tax — Title

May the IRS discuss this return with the preparer shown below (see instr.)? [ ] Yes [ ] No

Paid Preparer's Use Only

Preparer's signature — Date — Check if self-employed [ ] — Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code — EIN — Phone no.

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

ERF 2005 Deloitte & Touche Tax Technologies LLC

0

Form 1120 (2005)

002375 1120P1

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	263,044,418
2	Purchases	2	3,728,567,226
3	Cost of labor	3	132,507,050
4	Additional section 263A costs (attach schedule)	4	0
5	Other costs (attach schedule) STATEMENT 4	5	431,491,315
6	**Total.** Add lines 1 through 5	6	4,555,610,009
7	Inventory at end of year	7	219,360,230
8	**Cost of goods sold.** Subtract line 7 from line 6. Enter here and on page 1, line 2	8	4,336,249,779

9a Check all methods used for valuing closing inventory:
- (i) [X] Cost
- (ii) [ ] Lower of cost or market
- (iii) [ ] Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods ▶ [ ]

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ [ ]

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? [X] Yes [ ] No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation [ ] Yes [X] No

Schedule C Dividends and Special Deductions (see instructions)

		(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	84,435	70	59,104
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	0	80	0
3	Dividends on debt-financed stock of domestic and foreign corporations	0	see instructions	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	0	42	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	0	48	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	0	70	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	0	80	0
8	Dividends from wholly owned foreign subsidiaries	0	100	0
9	**Total.** Add lines 1 through 8. See instructions for limitation			59,104
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	0	100	0
11	Dividends from affiliated group members and certain FSCs	0	100	0
12	Dividends from controlled foreign corporations (attach Form 8895)	0	85	0
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12	0		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)	0		
15	Foreign dividend gross-up	0		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3	0		
17	Other dividends	0		
18	Deduction for dividends paid on certain preferred stock of public utilities			0
19	**Total dividends.** Add lines 1 through 17. Enter here and on page 1, line 4 ▶	84,435		
20	**Total special deductions.** Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b ▶			59,104

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are $500,000 or more.

	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned (d) Common	(e) Preferred	(f) Amount of compensation
1	Charles W. Ergen	410-74-8132	%	%	%	0
	David K. Moskowitz	216-74-9100	%	%	%	0
	Steven B. Schaver		%	%	%	0
	Mark Jackson		%	%	%	0
			%	%	%	0
2	Total compensation of officers					0
3	Compensation of officers claimed on Schedule A and elsewhere on return					0
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12					2,112,014

2005 Deloitte & Touche Tax Technologies LLC

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Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group ▶ [X] **Important:** Members of a controlled group, see instructions.				
2a	If the box on line 1 is checked, enter the corporation's share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ 50,000 (2) $ 25,000 (3) $ 9,925,000				
b	Enter the corporation's share of: (1) Additional 5% tax (not more than $11,750) $ 11,750 (2) Additional 3% tax (not more than $100,000) $ 100,000				
3	Income tax. Check if a qualified personal service corporation (see instructions) ▶ [ ]			3	275,346,761
4	Alternative minimum tax (attach Form 4626)			4	0
5	Add lines 3 and 4			5	275,346,761
6a	Foreign tax credit (attach Form 1118)	6a	0		
b	Possessions tax credit (attach Form 5735)	6b	0		
c	Credits from: [ ] Form 8834 [ ] Form 8907, line 23	6c	0		
d	General business credit. Check box(es) and indicate which forms are attached: [ ] Form 3800 [ ] Form(s) (specify) ▶	6d	0		
e	Credit for prior year minimum tax (attach Form 8827)	6e	0		
f	Bond credits from: [ ] Form 8860 [ ] Form 8912	6f	0		
7	**Total credits.** Add lines 6a through 6f			7	0
8	Subtract line 7 from line 5			8	275,346,761
9	Personal holding company tax (attach Schedule PH (Form 1120))			9	0
10	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Form 8902 [ ] Other (attach schedule)			10	0
11	**Total tax.** Add lines 8 through 10. Enter here and on page 1, line 31		0	11	275,346,761

Schedule K Other Information (see instructions)

		Yes	No
1	Check accounting method: a [ ] Cash b [X] Accrual c [ ] Other (specify) ▶		
2	See the instructions and enter the:		
a	Business activity code no. ▶ 551112		
b	Business activity ▶ Holding Company		
c	Product or service ▶ Satellite Communications		
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)	X	
	If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?		X
	If "Yes," enter name and EIN of the parent corporation ▶		
5	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)	X	
	If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶ 50.09		
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)		X
	If "Yes," file **Form 5452,** Corporate Report of Nondividend Distributions.		
	If this is a consolidated return, answer here for the parent corporation and on **Form 851,** Affiliations Schedule, for each subsidiary.		

		Yes	No
7	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation?		X
	If "Yes," enter: (a) Percentage owned ▶ and (b) Owner's country ▶		
c	The corporation may have to file **Form 5472,** Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ▶		
8	Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ [ ] If checked, the corporation may have to file **Form 8281,** Information Return for Publicly Offered Original Issue Discount Instruments.		
9	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $ 0		
10	Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶		
11	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ▶ [X] If the corporation is filing a consolidated return, the statement required by Temporary Regulations section 1.1502-21T(b)(3) must be attached or the election will not be valid.		
12	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ $ 0		
13	Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than $250,000?		
	If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ $ 0		

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120),** Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

2005 Deloitte & Touche Tax Technologies LLC

Note: The corporation is not required to complete Schedules L, M-1, and M-2 if Question 13 on Schedule K is answered "Yes."

Schedule L Balance Sheets per Books

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash		509,197,852		571,736,407
2a Trade notes and accounts receivable	445,403,477		637,954,882	
b Less allowance for bad debts	(8,045,119)	437,358,358	(8,598,015)	629,356,867
3 Inventories		258,426,921		213,738,076
4 U.S. government obligations		0		0
5 Tax-exempt securities (see instructions)		0		0
6 Other current assets (attach schedule)	STATEMENT 5	469,082,218	STATEMENT 11	847,687,035
7 Loans to shareholders		0		0
8 Mortgage and real estate loans		0		0
9 Other investments (attach schedule)	STATEMENT 6	46,269,990	STATEMENT 12	52,727,276
10a Buildings and other depreciable assets	3,940,455,981		2,823,896,946	
b Less accumulated depreciation	(1,526,602,772)	2,413,853,209	(1,100,616,272)	1,723,280,674
11a Depletable assets	0		0	
b Less accumulated depletion	(0)	0	(0)	0
12 Land (net of any amortization)		4,991,916		5,918,104
13a Intangible assets (amortizable only)	1,027,277,418		295,439,093	
b Less accumulated amortization	(79,137,132)	948,140,286	(72,155,779)	223,283,314
14 Other assets (attach schedule)	STATEMENT 7	109,022,299	STATEMENT 13	137,148,264
15 Total assets		5,196,343,049		4,404,876,017
Liabilities and Shareholders' Equity				
16 Accounts payable		68,753,229		61,881,570
17 Mortgages, notes, bonds payable in less than 1 year		44,929,434		445,846,978
18 Other current liabilities (attach schedule)	STATEMENT 8	1,821,848,834	STATEMENT 14	1,918,101,749
19 Loans from shareholders		0		0
20 Mortgages, notes, bonds payable in 1 year or more		4,287,212,211		3,561,393,767
21 Other liabilities (attach schedule)	STATEMENT 9	326,194,708	STATEMENT 15	441,365,825
22 Capital stock: a Preferred stock	0		0	
b Common stock	110	110	10	10
23 Additional paid-in capital		4,379,858,945		2,841,851,208
24 Retained earnings - Appropriated (attach schedule)		0		0
25 Retained earnings - Unappropriated		-5,224,122,806		-4,162,420,484
26 Adjustments to shareholders' equity (attach schedule)	STATEMENT 10	-508,331,617	STATEMENT 16	-703,144,607
27 Less cost of treasury stock		(0)		(0)
28 Total liabilities and shareholders' equity		5,196,343,048		4,404,876,016

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see instructions)

1 Net income (loss) per books	1,061,702,321	7 Income recorded on books this year not included on this return (itemize):		
2 Federal income tax per books	-209,030,616			
3 Excess of capital losses over capital gains	0	Tax-exempt interest $	0	
4 Income subject to tax not recorded on books this year (itemize):				
STATEMENT 17	161,089,989	STATEMENT 19	1,026,996,989	1,026,996,989
5 Expenses recorded on books this year not deducted on this return (itemize):		8 Deductions on this return not charged against book income this year (itemize):		
a Depreciation $ 630,486,172		a Depreciation $	580,606,538	
b Charitable contributions $ 0		b Charitable contributions $	0	
c Travel & entertainment $ 1,235,453				
STATEMENT 18 990,395,147	1,622,116,772	STATEMENT 20	241,510,804	822,117,342
6 Add lines 1 through 5	2,635,878,467	9 Add lines 7 and 8		1,849,114,331
		10 Income (page 1, line 28) - line 6 less line 9		786,764,136

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	-5,224,122,806	5 Distributions: a Cash		0
2 Net income (loss) per books	1,061,702,322	b Stock		0
3 Other increases (itemize):		c Property		0
		6 Other decreases (itemize):		0
	0	7 Add lines 5 and 6		0
4 Add lines 1, 2, and 3	-4,162,420,484	8 Balance at end of year (line 4 less line 7)		-4,162,420,484

2005 Deloitte & Touche Tax Technologies LLC

US1120P4

002378

CORPTAX

State of South Carolina

'C' CORPORATION INCOME TAX RETURN

Return is due on or before the 15th day of the 3rd month following the close of the taxable year.

Mail return to: SC DEPARTMENT OF REVENUE, Corporation Return, Columbia SC 29214-0100

SC 1120
(Rev 8/22/06)
3091

SC FILE # [redacted] - ___

INCOME TAX PERIOD ENDING 12 31 2006
LICENSE FEE PERIOD ENDING 12 31 2007

FED EI # [redacted]

NAME EchoStar DBS Corporation
MAILING ADDRESS 9601 South Meridian Blvd

CITY Englewood STATE CO ZIP CODE 80112

Change of ☐ Address ☐ Accounting Period

A COMPLETE COPY OF FEDERAL RETURN MUST BE ATTACHED TO THIS RETURN.

County or Counties in SC Where Property is Located:
All within State

City	Audit Location	State
Englewood	Englewood	CO

Audit Contact: Jeanne Root — Telephone Number: 3037233233

Check if ☐ Amended Return ▶ ☐ Consolidated Return

Total Gross Receipts. ▶ 9,759,222,441

Total cost of depreciable personal property in SC. ▶ 4,593,109

If Filing a Final Return, See Instructions for Further Information.
▶ ☐ Merged ☐ Reorganized ☐ Dissolved ☐ Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY

1.	Federal Taxable Income per Federal Form 1120 or 1120A	1.	752,861,938
2.	Net Adjustment from line 12, Schedule A and B	2.	(49,820,937)
3.	Total Net Income as Reconciled (line 1 plus or minus line 2)	3.	703,041,001
4.	If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3.	4.	1,466,544
5.	LESS: South Carolina net operating loss carryover, if applicable	5.	0
6.	South Carolina Net Income subject to tax (line 4 less line 5)	6.	1,466,544
7.	TAX: Multiply amount on line 6 by .05 (5.0%)	7.	73,327
8.	Less tax deferred on income from foreign trade receipts (see instructions)	8.	0
9.	Balance (line 7 less line 8)	9.	73,327
10.	Credit Carryover (line 7, Schedule C) ▶ 0 Non-refundable credits (line 5, Schedule C)	10.	< 0 >
11.	Balance of tax (line 9 less line 10). Enter the difference but not less than zero.	11.	73,327
12.	Interest on DISC-deferred tax liability 0 ; or Foreign Trade Deferred Tax Liability 0	12.	0
13.	Total tax and/or interest (add lines 11 and 12)	13.	73,327
14.	**Payments:** (a) Tax Withheld (see instructions) ▶ 0 (b) Paid by Declaration ▶ 99,577		
	(c) Paid with Tentative Return ▶ 0 (d) Credit from Line 29b ▶ 0		
	Refundable Credits: (e) Ammonia Additive ▶ 0 (f) Milk Credit ▶ 0		
15.	Total Payments and Refundable Credits (add lines 14a through 14f)	15.	99,577
16.	Balance of Tax and/or Interest Due (line 13 less line 15)	16.	~~(26,250)~~ 0
17.	Interest Due ▶ 0 Penalty Due ▶ 0 (See penalty and interest instructions.) Enter Total.	17.	0
18.	**TOTAL INCOME TAX,** Interest and Penalty Due (add lines 16 and 17) **BALANCE DUE**	18.	0
19.	**OVERPAYMENT** (line 15 less line 13) 26,250 To be applied as follows:		
	(a) Estimated Tax ▶ 19,219 **(b) License Fee** ▶ 7,031 **(c) REFUNDED** ▶		0

PART II COMPUTATION OF LICENSE FEE

20.	Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E)	20.	7,016,186
21.	FEE DUE - Line 20 x .001, plus $15.00 **(Fee cannot be less than $25.00 per taxpayer)**	21.	7,031
22.	LESS: Applicable Credits against License Fee (attach SC1120-TC)	22.	0
23.	Balance (line 21 less line 22)	23.	7,031
24.	Payments: (a) Paid with Tentative Return ▶ 0 (b) Credit from line 19b ▶ 7,031		
25.	Total Payments (add line 24(a) and (b))	25.	7,031
26.	Balance of Fee Due (line 23 less line 25)	26.	0
27.	Interest Due ▶ 0 Penalty Due ▶ 0 (See penalty and interest instructions.) Enter Total.	27.	0
28.	**TOTAL LICENSE FEE,** Interest and Penalty Due (add lines 26 and 27) **BALANCE DUE**	28.	0
29.	**OVERPAYMENT** (line 25 less line 23) 0 To be applied as follows:		
	(a) Estimated Tax ▶ 0 **(b) Income Tax** ▶ 0 **(c) REFUNDED** ▶		0
30.	**GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28)** EFT ☐ ▶	30.	0

Please Sign Here

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Signature of officer Karen Frank — Date 9/13/07 — Title Vice President of Tax — Telephone Number 303-723-1000

I **authorize** the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes ☐ No ☒ — Preparer's Printed Name

Paid Preparer's Use Only

Preparer's signature — Date — Check if self-employed ▶ ☐ — Preparer's telephone number

Firm's name (or yours if self-employed) and address — EI # ▶ — ZIP Code ▶

PETITIONER'S EXHIBIT #2

002228

SCHEDULE A AND B — ADDITIONS TO FEDERAL TAXABLE INCOME

1.	Taxes on or Measured By Income	1.	35,658,285	
2.	Federal Net Operating Loss	2.	0	
3.		3.	0	
4.		4.	0	
5.	Other Additions (attach schedule)	5.	0	
6.	Total Additions (add lines 1 through 5)			6. 35,658,285

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7.	Interest On Obligations Of The U.S.	7.	2,438,918	
8.		8.	0	
9.		9.	0	
10.	Other Deductions (attach schedule) STATEMENT 1	10.	83,040,304	
11.	Total Deductions (add lines 7 through 10)			11. 85,479,222
12.	Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120			12. (49,820,937)

SCHEDULE C — SUMMARY OF CREDITS (FROM SC1120-TC)

1.	Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 39)	1.	0
2.	Enter Total Credits from SC1120-TC, Column B, line 39. **SC1120-TC must be attached to return.**	2.	0
3.	Total Credits (add lines 1 and 2)	3.	0
4.	Tax (line 9, Part 1, SC1120)	4.	0
5.	Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 39.)	5.	0
6.	Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 39.)	6.	0
7.	Credit Carryover (line 3 less line 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 39.)	7.	0

SCHEDULE D — ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

1. Name EchoStar DBS Corporation
2. Incorporated under the laws of the State of CO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 5000 Thurmond Mall Blvd.
   In the City of Columbia Registered Agent at such address is Corporation Service Company
4. Location of principal office (street address) 9601 South Meridian Blvd. Englewood CO 80112
   Nature of principal business in SC Satellite TV
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1000 CLASS: COMMON STOCK SERIES:
   PREFERRED STOCK
6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1000 CLASS: COMMON STOCK SERIES:
   PREFERRED STOCK
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	BUSINESS ADDRESS AND OFFICE			
Charles W. Ergen	9601 S. Meridan Blvd.	Englewood	CO 80112	President
David K. Moskowitz	9601 S. Meridian Blvd	Englewood	CO 80112	Secretary
Carl E. Vogel	9601 S. Meridian Blvd	Englewood	CO 80112	
David J. Rayner	9601 S. Meridian Blvd	Englewood	CO 80112	
O. Nolan Daines	9601 S. Meridian Blvd	Englewood	CO 80112	

8. Date Incorporated 01/16/1996 Date commenced business in the State of South Carolina was 1/1/2004
9. Date of this report 9/15/2007 Fed EI # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is
11. Was the name of the Corporation changed during the year? No Give old name
12. The Corporation's books are in the care of Jeanne Root
    Located at (street address) 9601 South Meridian Blvd Englewood CO 80112
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) $ 10
    B. Total paid in Capital Surplus (cannot be a negative amount) $ 3,363,463,875
    C. Total amount of stated Capital (cannot be a negative amount) $ 3,363,463,885

SCHEDULES E, F, G, AND H ARE TO BE COMPLETED BY MULTI-STATE CORPORATIONS

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1.	Total Capital and Paid-in-Surplus at end of Year	$ 3,363,463,885
2.	SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) Also enter on line 20, Part II	$ 7,016,186

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business	0	0	0	0		
2. Dividends received	0	0	0	0		
3. Rents	0	0	0	0	0	0
4. Gains/losses on real property	0	0	0	0		
5. Gains/losses on intangible pers. prop.	0	0	0	0		
6. Investment income directly allocated	0	0	0	0	0	0
7. TOTAL INCOME DIRECTLY ALLOCATED		0	0			
8. INCOME DIRECTLY ALLOCATED TO SC		0		0		
9. TOTALS TO APPORTIONMENT FACTORS					0	0

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1.	Total net income as reconciled. Enter amount from line 3, Page 1	1.	703,041,001
2.	Less: Income subject to direct allocation to SC and other states from Schedule F, line 7	2.	0
3.	Total net income subject to apportionment (line 1 less line 2)	3.	703,041,001
4.	Multiply amount on line 3 by appropriate ratio from Schedule H-1, 2, or 3 and enter result here	4.	1,466,544
5.	Add: Income subject to direct allocation to SC from Schedule F, line 8	5.	0
6.	Total S.C. Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1	6.	1,466,544

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land	0	0	0	0
2. Buildings	0	0	0	0
3. Machinery and Equipment	0	0	0	0
4. Inventories	0	0	0	0
5. Other Property	0	0	0	0
6. Exclusions	< 0 >	< 0 >	< 0 >	< 0 >
7. TOTAL (add lines 1-5; subtract line 6)	0	0	0	0

	1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)	0	0	
9. Rental or Lease Value	0	0	
10. TOTAL **Property** Add lines 8 and 9. (Col. 1 / Col. 2 and enter ratio in Col. 3)	0	0	0.0000 %
11. GROSS Payroll	0	0	
12. Less: Officers Compensation and Exclusions	< 0 >	< 0 >	
13. TOTAL **Payroll** (Col. 1 / Col. 2 and enter ratio in Col. 3)	0	0	0.0000 %
14. TOTAL **Sales** (Col. 1 / Col. 2 and enter ratio in Col. 3)	0	0	0.0000 %
15. TOTAL **Sales** (same as line 14)	0	0	0.0000 %
16. TOTAL of Ratios (add Column 3 - lines 10, 13, 14 and 15)			0.0000 %
17. Arithmetical Average of Ratios			0.0000 %

SCHEDULE H-2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts	21,200,161	10,164,575,497	
2. Less: Exclusion (see instructions)	< 0 >	< 0 >	
3. Gross Receipts (for ratio)	21,200,161	10,164,575,497	
4. Ratio of Gross Receipts (line 3, Col. 1 / line 3, Col. 2)			0.2086 %

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina	0	
2. Total for System	0	
3. Ratio (South Carolina / Total System)		0.0000 %

SCHEDULE I RESERVED

SCHEDULE J CORPORATIONS INCLUDED IN CONSOLIDATED RETURN

AFFILIATED CORPORATION NO. 1

1. Name _____
2. Incorporated under the laws of the State of _____
3. Location of the Registered Office of the Corporation in the State of South Carolina is _____
   In the City of _____ Registered Agent at such address is _____
4. Location of principal office (street address) _____
   Nature of principal business in S.C. _____
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES
0		
0		
0		

6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES
0		
0		
0		

7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are: (If additional space is necessary, attach separate schedule).

NAME	BUSINESS ADDRESS AND OFFICE

8. Date Incorporated 01/16/1996 Date commenced business in the State of South Carolina was _____
9. Date of this report 9/15/2007 Fed. EI # [redacted] SC File # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is _____
11. Was the name of the Corporation changed during the year? _____ Give old name _____
12. The Corporation's books are in the care of _____
    Located at (street address) _____
13. Corporate Mailing Address _____
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) . . . . . $ 0
    B. Total paid in Capital Surplus (cannot be a negative amount) . . . . . $ 0
    C. Total amount of stated Capital (cannot be a negative amount) . . . . . $ 0

0 **For additional affiliated corporations duplicate Schedule J as needed.**

ATTACH COMPLETED COPY OF FEDERAL RETURN.

Make check payable to: SC Department of Revenue. Include Business Name, FEI Number and SC File Number.

002231 06.00.43 SC1120P4

CORPTAX

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
CORPORATE TAX CREDITS

SC 1120-TC
(Rev. 9/18/06)
3370

NAME OF CORPORATION: EchoStar DBS Corporation

FED EI #: [redacted]

SC FILE #:

These credits are computed on separate forms. Be sure to attach the appropriate form(s) to this schedule for the credit you are claiming.

Part I Corporate Income Tax Credits

	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. Drip/Trickle Irrigation Systems Credit (TC-1)	0	0	0	0	0
2. Minority Business Credit (TC-2)	0	0	0	0	0
3. Water Resources Credit (TC-3)	0	0	0	0	0
4. New Jobs Credit (TC-4)	0	0	0	0	0
5. Scenic River Tax Credit (TC-5)	0	0	0	0	0
6. Infrastructure Credit (TC-6)	0	0	0	0	0
7. Palmetto Seed Capital Credit (TC-7)	0	0	0	0	0
8. Corporate Headquarters Credit (TC-8)	0	0	0	0	0
9. Credit for Child Care Program (TC-9)	0	0	0	0	0
10. Base Closure/Federal Facility Employment Reduction Hiring Credit (TC-10)	0	0	0	0	0
11. Economic Impact Zone Property Investment Credit (TC-11)	0	0	0	0	0
12. Credit for Employers Hiring Recipients of Family Independence Payments (TC-12)	0	0	0	0	0
13. Additional Credit for Employers Hiring Recipients of Family Independence Payments (TC-12A)	0	0	0	0	0
14. Motion Picture Credits before July 1, 2004 (TC-13)	0	0	0	0	0
15. Community Development Tax Credit (TC-14)	0	0	0	0	0
16. Corporate Tax Moratorium per Section 12-10-35 (TC-15)	0	0	0	0	0
17. Corporate Tax Moratorium per Section 12-6-3365	0	0	0	0	0
18. Recycling Property Tax Credit per Section 12-6-3460 (TC-17)	0	0	0	0	0
19. Research Expenses Credit (TC-18)	0	0	0	0	0
20. Credit for Qualified Conservation Contribution of Real Property After May 31, 2001 (TC-19)	0	0	0	0	0
21. Credit for Expenses Incurred through Brownfields Voluntary Cleanup Program (TC-20)	0	0	0	0	0
22. Credit for Certified Historic Structure (TC-21)	0	0	0	0	0
23. Credit for Textiles Rehabilitation (TC-23)	0	0	0	0	0
24. Commercials Credit (TC-24)	0	0	0	0	0
25. Motion Picture Credits after June 30, 2004 (TC-25)	0	0	0	0	0
Total of Lines 1-25	0	0	0	0	0

F6.00.08 SC120TC1

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EchoStar DBS Corporation

CORPTAX

Part I Continued – Corporate Income Tax Credits

	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
Total from Page 1 (Lines 1–25)	0	0	0	0	0
26. Venture Capital Investment Credit (TC-26)	0	0	0	0	0
27. SC Quality Forum Credit (TC-28)	0	0	0	0	0
28. New Jobs Credit - Small Business (TC-4SB)	0	0	0	0	0
29. New Jobs Credit - Small Business Monthly (TC-4SM)	0	0	0	0	0
30. Tax Credit for Increased Port Cargo Volume (TC-30)	0	0	0	0	0
31. Credit for Retail Facilities Rehabilitation (TC-31)	0	0	0	0	0
32. Credit for Mercury Switch Disposal (TC-33)	0	0	0	0	0
33. Corporate Tax Moratorium per Section 12-6-3367 (TC-34)	0	0	0	0	0
34. Alternative Motor Vehicle Credit (TC-35)	0	0	0	0	0
35. Industry Partnership Fund Credit (TC-36)	0	0	0	0	0
36. Whole Effluent Toxicity Testing Credit (TC-37)	0	0	0	0	0
37. Credit for Installation of Solar Energy (TC-38)	0	0	0	0	0
38. Biodiesel Motor Fuel Credit (TC-39)	0	0	0	0	0
39. **Total Corporate Income Credits** (See Instructions)	0	0	0	0	0

Part II Corporate License Fee Credits

	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. Infrastructure Credit (TC-6)	0	0	0	0	0
2. Corporate Headquarters Credit (TC-8)	0	0	0	0	0
3. Recycling Property Tax Credit per Section 12-6-3460 (TC-17)	0	0	0	0	0
4. Research Expenses Credit (TC-18)	0	0	0	0	0
5. Credit for Certified Historic Structure (TC-21)	0	0	0	0	0
6. Credit for Textiles Rehabilitation (TC-23)	0	0	0	0	0
7. Venture Capital Investment Credit (TC-26)	0	0	0	0	0
8. Credit for Mercury Switch Disposal (TC-33)	0	0	0	0	0
9. Industry Partnership Fund Credit (TC-36)	0	0	0	0	0
10. **Total Corporate License Fee Credits** (See instructions.)	0	0	0	0	0

EchoStar DBS Corporation
FEIN [redacted]
Tax Year Ending 12/31/2006

Statement 1 - Form SC 1120, PG 2, SCHA - B, L10
OTHER DEDUCTIONS

LINE 10: OTHER DEDUCTIONS	
JOBS CREDIT	
WORK OPP CR - QUAL1ST YR WAGES, 25%	16,935
WORK OPP CR - QUAL2ND YR WAGES, 40%	151,203
WELFARE CR - QUAL 1ST YR WAGES, 35%	23,815
WELFARE CR - QUAL 2ND YR WAGES, 50%	5,000
TOTAL	196,953
JCWA/JGTRRA GAIN/LOSS ADJUSTMENT	55,657,849
BONUS DEPRECIATION ADJUSTMENT	27,185,502
TOTAL	83,040,304

002234

Echostar
DBS
Corporation
EIN#: [redacted]

Statement 2 - Form SC1120, Page 2, Sch A and B, Line 1
State and Local Income Tax

Jurisdiction	Amount
AL	952,696
AK	0
AR	1,117,739
AZ	0
CA	0
CO	0
CT	811,643
DC	54,877
DE	98,391
FL	2,084,181
GA	3,347,087
HI	0
IA	2,568,855
ID	0
IL	0
IN	806,244
KS	0
KY	299,397
LA	980,626
MA	462,470
MD	850,387
ME	0
MI	131,865
MN	0
MO	733,281
MS	98,792
MT	0
NE	0
NC	1,854,193
ND	0
NH	1,719,660
NJ	2,320,801
NM	0
NY	2,609,604
NYC	929,844
OH	2,291,345
OK	1,751,293
OR	0
PA	2,288,318
RI	57,656
SC	121,995
TN	471,226
TX	1,283,845
UT	0
VA	1,259,667
VT	83,375
WI	1,348,799
WV	0
4N	
SUBTOTAL	35,790,152
Less:	
Michigan SBT	(131,865)
ADDBACK	35,658,287

002235

Form **7004**
(Rev. December 2006)
Department of the Treasury
Internal Revenue Service

Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns

► File a separate application for each return.

OMB No. 1545-0233

Type or Print

File by the due date for the return for which an extension is requested. See instructions.

Name: **EchoStar Communications Corporation**

Identifying number: [redacted]

Number, street, and room or suite no. (If P.O. box, see instructions.): **9601 S. Meridian Blvd.**

City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)): **Englewood, CO 80112**

Note. See instructions before completing this form.

1 Enter the form code for the return that this application is for (see below) 1 2

2 If the foreign corporation does not have an office or place of business in the United States, check here . . . ► ☐

3 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here . ► ☐

4a The application is for calendar year 20 06, or tax year beginning _____, 20 _____, and ending _____, 20 _____

b **Short tax year.** If this tax year is less than 12 months, check the reason:
☐ Initial return ☐ Final return ☐ Change in accounting period ☐ Consolidated return to be filed

5 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ► . . . . . ☑
If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

6	Tentative total tax	6	23,000,000
7	Total payments and credits (see instructions)	7	20,300,000
8	**Balance due.** Subtract line 7 from line 6. **Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW)** (see instructions for exceptions)	8	2,700,000

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-H	17
Form 706-GS(T)	02	Form 1120-L	18
Form 990-C (2005 fiscal year filers only)	03	Form 1120-ND	19
Form 1041 (estate)	04	Form 1120-ND (section 4951 taxes)	20
Form 1041 (trust)	05	Form 1120-PC	21
Form 1041-N	06	Form 1120-POL	22
Form 1041-QFT	07	Form 1120-REIT	23
Form 1042	08	Form 1120-RIC	24
Form 1065	09	Form 1120-S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120 (sub T) (2005 fiscal year filers only)	13	Form 8613	29
Form 1120-A	14	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33

For Paperwork Reduction Act Notice, see instructions. Cat. No. 13804A Form **7004** (Rev. 12-2006)

Karen O'Quinn 2/26/07

002236

Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2006 or tax year beginning _____, 2006, ending _____, 20 ___
▶ See separate instructions.

OMB No. 1545-0123

2006

Check if:
1 Consolidated return (attach Form 851) [X]
2 Personal holding co. (attach Sch. PH) [ ]
3 Personal service corp. (see instructions) [ ]
4 Schedule M-3 required (attach Sch. M-3) [X]

Use IRS label. Other-wise, print or type.

Name, Number, street, and room or suite no. If a P.O. box, see instructions.
City or town, state, and ZIP code

EchoStar DBS Corporation
9601 South Meridian Blvd
Englewood CO 80112

PROFORMA

B Employer identification number [redacted]

C Date incorporated 01 16 1996

D Total assets (see instructions) $ 7,641,247,749

E Check if: (1) [ ] Initial return (2) [ ] Final return (3) [ ] Name change (4) [ ] Address change

Income	1a	Gross receipts or sales 9,759,222,441	b Less returns and allowances 0	c Bal ▶ 1c	9,759,222,441
	2	Cost of goods sold (Schedule A, line 8)		2	5,052,425,046
	3	Gross profit. Subtract line 2 from line 1c		3	4,706,797,395
	4	Dividends (Schedule C, line 19)		4	0
	5	Interest		5	121,443,279
	6	Gross rents		6	0
	7	Gross royalties		7	0
	8	Capital gain net income (attach Schedule D (Form 1120))		8	0
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)		9	(34,176,915)
	10	Other income (see instructions – attach schedule) STATEMENT 1		10	313,053,809
	11	**Total income.** Add lines 3 through 10 ▶		11	5,107,117,568
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)		12	4,469,809
	13	Salaries and wages (less employment credits)		13	457,217,729
	14	Repairs and maintenance		14	41,402,094
	15	Bad debts		15	63,234,154
	16	Rents		16	17,518,389
	17	Taxes and licenses STATEMENT 2		17	111,644,474
	18	Interest		18	350,476,707
	19	Charitable contributions		19	844,039
	20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)		20	628,088,346
	21	Depletion		21	0
	22	Advertising		22	225,345,713
	23	Pension, profit-sharing, etc., plans		23	19,908,511
	24	Employee benefit programs		24	45,459,977
	25	Domestic production activities deduction (attach Form 8903)		25	0
	26	Other deductions (attach schedule) STATEMENT 3		26	2,388,645,688
	27	**Total deductions.** Add lines 12 through 26 ▶		27	4,354,255,630
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		28	752,861,938
	29	Less: a Net operating loss deduction (see instructions)	29a 0		
		b Special deductions (Schedule C, line 20)	29b 0	29c	0
Tax and Payments	30	**Taxable income.** Subtract line 29c from line 28 (see instructions)		30	752,861,938
	31	Total tax (Schedule J, line 10) 0		31	262,933,686
	32 a	2005 overpayment credited to 2006	32a 0		
	b	2006 estimated tax payments 0	32b 0		0
	c	2006 refund applied for on Form 4466	32c (0) d Bal ▶	32d 0	
	e	Tax deposited with Form 7004		32e 0	
	f	Credits: (1) Form 2439 0 (2) Form 4136 0		32f 0	
	g	Credit for federal telephone excise tax paid (attach Form 8913)		32g 0	32h 0
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ [ ]			33 0
	34	**Amount owed.** If line 32h is smaller than the total of lines 31 and 33, enter amount owed			34 262,933,686
	35	**Overpayment.** If line 32h is larger than the total of lines 31 and 33, enter amount overpaid			35 0
	36	Enter amount from line 35 you want: Credited to 2007 estimated tax ▶ 0 Refunded ▶			36 0

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer Karen Frank — Date — Vice President of Tax — Title

May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [ ] No

Paid Preparer's Use Only

Preparer's signature — Date — Check if self-employed [ ] — Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code — EIN — Phone no.

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.
ERF 0
Form 1120 (2006)
E6-00-02 US1120P1
002237

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	219,360,231
2	Purchases	2	1,699,980,684
3	Cost of labor	3	667,936,926
4	Additional section 263A costs (attach schedule)	4	0
5	Other costs (attach schedule) STATEMENT 4	5	2,686,236,690
6	**Total.** Add lines 1 through 5	6	5,273,514,531
7	Inventory at end of year	7	221,089,485
8	**Cost of goods sold.** Subtract line 7 from line 6. Enter here and on page 1, line 2	8	5,052,425,046

9a Check all methods used for valuing closing inventory:
- (i) [X] Cost
- (ii) [ ] Lower of cost or market
- (iii) [ ] Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods ▶ [ ]

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ [ ]

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d 0

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? [X] Yes [ ] No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation [ ] Yes [ ] No

Schedule C Dividends and Special Deductions (see instructions)

		(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	0	70	0
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	0	80	0
3	Dividends on debt-financed stock of domestic and foreign corporations	0	see instructions	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	0	42	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	0	48	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	0	70	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	0	80	0
8	Dividends from wholly owned foreign subsidiaries	0	100	0
9	**Total.** Add lines 1 through 8. See instructions for limitation			0
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	0	100	0
11	Dividends from affiliated group members	0	100	0
12	Dividends from certain FSCs	0	100	0
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12	0		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)	0		
15	Foreign dividend gross-up	0		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3	0		
17	Other dividends	0		
18	Deduction for dividends paid on certain preferred stock of public utilities			0
19	**Total dividends.** Add lines 1 through 17. Enter here and on page 1, line 4 ▶	0		
20	**Total special deductions.** Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b ▶			0

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are $500,000 or more.

	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned (d) Common	Percent of corporation stock owned (e) Preferred	(f) Amount of compensation
1	Charles W. Ergen	[redacted]	%	%	%	0
	David K. Moskowitz		%	%	%	0
	Steven B. Schaver		%	%	%	0
	Mark Jackson		%	%	%	0
			%	%	%	0
2	Total compensation of officers					0
3	Compensation of officers claimed on Schedule A and elsewhere on return					0
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12					4,469,809

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) ▶ [X]				
2	Income tax. Check if a qualified personal service corporation (see instructions) ▶ [ ]			2	263,501,678
3	Alternative minimum tax (attach Form 4626)			3	0
4	Add lines 2 and 3			4	263,501,678
5a	Foreign tax credit (attach Form 1118)	5a	0		
b	Qualified electric vehicle credit (attach From 8834)	5b	0		
c	General business credit. Check applicable box(es): [X] Form 3800 [ ] Form 6478 [ ] Form 8835, Section B [ ] Form 8844	5c	567,992		
d	Credit for prior year minimum tax (attach Form 8827)	5d	0		
e	Bond credits from: [ ] Form 8860 [ ] Form 8912	5e	0		
6	**Total Credits.** Add lines 5a through 5e			6	567,992
7	Subtract line 6 from line 4			7	262,933,686
8	Personal holding company tax (attach Schedule PH (Form 1120))			8	0
9	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Form 8902 [ ] Other (attach schedule)			9	0
10	**Total tax.** Add lines 7 through 9. Enter here and on page 1, line 31		0	10	262,933,686

Schedule K Other Information (see instructions)

		Yes	No
1	Check accounting method: a [ ] Cash b [X] Accrual c [ ] Other (specify) ▶		
2	See the instructions and enter the:		
a	Business activity code no. ▶ 515210		
b	Business activity ▶ Holding Company		
c	Product or service ▶ Satellite Communications		
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)	X	
	If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?		X
	If "Yes," enter name and EIN of the parent corporation ▶		
5	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)	X	
	If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶ 50.09		
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)		X
	If "Yes," file **Form 5452,** Corporate Report of Nondividend Distributions.		
	If this is a consolidated return, answer here for the parent corporation and on **Form 851,** Affiliations Schedule, for each subsidiary.		

		Yes	No
7	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation?		X
	If "Yes," enter: (a) Percentage owned ▶ and (b) Owner's country ▶		
c	The corporation may have to file **Form 5472,** Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ▶		
8	Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ [ ] If checked, the corporation may have to file **Form 8281,** Information Return for Publicly Offered Original Issue Discount Instruments.		
9	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $ 0		
10	Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶		
11	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ▶ [ ] If the corporation is filing a consolidated return, the statement required by Temporary Regulations section 1.1502-21T(b)(3) must be attached or the election will not be valid.		
12	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ $ 0		
13	Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year **and** its total assets at the end of the tax year less than $250,000?		
	If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ $ 0		

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120),** Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule L Balance Sheets per Books

	Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1	Cash		571,736,407		1,651,306,495
2a	Trade notes and accounts receivable	637,954,882		759,466,126	
b	Less allowance for bad debts	(8,598,015)	629,356,867	(13,735,477)	745,730,649
3	Inventories		213,738,076		228,932,633
4	U.S. government obligations		0		0
5	Tax-exempt securities (see instructions)		0		0
6	Other current assets (attach schedule)	STATEMENT 5	847,687,035	STATEMENT 11	520,338,484
7	Loans to shareholders		0		0
8	Mortgage and real estate loans		0		0
9	Other investments (attach schedule)	STATEMENT 6	1,821,802,756	STATEMENT 12	2,301,342,106
10a	Buildings and other depreciable assets	2,823,896,946		3,585,906,417	
b	Less accumulated depreciation	(1,100,616,272)	1,723,280,674	(1,603,862,276)	1,982,044,141
11a	Depletable assets	0		0	
b	Less accumulated depletion	(0)	0	(0)	0
12	Land (net of any amortization)		5,918,104		5,604,804
13a	Intangible assets (amortizable only)	295,439,093		296,370,446	
b	Less accumulated amortization	(72,155,779)	223,283,314	(102,863,099)	193,507,347
14	Other assets (attach schedule)	STATEMENT 7	137,148,264	STATEMENT 13	12,441,090
15	Total assets		6,173,951,497		7,641,247,749
	Liabilities and Shareholders' Equity				
16	Accounts payable		61,881,570		303,029,717
17	Mortgages, notes, bonds payable in less than 1 year		445,846,978		1,556,748
18	Other current liabilities (attach schedule)	STATEMENT 8	1,918,101,749	STATEMENT 14	2,230,396,806
19	Loans from shareholders		0		0
20	Mortgages, notes, bonds payable in 1 year or more		3,561,393,767		5,000,729,544
21	Other liabilities (attach schedule)	STATEMENT 9	441,365,825	STATEMENT 15	361,367,803
22	Capital stock: a Preferred stock	0		0	
	b Common stock	10	10	10	10
23	Additional paid-in capital		1,056,011,186		3,363,463,875
24	Retained earnings - Appropriated (attach schedule)		0		0
25	Retained earnings - Unappropriated		(607,504,982)		(3,615,447,354)
26	Adjustments to shareholders' equity (attach schedule)	STATEMENT 10	(703,144,607)	STATEMENT 16	(3,849,400)
27	Less cost of treasury stock		(0)		(0)
28	Total liabilities and shareholders' equity		6,173,951,496		7,641,247,749

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see instructions)

Note: Schedule M-3 required instead of Schedule M-1 if total assets are $10 million or more - see instructions

1	Net income (loss) per books	297,835,694	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	169,826,137		Tax-exempt interest $ 0	
3	Excess of capital losses over capital gains	0			
4	Income subject to tax not recorded on books this year (itemize):			STATEMENT 19 82,002,754	82,002,754
	STATEMENT 17	77,980,560	8	Deductions on this return not charged against book income this year (itemize):	
5	Expenses recorded on books this year not deducted on this return (itemize):		a	Depreciation $ 628,088,343	
a	Depreciation $ 786,013,897		b	Charitable contributions $ 705,409	
b	Charitable contributions $ 0				
c	Travel & entertainment $ 1,226,182			STATEMENT 20 120,168,902	748,962,654
	STATEMENT 18 250,944,876	1,038,184,955	9	Add lines 7 and 8	830,965,408
6	Add lines 1 through 5	1,583,827,346	10	Income (page 1, line 28) - line 6 less line 9	752,861,938

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	(2,750,938,014)	5	Distributions: a Cash	1,100,000,000
2	Net income (loss) per books	297,835,692		b Stock	0
3	Other increases (itemize):			c Property	0
			6	Other decreases (itemize): STATEMENT 21	62,345,032
		0	7	Add lines 5 and 6	1,162,345,032
4	Add lines 1, 2, and 3	(2,453,102,322)	8	Balance at end of year (line 4 less line 7)	(3,615,447,354)

1023

State of South Carolina

'C' CORPORATION INCOME TAX RETURN

Return is due on or before the 15th day of the 3rd month following the close of the taxable year.

Mail return to: SC DEPARTMENT OF REVENUE, Corporation Return, Columbia SC 29214-0100

SC 1120
(Rev 9/14/07)
3091

FILE # _____

A COMPLETE COPY OF FEDERAL RETURN MUST BE ATTACHED TO THIS RETURN.

INCOME TAX PERIOD ENDING 12 31 2007
LICENSE FEE PERIOD ENDING 12 31 2008

County or Counties in SC Where Property is Located: All within State

AS ORIGINALLY FILED

FED EI # [redacted]

City	Audit Location	State
Englewood	Englewood	CO

NAME EchoStar DBS Corporation

MAILING ADDRESS 9601 S Meridian Blvd

Audit Contact	Telephone Number
Jeanne Root	3037233233

CITY Englewood STATE CO ZIP CODE 80112

Check if [X] Amended Return ▶ [ ] Consolidated Return

Total Gross Receipts.	Total cost of depreciable personal property in SC.
▶ 10,566,369,813	▶ 43,709,691

Change of [ ] Address [ ] Accounting Period

If Filing a Final Return, See Instructions for Further Information.
▶ [ ] Merged [ ] Reorganized [ ] Dissolved [ ] Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY

1.	Federal Taxable Income per Federal Form 1120 or 1120A	▶ 1.	971,000,880
2.	Net Adjustment from line 12, Schedule A and B	2.	70,688,377
3.	Total Net Income as Reconciled (line 1 plus or minus line 2)	▶ 3.	1,041,689,257
4.	If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3.	▶ 4.	1,310,445
5.	LESS: South Carolina net operating loss carryover, if applicable	5.	0
6.	South Carolina Net Income subject to tax (line 4 less line 5)	▶ 6.	1,310,445
7.	TAX: Multiply amount on line 6 by .05 (5.0%)	7.	65,522
8.	Less tax deferred on income from foreign trade receipts (see instructions)	▶ 8.	0
9.	Balance (line 7 less line 8)	9.	65,522
10.	Credit Carryover (line 7, Schedule C) ▶ 727,239 Non-refundable credits (line 5, Schedule C)	▶ 10.	< 32,761 >
11.	Balance of tax (line 9 less line 10). Enter the difference but not less than zero.	11.	32,761
12.	Interest on DISC-deferred tax liability 0 ; or Foreign Trade Deferred Tax Liability 0	12.	0
13.	Total tax and/or interest (add lines 11 and 12)	13.	32,761
14.	**Payments:** (a) Tax Withheld (see instructions) ▶ 0 (b) Paid by Declaration ▶ 150,000 (c) Paid with Tentative Return ▶ 40,000 (d) Credit from Line 29b ▶ 0 **Refundable Credits:** (e) Ammonia Additive ▶ 0 (f) Milk Credit ▶ 0		
15.	Total Payments and Refundable Credits (add lines 14a through 14f)	15.	190,000
16.	Balance of Tax and/or Interest Due (line 13 less line 15)	▶ 16.	(157,239)
17.	Interest Due ▶ 0 Penalty Due ▶ 0 (See penalty and interest instructions.) Enter Total.	▶ 17.	0
18.	**TOTAL INCOME TAX,** Interest and Penalty Due (add lines 16 and 17) **BALANCE DUE**	18.	0
19.	**OVERPAYMENT** (line 15 less line 13) 157,239 To be applied as follows: **(a) Estimated Tax** ▶ 152,280 **(b) License Fee** ▶ 4,959 **(c) REFUNDED** ▶		0

PART II COMPUTATION OF LICENSE FEE

20.	Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E)	▶ 20.	4,944,107
21.	FEE DUE - Line 20 x .001, plus $15.00 **(Fee cannot be less than $25.00 per taxpayer)**	21.	4,959
22.	Credit Carryover ▶ 0 Credit taken this year from SC1120TC, Part II, Column C	▶ 22.	< 0 >
23.	Balance (line 21 less line 22)	23.	4,959
24.	Payments: (a) Paid with Tentative Return ▶ 0 (b) Credit from line 19b ▶ 4,959		
25.	Total Payments (add line 24(a) and (b))	25.	4,959
26.	Balance of Fee Due (line 23 less line 25)	▶ 26.	0
27.	Interest Due ▶ 0 Penalty Due ▶ 0 (See penalty and interest instructions.) Enter Total.	▶ 27.	0
28.	**TOTAL LICENSE FEE,** Interest and Penalty Due (add lines 26 and 27) **BALANCE DUE**	28.	0
29.	**OVERPAYMENT** (line 25 less line 23) 0 To be applied as follows: **(a) Estimated Tax** ▶ 0 **(b) Income Tax** ▶ 0 **(c) REFUNDED** ▶		0
30.	**GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28)** EFT [ ]	▶ 30.	0

Please Sign Here

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Signature of officer Karen Frank — Date 9/12/08 — Director of Tax (Title) — 303-723-1000 (Telephone Number)

I **authorize** the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes [ ] No [X] — Preparer's Printed Name

Paid Preparer's Use Only

Preparer's signature — Date — Check if self-employed ▶ [ ] — Preparer's telephone number

Firm's name (or yours if self-employed) and address — EI # ▶ — ZIP Code ▶

PETITIONER'S EXHIBIT #3

F7.00.05 SC1120P1

002221

SCHEDULE A AND B — ADDITIONS TO FEDERAL TAXABLE INCOME

1. Taxes on or Measured By Income	1.	70,779,709	
2. Federal Net Operating Loss	2.	0	
[redacted]	3.	0	
4.	4.	0	
5. Other Additions (attach schedule)	5.	0	
6. Total Additions (add lines 1 through 5)			6. 70,779,709

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7. Interest On Obligations Of The U.S.	7.	0	
8.	8.	0	
9.	9.	0	
10. Other Deductions (attach schedule) STATEMENT 1	10.	91,332	
11. Total Deductions (add lines 7 through 10)			11. 91,332
12. Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120			12. 70,688,377

SCHEDULE C — SUMMARY OF INCOME TAX CREDITS (FROM SC1120-TC)

1. Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 43)	1. 0
2. Enter Total Credits from SC1120-TC, Column B, line 43. **SC1120-TC must be attached to return.**	2. 760,000
3. Total Credits (add lines 1 and 2)	3. 760,000
4. Tax (line 9, Part 1, SC1120)	4. 65,522
5. Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 43.)	5. 32,761
6. Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 43.)	6. 0
7. Credit Carryover (line 3 less line 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 43.)	7. 727,239

SCHEDULE D — ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

1. Name EchoStar DBS Corporation
2. Incorporated under the laws of the State of CO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 5000 Thurmond Mall Blvd.
   In the City of Columbia Registered Agent at such address is Corporation Service Company
   Location of principal office (street address) 9601 South Meridian Blvd. Englewood CO 80112
   Nature of principal business in SC Cable & Other Programming
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1000 CLASS: COMMON STOCK SERIES:
   PREFERRED STOCK
6. The total number of **Issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1000 CLASS: COMMON STOCK SERIES:
   PREFERRED STOCK
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	BUSINESS ADDRESS AND OFFICE			
Charles W. Ergen	9601 S. Meridan Blvd.	Englewood	CO 80112	President and CEO
R. Stanton Dodge	9601 S. Meridian Blvd	Englewood	CO 80112	Secretary
Carl E. Vogel	9601 S. Meridian Blvd	Englewood	CO 80112	President
James DeFranco	9601 S. Meridian Blvd	Englewood	CO 80112	EVP
Jason Kiser				Treasurer

8. Date Incorporated 01/16/1996 Date commenced business in the State of South Carolina was 1/1/2004
9. Date of this report 9/15/2008 Fed EI # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is
11. Was the name of the Corporation changed during the year? No Give old name
12. The Corporation's books are in the care of Jeanne Root
    Located at (street address) 9601 South Meridian Blvd Englewood CO 80112
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) $ 10
    B. Total paid in Capital Surplus (cannot be a negative amount) $ 3,930,132,393
    C. Total amount of stated Capital (cannot be a negative amount) $ 3,930,132,403

F7.00.04 SC11202P2

002222

SCHEDULES E, F, G, AND H ARE TO BE COMPLETED BY MULTI-STATE CORPORATIONS

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-in-Surplus at end of Year	$	3,930,132,403
SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 20, Part II	$	4,944,107

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business	0	0	0	0		
2. Dividends received	0	0	0	0		
3. Rents	0	0	0	0	0	0
4. Gains/losses on real property	0	0	0	0		
5. Gains/losses on intangible pers. prop.	0	0	0	0		
6. Investment income directly allocated	0	0	0	0	0	0
7. TOTAL INCOME DIRECTLY ALLOCATED		0	0			
8. INCOME DIRECTLY ALLOCATED TO SC		0		0		
9. TOTALS TO APPORTIONMENT FACTORS					0	0

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1	1.	1,041,689,257
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7	2.	0
3. Total net income subject to apportionment (line 1 less line 2)	3.	1,041,689,257
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I	4.	1,310,445
5. Add: Income subject to direct allocation to SC from Schedule F, line 8	5.	0
6. Total S.C. Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1	6.	1,310,445

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land	0	0	0	0
2. Buildings	0	0	0	0
3. Machinery and Equipment	0	0	0	0
4. Inventories	0	0	0	0
5. Other Property	0	0	0	0
6. Exclusions	< 0 >	< 0 >	< 0 >	< 0 >
7. TOTAL (add lines 1-5; subtract line 6)	0	0	0	0

	1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)	0	0	
9. Rental or Lease Value	0	0	
10. TOTAL **Property** Add lines 8 and 9. (Col. 1 / Col. 2 and enter ratio in Col. 3)	0	0	0.0000 %
11. GROSS Payroll	0	0	
12. Less: Officers Compensation and Exclusions	< 0 >	< 0 >	
13. TOTAL **Payroll** (Col. 1 / Col. 2 and enter ratio in Col. 3)	0	0	0.0000 %
14. TOTAL **Sales** (Col. 1 / Col. 2 and enter ratio in Col. 3)	0	0	0.0000 %
15. TOTAL **Sales** (same as line 14)	0	0	0.0000 %
16. TOTAL of Ratios (add Column 3 - lines 10, 13, 14 and 15)			0.0000 %
17. Arithmetical Average of Ratios			0.0000 %

SCHEDULE H-2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts	13,574,995	10,791,979,751	
2. Less: Exclusion (see instructions)	< 0 >	< 0 >	
3. Gross Receipts (for ratio)	13,574,995	10,791,979,751	
4. Ratio of Gross Receipts (line 3, Col. 1 / line 3, Col. 2)			0.1258 %

F7.00.04 SC1120P3
002223

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina	0	
2. Total for System	0	
3. Ratio (South Carolina / Total System)		0.0000 %

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina	0	
2. Total Sales for System	0	
3. Ratio (South Carolina / Everywhere)		0.0000 %

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3	1.	0
2. Enter Ratio from Sch H-1, Line 17	2.	0.0000 %
3. Multiply Line 2 by Line 1	3.	0
4. Enter Ratio from Line 3 of single factor apportionment schedule.	4.	0.0000 %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3 on Schedule G Line 4	5.	0
6. Line 3 minus Line 5	6.	0
7. For tax year 2007, multiply amount on Line 6 by 20% (.20). This is the amount of reduction in SC taxable income allowed this year	7.	0
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4	8.	0

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-in-Surplus at the end of the year. If $10,000 or less, **STOP HERE** and enter on Schedule E, Line 2	1.	0
2. Enter Ratio from Sch H-1, Line 17	2.	0.0000 %
3. Multiply Line 1 by Line 2. If $10,000 or less, **STOP HERE** and enter on Schedule E, Line 2	3.	0
4. Enter Ratio from Line 3 of single factor apportionment schedule	4.	0.0000 %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3 on Schedule E Line 2	5.	0
6. Line 3 minus Line 5	6.	0
7. For tax year 2007, multiply amount on Line 6 by 20% (.20). This is the amount of reduction of license fee basis allowed this year	7.	0
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2	8.	0

SCHEDULE I RESERVED

SCHEDULE J CORPORATIONS INCLUDED IN CONSOLIDATED RETURN

AFFILIATED CORPORATION NO. 1

1. Name _____
2. Incorporated under the laws of the State of _____
3. Location of the Registered Office of the Corporation in the State of South Carolina is _____
   In the City of _____ Registered Agent at such address is _____
4. Location of principal office (street address) _____
   Nature of principal business in S.C. _____
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES
0		
0		
0		

6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES
0		
0		
0		

7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	BUSINESS ADDRESS AND OFFICE

8. Date Incorporated _____ Date commenced business in the State of South Carolina was _____
9. Date of this report _____ Fed. EI # _____ SC File # _____
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is _____
11. Was the name of the Corporation changed during the year? _____ Give old name _____
12. The Corporation's books are in the care of _____
    Located at (street address) _____
13. Corporate Mailing Address _____
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) ..... $ 0
    B. Total paid in Capital Surplus (cannot be a negative amount) ..... $ 0
    C. Total amount of stated Capital (cannot be a negative amount) ..... $ 0

0 For additional affiliated corporations duplicate Schedule J as needed.

ATTACH COMPLETED COPY OF FEDERAL RETURN.

Make check payable to: SC Department of Revenue. Include Business Name, FEI Number and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

1023

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
CORPORATE TAX CREDITS

SC 1120-TC
(Rev. 10/30/07)
3370

OF CORPORATION

EchoStar DBS Corporation

FED EI # [redacted]

SC FILE #

These credits are computed on separate forms. Be sure to attach the appropriate form(s) to this schedule for the credit you are claiming.

Part I Corporate Income Tax Credits	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. Drip/Trickle Irrigation Systems Credit (TC-1)	0	0	0	0	0
2. Credit for State Contractors Subcontracting with Socially and Economically Disadvantaged Small Businesses (TC-2)	0	0	0	0	0
3. Water Resources Credit (TC-3)	0	0	0	0	0
4. New Jobs Credit (TC-4)	0	760,000	32,761	0	727,239
5. Scenic River Tax Credit (TC-5)	0	0	0	0	0
6. Infrastructure Credit (TC-6)	0	0	0	0	0
7. Palmetto Seed Capital Credit (TC-7)	0	0	0	0	0
8. Corporate Headquarters Credit (TC-8)	0	0	0	0	0
9. Credit for Child Care Program (TC-9)	0	0	0	0	0
10. Base Closure/Federal Facility Employment Reduction Hiring Credit (TC-10)	0	0	0	0	0
11. Economic Impact Zone Property Investment Credit (TC-11)	0	0	0	0	0
12. Credit for Employers Hiring Recipients of Family Independence Payments (TC-12)	0	0	0	0	0
12A. Additional Credit for Employers Hiring Recipients Family Independence Payments (TC-12A)	0	0	0	0	0
14. Motion Picture Credits before July 1, 2004 (TC-13)	0	0	0	0	0
15. Community Development Tax Credit (TC-14)	0	0	0	0	0
16. Corporate Tax Moratorium per Section 12-10-36 (TC-15)	0	0	0	0	0
17. Corporate Tax Moratorium per Section 12-6-3365	0	0	0	0	0
18. Recycling Property Tax Credit per Section 12-6-3460 (TC-17)	0	0	0	0	0
19. Research Expenses Credit (TC-18)	0	0	0	0	0
20. Credit for Qualified Conservation Contribution of Real Property After May 31, 2001 (TC-19)	0	0	0	0	0
21. Credit for Expenses Incurred through Brownfields Voluntary Cleanup Program (TC-20)	0	0	0	0	0
22. Credit for Certified Historic Structure (TC-21)	0	0	0	0	0
23. Credit for Textiles Rehabilitation (TC-23)	0	0	0	0	0
24. Commercials Credit (TC-24)	0	0	0	0	0
25. Motion Picture Credits after June 30, 2004 (TC-25)	0	0	0	0	0
Total of Lines 1-25	0	760,000	32,761	0	727,239

F7.00.09 SC120TC1

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Continued – ate Income Tax Credits	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
om Page 1 (Lines 1–25)	0	760,000	32,761	0	727,239
re Capital Investment Credit (TC-26)	0	0	0	0	0
uality Forum Credit (TC-28)	0	0	0	0	0
Jobs Credit - Small Business (TC-4SB)	0	0	0	0	0
Jobs Credit - Small Business SM/TC-4SA)	0	0	0	0	0
redit for Increased Port Cargo Volume 0)	0	0	0	0	0
for Retail Facilities Rehabilitation 1)	0	0	0	0	0
for Mercury Switch Disposal (TC-33)	0	0	0	0	0
rate Tax Moratorium per Section 3367 (TC-34)	0	0	0	0	0
ative Motor Vehicle Credit (TC-35)	0	0	0	0	0
ry Partnership Fund Credit (TC-36)	0	0	0	0	0
Effluent Toxicity Testing Credit (TC-37)	0	0	0	0	0
for Installation of Solar Energy (TC-38)	0	0	0	0	0
sel Motor Fuel Credit (TC-39)	0	0	0	0	0
ol or Biodiesel Production Credit (TC-40)	0	0	0	0	0
vable Fuels Credit (TC-41)	0	0	0	0	0
ine Credit (TC-42)	0	0	0	0	0
nticeship Credit (TC-45)	0	0	0	0	0
Corporate Income Credits nstructions)	0	760,000	32,761	0	727,239

Corporate License Fee Credits	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
tructure Credit (TC-6)	0	0	0	0	0
rate Headquarters Credit (TC-8)	0	0	0	0	0
ling Property Tax Credit per Section 3460 (TC-17)	0	0	0	0	0
rch Expenses Credit (TC-18)	0	0	0	0	0
for Certified Historic Structure (TC-21)	0	0	0	0	0
for Textiles Rehabilitation (TC-23)	0	0	0	0	0
re Capital Investment Credit (TC-26)	0	0	0	0	0
for Mercury Switch Disposal (TC-33)	0	0	0	0	0
ry Partnership Fund Credit (TC-36)	0	0	0	0	0
Corporate License Fee Credits nstructions)	0	0	0	0	0

F7.00.09 SC120TC2

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1023

State of South Carolina

'C' CORPORATION INCOME TAX RETURN

Return is due on or before the 15th day of the 3rd month following the close of the taxable year.

SC DEPARTMENT OF REVENUE, Corporation Return, Columbia SC 29214-0100

SC 1120
(Rev 9/14/07)
3091

SC FILE # [redacted] - 7

A COMPLETE COPY OF FEDERAL RETURN MUST BE ATTACHED TO THIS RETURN.

INCOME TAX PERIOD ENDING 12 31 2007
LICENSE FEE PERIOD ENDING 12 31 2008

County or Counties in SC Where Property is Located: All within State

FEB 09 2010

FED EI # [redacted]

City	Audit Location	State
Englewood	Englewood	CO

Audit Contact	Telephone Number
Jean Marrocco	3037231743

NAME Dish DBS Corporation

MAILING ADDRESS 9601 S Meridian Blvd

CITY Englewood STATE CO ZIP CODE 80112

Check if [X] Amended Return ▶ [ ] Consolidated Return

Total Gross Receipts. ▶ 9,650,414,903

Total cost of depreciable personal property in SC. ▶ 46,749,004

Change of [ ] Address [ ] Accounting Period

If Filing a Final Return, See Instructions for Further Information. ▶ [ ] Merged [ ] Reorganized [ ] Dissolved [ ] Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY

1.	Federal Taxable Income per Federal Form 1120 or 1120A	1.	884,326,215
2.	Net Adjustment from line 12, Schedule A and B	2.	20,038,403
3.	Total Net Income as Reconciled (line 1 plus or minus line 2)	3.	904,364,618
4.	If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3.	4.	1,137,691
5.	LESS: South Carolina net operating loss carryover, if applicable	5.	0
6.	South Carolina Net Income subject to tax (line 4 less line 5)	6.	1,137,691
7.	TAX: Multiply amount on line 6 by .05 (5.0%)	7.	56,885
8.	Less tax deferred on income from foreign trade receipts (see instructions)	8.	0
9.	Balance (line 7 less line 8)	9.	56,885
10.	Credit Carryover (line 7, Schedule C) ▶ 464,057 Non-refundable credits (line 5, Schedule C)	10.	< 28,443 >
11.	Balance of tax (line 9 less line 10). Enter the difference but not less than zero.	11.	28,442
12.	Interest on DISC-deferred tax liability 0 ; or Foreign Trade Deferred Tax Liability 0	12.	0
13.	Total tax and/or interest (add lines 11 and 12)	13.	28,442
14.	**Payments:** (a) Tax Withheld (see instructions) ▶ 0 (b) Paid by Declaration ▶ 150,000		
	(c) Paid with Tentative Return ▶ 40,000 (d) Credit from Line 29b ▶ 0		
	Refundable Credits: (e) Ammonia Additive ▶ 0 (f) Milk Credit ▶ 0		
15.	Total Payments and Refundable Credits (add lines 14a through 14f)	15.	190,000
16.	Balance of Tax and/or Interest Due (line 13 less line 15)	16.	(161,558)
17.	Interest Due ▶ 0 Penalty Due ▶ 0 (See penalty and interest instructions.) Enter Total.	17.	0
18.	**TOTAL INCOME TAX,** Interest and Penalty Due (add lines 16 and 17) **BALANCE DUE**	18.	0
19.	**OVERPAYMENT** (line 15 less line 13) 161,558 To be applied as follows:		
	(a) Estimated Tax ▶ 152,280 **(b) License Fee** ▶ 25 **(c) REFUNDED** ▶		9,253

PART II COMPUTATION OF LICENSE FEE

20.	Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E)	20.	(1,155,808)
21.	FEE DUE - Line 20 x .001, plus $15.00 **(Fee cannot be less than $25.00 per taxpayer)**	21.	25
22.	Credit Carryover ▶ 0 Credit taken this year from SC1120TC, Part II, Column C	22.	< 0 >
23.	Balance (line 21 less line 22)	23.	25
24.	Payments: (a) Paid with Tentative Return ▶ 0 (b) Credit from line 19b ▶ 25		
25.	Total Payments (add line 24(a) and (b))	25.	25
26.	Balance of Fee Due (line 23 less line 25)	26.	0
27.	Interest Due ▶ 0 Penalty Due ▶ 0 (See penalty and interest instructions.) Enter Total.	27.	0
28.	**TOTAL LICENSE FEE,** Interest and Penalty Due (add lines 26 and 27) **BALANCE DUE**	28.	0
29.	**OVERPAYMENT** (line 25 less line 23) 0 To be applied as follows:		
	(a) Estimated Tax ▶ 0 **(b) Income Tax** ▶ 0 **(c) REFUNDED** ▶		0
30.	**GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28)** EFT [ ] ▶	30.	0

Please Sign Here

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Signature of officer Karen Frank — Date 10/14/09 — Director of Tax — Title — 303-723-1000 — Telephone Number

I **authorize** the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes [ ] No [X] Preparer's Printed Name

Preparer's Use Only

Preparer's signature — Date — Check if self-employed ▶ [ ] — Preparer's telephone number

Firm's name (or yours if self-employed) and address — EI # ▶ — ZIP Code ▶

O.D. DEPT. OF REVENUE 04028694

PETITIONER'S EXHIBIT 14

002208

270105 SC1120P1

SCHEDULE A AND B — **ADDITIONS TO FEDERAL TAXABLE INCOME**

1. Taxes on or Measured By Income	1.	20,334,155	
2. Federal Net Operating Loss	2.	0	
3.	3.	0	
4.	4.	0	
5. Other Additions (attach schedule)	5.	0	
6. Total Additions (add lines 1 through 5)			6. 20,334,155

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7. Interest On Obligations Of The U.S.	7.	0	
8.	8.	0	
9.	9.	0	
10. Other Deductions (attach schedule) STATEMENT 1	10.	295,752	
11. Total Deductions (add lines 7 through 10)			11. 295,752
12. Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120			12. 20,038,403

SCHEDULE C — **SUMMARY OF INCOME TAX CREDITS (FROM SC1120-TC)**

1. Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 43)	1.	0
2. Enter Total Credits from SC1120-TC, Column B, line 43. **SC1120-TC must be attached to return.**	2.	492,500
3. Total Credits (add lines 1 and 2)	3.	492,500
4. Tax (line 9, Part 1, SC1120)	4.	56,885
5. Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 43.)	5.	28,443
6. Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 43.)	6.	0
7. Credit Carryover (line 3 less line 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 43.)	7.	464,057

SCHEDULE D — **ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS**

1. Name Dish DBS Corporation
2. Incorporated under the laws of the State of CO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 5000 Thurmond Mall Blvd.
   In the City of Columbia Registered Agent at such address is Corporation Service Company
4. Location of principal office (street address) 9601 South Meridian Blvd. Englewood CO 80112
   Nature of principal business in SC Cable & Other Programming
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1000 CLASS: COMMON STOCK SERIES:
   PREFERRED STOCK
6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1000 CLASS: COMMON STOCK SERIES:
   PREFERRED STOCK
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	BUSINESS ADDRESS AND OFFICE			
Charles W. Ergen	9601 S. Meridan Blvd.	Englewood	CO 80112	President and CEO
R. Stanton Dodge	9601 S. Meridian Blvd	Englewood	CO 80112	Secretary
Carl E. Vogel	9601 S. Meridian Blvd	Englewood	CO 80112	President
James DeFranco	9601 S. Meridian Blvd	Englewood	CO 80112	EVP
Jason Kiser				Treasurer

8. Date Incorporated 01/16/1996 Date commenced business in the State of South Carolina was 1/1/2004
9. Date of this report 9/15/2008 Fed EI # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is
11. Was the name of the Corporation changed during the year? No Give old name
12. The Corporation's books are in the care of Jeanne Root
    Located at (street address) 9601 South Meridian Blvd Englewood CO 80112
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) $ 10
    B. Total paid in Capital Surplus (cannot be a negative amount) $ 0
    C. Total amount of stated Capital (cannot be a negative amount) $ 10

SCHEDULES E, F, G, AND H ARE TO BE COMPLETED BY MULTI-STATE CORPORATIONS

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-in-Surplus at end of Year	$	-918,766,668
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 20, Part II	$	-1,155,808

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business	0	0	0	0		
2. Dividends received	0	0	0	0		
3. Rents	0	0	0	0	0	0
4. Gains/losses on real property	0	0	0	0		
5. Gains/losses on intangible pers. prop.	0	0	0	0		
6. Investment income directly allocated	0	0	0	0	0	0
7. TOTAL INCOME DIRECTLY ALLOCATED		0	0			
8. INCOME DIRECTLY ALLOCATED TO SC		0		0		
9. TOTALS TO APPORTIONMENT FACTORS					0	0

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1	1.	904,364,618
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7	2.	0
3. Total net income subject to apportionment (line 1 less line 2)	3.	904,364,618
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I	4.	1,137,691
5. Add: Income subject to direct allocation to SC from Schedule F, line 8	5.	0
6. Total S.C. Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1	6.	1,137,691

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land	0	0	0	0
2. Buildings	0	0	0	0
3. Machinery and Equipment	0	0	0	0
4. Inventories	0	0	0	0
5. Other Property	0	0	0	0
6. Exclusions	< 0 >	< 0 >	< 0 >	< 0 >
7. TOTAL (add lines 1-5; subtract line 6)	0	0	0	0

	1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)	0	0	
9. Rental or Lease Value	0	0	
10. TOTAL **Property** Add lines 8 and 9. (Col. 1 / Col. 2 and enter ratio in Col. 3)	0	0	0.0000 %
11. GROSS Payroll	0	0	
12. Less: Officers Compensation and Exclusions	< 0 >	< 0 >	
13. TOTAL **Payroll** (Col. 1 / Col. 2 and enter ratio in Col. 3)	0	0	0.0000 %
14. TOTAL **Sales** (Col. 1 / Col. 2 and enter ratio in Col. 3)	0	0	0.0000 %
15. TOTAL **Sales** (same as line 14)	0	0	0.0000 %
16. TOTAL of Ratios (add Column 3 - lines 10, 13, 14 and 15)			0.0000 %
17. Arithmetical Average of Ratios			0.0000 %

SCHEDULE H-2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts	13,574,995	10,791,979,751	
2. Less: Exclusion (see instructions)	< 0 >	< 0 >	
3. Gross Receipts (for ratio)	13,574,995	10,791,979,751	
4. Ratio of Gross Receipts (line 3, Col. 1 / line 3, Col. 2)			0.1258 %

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3. Ratio (South Carolina / Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina		
2. Total Sales for System		
3. Ratio (South Carolina / Everywhere)		%

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3 ..... 1. _____
2. Enter Ratio from Sch H-1, Line 17 ..... 2. _____ %
3. Multiply Line 2 by Line 1 ..... 3. _____
4. Enter Ratio from Line 3 of single factor apportionment schedule. ..... 4. _____ %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3 on Schedule G Line 4 ..... 5. _____
6. Line 3 minus Line 5 ..... 6. _____
7. For tax year 2007, multiply amount on Line 6 by 20% (.20). This is the amount of reduction in SC taxable income allowed this year ..... 7. _____
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4 ..... 8. _____

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-in-Surplus at the end of the year. If $10,000 or less, **STOP HERE** and enter on Schedule E, Line 2 ..... 1. _____
2. Enter Ratio from Sch H-1, Line 17 ..... 2. _____ %
3. Multiply Line 1 by Line 2. If $10,000 or less, **STOP HERE** and enter on Schedule E, Line 2 ..... 3. _____
4. Enter Ratio from Line 3 of single factor apportionment schedule ..... 4. _____ %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3 on Schedule E Line 2 ..... 5. _____
6. Line 3 minus Line 5 ..... 6. _____
7. For tax year 2007, multiply amount on Line 6 by 20% (.20). This is the amount of reduction of license fee basis allowed this year ..... 7. _____
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2 ..... 8. _____

1023

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
CORPORATE TAX CREDITS

SC 1120-TC
(Rev. 10/30/07)
3370

NAME OF CORPORATION: Dish DBS Corporation

FED EI #: [redacted]

SC FILE #:

These credits are computed on separate forms. Be sure to attach the appropriate form(s) to this schedule for the credit you are claiming.

Part I Corporate Income Tax Credits	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. Drip/Trickle Irrigation Systems Credit (TC-1)	0	0	0	0	0
2. Credit for State Contractors Subcontracting with Socially and Economically Disadvantaged Small Businesses (TC-2)	0	0	0	0	0
3. Water Resources Credit (TC-3)	0	0	0	0	0
4. New Jobs Credit (TC-4)	0	492,500	28,443	0	464,057
5. Scenic River Tax Credit (TC-5)	0	0	0	0	0
6. Infrastructure Credit (TC-6)	0	0	0	0	0
7. Palmetto Seed Capital Credit (TC-7)	0	0	0	0	0
8. Corporate Headquarters Credit (TC-8)	0	0	0	0	0
9. Credit for Child Care Program (TC-9)	0	0	0	0	0
10. Base Closure/Federal Facility Employment Reduction Hiring Credit (TC-10)	0	0	0	0	0
11. Economic Impact Zone Property Investment Credit (TC-11)	0	0	0	0	0
12. Credit for Employers Hiring Recipients of Family Independence Payments (TC-12)	0	0	0	0	0
13. Additional Credit for Employers Hiring Recipients of Family Independence Payments (TC-12A)	0	0	0	0	0
14. Motion Picture Credits before July 1, 2004 (TC-13)	0	0	0	0	0
15. Community Development Tax Credit (TC-14)	0	0	0	0	0
16. Corporate Tax Moratorium per Section 12-10-36 (TC-15)	0	0	0	0	0
17. Corporate Tax Moratorium per Section 12-6-3365	0	0	0	0	0
18. Recycling Property Tax Credit per Section 12-6-3460 (TC-17)	0	0	0	0	0
19. Research Expenses Credit (TC-18)	0	0	0	0	0
20. Credit for Qualified Conservation Contribution of Real Property After May 31, 2001 (TC-19)	0	0	0	0	0
21. Credit for Expenses Incurred through Brownfields Voluntary Cleanup Program (TC-20)	0	0	0	0	0
22. Credit for Certified Historic Structure (TC-21)	0	0	0	0	0
23. Credit for Textiles Rehabilitation (TC-23)	0	0	0	0	0
24. Commercials Credit (TC-24)	0	0	0	0	0
25. Motion Picture Credits after June 30, 2004 (TC-25)	0	0	0	0	0
Total of Lines 1–25	0	492,500	28,443	0	464,057

F7.00.09 SC120TC1

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[redacted]

Part I Continued - Corporate Income Tax Credits

	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
Total from Page 1 (Lines 1-25)	0	492,500	28,443	0	464,057
26. Venture Capital Investment Credit (TC-26)	0	0	0	0	0
27. SC Quality Forum Credit (TC-28)	0	0	0	0	0
28. New Jobs Credit - Small Business (TC-4SB)	0	0	0	0	0
29. New Jobs Credit - Small Business (TC-4SM/TC-4SA)	0	0	0	0	0
30. Tax Credit for Increased Port Cargo Volume (TC-30)	0	0	0	0	0
31. Credit for Retail Facilities Rehabilitation (TC-31)	0	0	0	0	0
32. Credit for Mercury Switch Disposal (TC-33)	0	0	0	0	0
33. Corporate Tax Moratorium per Section 12-6-3367 (TC-34)	0	0	0	0	0
34. Alternative Motor Vehicle Credit (TC-35)	0	0	0	0	0
35. Industry Partnership Fund Credit (TC-36)	0	0	0	0	0
36. Whole Effluent Toxicity Testing Credit (TC-37)	0	0	0	0	0
37. Credit for Installation of Solar Energy (TC-38)	0	0	0	0	0
38. Biodiesel Motor Fuel Credit (TC-39)	0	0	0	0	0
39. Ethanol or Biodiesel Production Credit (TC-40)	0	0	0	0	0
40. Renewable Fuels Credit (TC-41)	0	0	0	0	0
41. Methane Credit (TC-42)	0	0	0	0	0
42. Apprenticeship Credit (TC-45)	0	0	0	0	0
43. **Total Corporate Income Credits** (See Instructions)	0	492,500	28,443	0	464,057

Part II Corporate License Fee Credits

	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. Infrastructure Credit (TC-6)	0	0	0	0	0
2. Corporate Headquarters Credit (TC-8)	0	0	0	0	0
3. Recycling Property Tax Credit per Section 12-6-3460 (TC-17)	0	0	0	0	0
4. Research Expenses Credit (TC-18)	0	0	0	0	0
5. Credit for Certified Historic Structure (TC-21)	0	0	0	0	0
6. Credit for Textiles Rehabilitation (TC-23)	0	0	0	0	0
7. Venture Capital Investment Credit (TC-26)	0	0	0	0	0
8. Credit for Mercury Switch Disposal (TC-33)	0	0	0	0	0
9. Industry Partnership Fund Credit (TC-36)	0	0	0	0	0
10. **Total Corporate License Fee Credits** (See Instructions)	0	0	0	0	0

SCHEDULE I RESERVED

SCHEDULE J CORPORATIONS INCLUDED IN CONSOLIDATED RETURN

AFFILIATED CORPORATION NO. 1

1. Name _____
2. Incorporated under the laws of the State of _____
3. Location of the Registered Office of the Corporation in the State of South Carolina is _____
   In the City of _____ Registered Agent at such address is _____
4. Location of principal office (street address) _____
   Nature of principal business in S.C. _____
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES
0		
0		
0		

6. The total number of **Issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES
0		
0		
0		

7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are: (If additional space is necessary, attach separate schedule).

NAME	BUSINESS ADDRESS AND OFFICE

8. Date Incorporated 01/16/1996 Date commenced business in the State of South Carolina was _____
9. Date of this report 9/15/2008 Fed. EI # [redacted] SC File # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is _____
11. Was the name of the Corporation changed during the year? _____ Give old name _____
12. The Corporation's books are in the care of _____
    Located at (street address) _____
13. Corporate Mailing Address _____
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) ..... $ 0
    B. Total paid in Capital Surplus (cannot be a negative amount) ..... $ 0
    C. Total amount of stated Capital (cannot be a negative amount) ..... $ 0

0 **For additional affiliated corporations duplicate Schedule J as needed.**

ATTACH COMPLETED COPY OF FEDERAL RETURN.

Make check payable to: SC Department of Revenue. Include Business Name, FEI Number and SC File Number.

Go to www.sctax.org and look for the DOR ePay logo for other payment options.

1039

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

NEW JOBS CREDIT

(ATTACH TO RETURN)

SC SCH.TC 4
(Rev. 10/11/07)
3117
2007

SS or FED. EI Number [redacted]

NUMBER OF FULL TIME EMPLOYEES SUBJECT TO WITHHOLDING DURING EACH MONTH

COUNTY SPARTANBURG YR 2005 YR 2006 YR 2007 YR _____ YR _____ 20_____ 20_____

MONTH	PRIOR YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1 JANUARY	0	0	374				
2 FEBRUARY	0	0	371				
3 MARCH	0	0	451				
4 APRIL	0	0	495				
5 MAY	0	0	696				
6 JUNE	0	0	632				
7 JULY	0	0	684				
8 AUGUST	0	36	787				
9 SEPTEMBER	0	109	851				
10 OCTOBER	0	235	918				
11 NOVEMBER	0	308	960				
12 DECEMBER	0	301	947				
LINE 1: TOTAL EMPLOYEES	0	989	8,166				
LINE 2: DIVIDED BY: NUMBER OF MONTHS IN OPERATION		5	12				
LINE 3: MONTHLY AVERAGE OF FULL TIME EMPLOYEES	0	197	680				
LINE 4: LESS: PREVIOUS YEAR AVERAGE		0	197				
LINE 5: AVERAGE INCREASE IN FULL TIME EMPLOYEES		197	483				

COMPUTATION OF EMPLOYEES ELIGIBLE FOR CREDIT

	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
LINE 6: YEAR 1 INCREASE	197	197	197	197	197
LINE 7: YEAR 2 INCREASE		0	0	0	0
LINE 8: YEAR 3 INCREASE			0	0	0
LINE 9: YEAR 4 INCREASE				0	0
LINE 10: YEAR 5 INCREASE					0
LINE 11: YEAR 6 INCREASE					
LINE 12: NUMBER OF NEW JOBS FOR CREDIT (add lines 6 through 11)	197	197	197	197	197
LINE 13: AMOUNT OF CREDIT PER EMPLOYEE	2,500				
LINE 14: ELIGIBLE CREDIT (multiply line 12 by line 13)	492,500	0	0	0	0
LINE 15: UNUSED NEW JOBS CREDIT CARRYOVER					
LINE 16: TOTAL ELIGIBLE CREDIT (add lines 14 and 15)	492,500	0	0	0	0
LINE 17: TAX LIABILITY (from appropriate line of tax return)	56,885				
LINE 18: TENTATIVE CREDIT (50% line 17)	28,443	0	0	0	0
LINE 19: ENTER the lesser of line 16 or 18	28,443	0	0	0	0

31171028

002213

AS AMENDED

Form **1120X** (Rev. January 2008)
Department of the Treasury
Internal Revenue Service

Amended U.S. Corporation Income Tax Return

OMB No. 1545-0132

For tax year ending ▶ 12/07
(Enter month and year.)

Please Type or Print

Name: DISH Network Corporation

Employer identification number: 88 : [redacted]

Number, street, and room or suite no. (If a P.O. box, see instructions.): 9601 S. Meridian Blvd.

City or town, state, and ZIP code: Englewood, CO 80112

Telephone number (optional): (303) 723-1000

Enter name and address used on original return (if same as above, write "Same."): Same

Internal Revenue Service Center where original return was filed ▶ E-filed

Fill in applicable items and use Part II on the back to explain any changes

Part I Income and Deductions (see instructions)		(a) As originally reported or as previously adjusted	(b) Net change—increase or (decrease)—explain in Part II	(c) Correct amount
1 Total income (Form 1120 or 1120-A, line 11)	1	6,425,844,045		6,425,844,045
2 Total deductions (total of lines 27 and 29c, Form 1120, or lines 23 and 25c, Form 1120-A)	2	5,135,347,792	6,679,387	5,142,027,179
3 Taxable income. Subtract line 2 from line 1	3	1,290,496,253	-6,679,387	1,283,816,866
4 Tax (Form 1120, line 31, or Form 1120-A, line 27)	4	29,839,909	71,005	29,910,914
Payments and Credits (see instructions)				
5a Overpayment in prior year allowed as a credit	5a	450,150	1,040,958	1,491,108
b Estimated tax payments	5b	31,600,000		31,600,000
c Refund applied for on Form 4466	5c			
d Subtract line 5c from the sum of lines 5a and 5b	5d	32,050,150	1,040,958	33,091,108
e Tax deposited with Form 7004	5e	0		0
f Credit from Form 2439	5f			
g Credit for federal tax on fuels and other refundable credits	5g	39,317		39,317
6 Tax deposited or paid with (or after) the filing of the original return	6			0
7 Add lines 5d through 6, column (c)	7			33,130,425
8 Overpayment, if any, as shown on original return or as later adjusted	8			2,249,559
9 Subtract line 8 from line 7	9			30,880,866
Tax Due or Overpayment (see instructions)				
10 **Tax due.** Subtract line 9 from line 4, column (c). If paying by check, make it payable to the "**United States Treasury**" ▶	10			
11 **Overpayment.** Subtract line 4, column (c), from line 9 ▶	11			969,953
12 Enter the amount of line 11 you want: **Credited to 20 estimated tax** ▶ **Refunded** ▶	12			969,953

Sign Here

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer | Date | ▶ Tax Director — Title

Paid Preparer's Use Only

Preparer's signature ▶ | Date | Check if self-employed ☐ | Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code ▶ | EIN | Phone no. ( )

For Privacy Act and Paperwork Reduction Act Notice, see page 4. Cat. No. 11530Z Form **1120X** (Rev. 1-2008)

002214

Form **4626**

Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax—Corporations

► See separate instructions.
► Attach to the corporation's tax return.

OMB No. 1545-0175

2007

Name
DISH Network Corporation

Employer identification number
[redacted]

Note: *See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).*

1	Taxable income or (loss) before net operating loss deduction		1	1,283,682,759
2	**Adjustments and preferences:**			
a	Depreciation of post-1986 property		2a	153,249,874
b	Amortization of certified pollution control facilities		2b	
c	Amortization of mining exploration and development costs		2c	
d	Amortization of circulation expenditures (personal holding companies only)		2d	
e	Adjusted gain or loss		2e	63,709,326
f	Long-term contracts		2f	
g	Merchant marine capital construction funds		2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)		2h	
i	Tax shelter farm activities (personal service corporations only)		2i	
j	Passive activities (closely held corporations and personal service corporations only)		2j	
k	Loss limitations		2k	
l	Depletion		2l	
m	Tax-exempt interest income from specified private activity bonds		2m	
n	Intangible drilling costs		2n	
o	Other adjustments and preferences		2o	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o		3	1,500,641,959
4	**Adjusted current earnings (ACE) adjustment:**			
a	ACE from line 10 of the ACE worksheet in the instructions	4a: 0		
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b: -1,500,641,959		
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c: 1,125,481,469		
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). **Note:** *You **must** enter an amount on line 4d (even if line 4b is positive)*	4d:		
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the **smaller** of line 4c or line 4d as a negative amount		4e	
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT		5	1,500,641,959
6	Alternative tax net operating loss deduction (see instructions)		6	1,350,577,763
7	**Alternative minimum taxable income.** Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions		7	150,064,196
8	**Exemption phase-out** (if line 7 is $310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):			
a	Subtract $150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a:		
b	Multiply line 8a by 25% (.25)	8b:		
c	Exemption. Subtract line 8b from $40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-		8c	
9	Subtract line 8c from line 7. If zero or less, enter -0-		9	150,064,196
10	Multiply line 9 by 20% (.20)		10	30,012,839
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)		11	
12	Tentative minimum tax. Subtract line 11 from line 10		12	30,012,839
13	Regular tax liability before applying all credits except the foreign tax credit and the American Samoa economic development credit		13	0
14	**Alternative minimum tax.** Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return		14	30,012,839

DISH Network Corporation & Subsidiaries
FEIN [redacted]
FYE 12/31/2007

Summary of Adjustments

Company	FEIN	Adjustments	Effect on Taxable Income	1120X Line
EchoStar DBS Corporation	[redacted]	Depreciation - ANIK 3	(37,882,335)	2
DISH Network Corporation		Wage add back - WOTC	62,721 *	2
DISH Network Corporation		Additional wage add back - WOTC	18,831 *	2
DISH Network Corporation		Wage add back - Enterprise Zone	20,374 *	2
DISH Network Corporation		Wage add back - Indian Employment	185,589 *	2
DISH Network Corporation		Wage add back - Welfare to Work	8,237 *	2
DISH Network Corporation		Expense add back - Fuel	39,317	2
DISH Network Corporation		K-1 NagraStar	-	1
DISH Network Corporation		State Income Tax Deduction True-up	27,994,729	2
Port, LLC		Amortization add back	2,873,150	2
			(6,679,387)	

Tax/(Refund) Reconciliation	30,012,839	AMT
	(62,721)	Original WOTC Credit
	(18,831)	Additional WOTC Credit Generated in 2007
	(20,374)	Original Enterprise Zone Credit
	29,910,913	Subtotal Tax Due
	(1,491,108)	2006 Overpayment
	(31,600,000)	2007 Est. Pmts
	(39,317)	Refundable Credits
	2,249,559	Originally Filed Over Payment
Tax(Refund) Due	(969,953)	
	71,005	Add'l Tax
	(1,040,958)	Error in O/P applied
	(969,953)	

1057

002216

New

Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2007 or tax year beginning _____, _____, ending _____, 20____
▶ See separate instructions.

OMB No. 1545-0123

2007

A Check if:
- 1a Consolidated return (attach Form 851) . . . X
- b Life/nonlife consolidated return . . .
- 2 Personal holding co. (attach Sch. PH) . . .
- 3 Personal service corp. (see instructions) . . .
- 4 Schedule M-3 attached . . . X

Use IRS label. Other-wise, print or type.

Name, Number, street, and room or suite no. If a P.O. box, see instructions.
City or town, state, and ZIP code

Dish DBS Corporation
9601 South Meridian Blvd
Englewood CO 80112

Proforma

B Employer identification number

C Date incorporated: 01 16 1996

D Total assets (see instructions): $ 5,821,912,211

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income	1a	Gross receipts or sales 9,650,414,903	b Less returns and allowances 0	c Bal ▶ 1c	9,650,414,903
	2	Cost of goods sold (Schedule A, line 8)		2	4,487,842,887
	3	Gross profit. Subtract line 2 from line 1c		3	5,162,572,016
	4	Dividends (Schedule C, line 19)		4	0
	5	Interest		5	102,865,234
	6	Gross rents		6	-2,495,544
	7	Gross royalties		7	447,469
	8	Capital gain net income (attach Schedule D (Form 1120))		8	0
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)		9	-120,782,030
	10	Other income (see instructions - attach schedule) STATEMENT 1		10	379,412,248
	11	**Total income.** Add lines 3 through 10 ▶		11	5,522,019,393
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)		12	21,915,498
	13	Salaries and wages (less employment credits)		13	455,218,724
	14	Repairs and maintenance		14	47,199,204
	15	Bad debts		15	102,034,599
	16	Rents		16	16,331,142
	17	Taxes and licenses STATEMENT 2		17	102,209,019
	18	Interest		18	335,637,305
	19	Charitable contributions		19	162,102
	20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)		20	797,358,594
	21	Depletion		21	0
	22	Advertising		22	236,208,959
	23	Pension, profit-sharing, etc., plans		23	21,953,719
	24	Employee benefit programs		24	39,379,735
	25	Domestic production activities deduction (attach Form 8903)		25	0
	26	Other deductions (attach schedule) STATEMENT 3		26	2,462,084,578
	27	**Total deductions.** Add lines 12 through 26 ▶		27	4,637,693,178
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		28	-884,326,215
	29	Less: a Net operating loss deduction (see instructions) 29a 0			
		b Special deductions (Schedule C, line 20) 29b 0		29c	0
Tax and Payments	30	**Taxable income.** Subtract line 29c from line 28 (see instructions) 0		30	884,326,215
	31	**Total tax** (Schedule J, line 10)		31	316,010,983
	32 a	2006 overpayment credited to 2007 32a 0			
	b	2007 estimated tax payments 0 32b 0			
	c	2007 refund applied for on Form 4466 32c (0) d Bal ▶ 32d 0			
	e	Tax deposited with Form 7004 32e 0			
	f	Credits: (1) Form 2439 0 (2) Form 4136 39,317 32f 39,317		32g	39,317
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ ☐		33	0
	34	**Amount owed.** If line 32g is smaller than the total of lines 31 and 33, enter amount owed		34	315,971,666
	35	**Overpayment.** If line 32g is larger than the total of lines 31 and 33, enter amount overpaid		35	0
	36	Enter amount from line 35 you want: **Credited to 2008 estimated tax** ▶ 0 **Refunded** ▶		36	0

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer Karen Frank — Date — Director of Tax (Title)

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature — Date — Check if self-employed ☐ — Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code — EIN — Phone no.

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form 1120 (2007)

ERF

F7.00.03 US1120P1

002217

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year		1	221,089,485
2	Purchases		2	1,734,315,142
3	Cost of labor		3	735,700,034
4	Additional section 263A costs (attach schedule)	STATEMENT 4	4	-870,741
5	Other costs (attach schedule)	STATEMENT 5	5	2,079,490,209
6	**Total.** Add lines 1 through 5		6	4,769,724,129
7	Inventory at end of year		7	281,881,242
8	**Cost of goods sold.** Subtract line 7 from line 6. Enter here and on page 1, line 2		8	4,487,842,887

9a Check all methods used for valuing closing inventory:
(i) [X] Cost (ii) [ ] Lower of cost or market (iii) [ ] Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods ▶ [ ]

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ [ ]

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO — 9d: 0

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? [X] Yes [ ] No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation [ ] Yes [ ] No

Schedule C Dividends and Special Deductions (see instructions)

		(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	0	70	0
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	0	80	0
3	Dividends on debt-financed stock of domestic and foreign corporations	0	see instructions	0
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	0	42	0
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	0	48	0
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	0	70	0
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	0	80	0
8	Dividends from wholly owned foreign subsidiaries	0	100	0
9	**Total.** Add lines 1 through 8. See instructions for limitation			0
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	0	100	0
11	Dividends from affiliated group members	0	100	0
12	Dividends from certain FSCs	0	100	0
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12	0		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)	0		
15	Foreign dividend gross-up	0		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3	0		
17	Other dividends	0		
18	Deduction for dividends paid on certain preferred stock of public utilities			0
19	**Total dividends.** Add lines 1 through 17. Enter here and on page 1, line 4 ▶	0		
20	**Total special deductions.** Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b ▶			0

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are $500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned (d) Common	(e) Preferred	(f) Amount of compensation
1 Charles W. Ergen	410-74-8132	%	%	%	0
R. Stanton Dodge	015-44-8868	%	%	%	0
Carl E. Vogel	321-44-9510	%	%	%	0
James DeFranco	082-46-7732	%	%	%	0
Jason Kiser	340-56-3592	%	%	%	0
		%	%	%	0
		%	%	%	0
		%	%	%	0
		%	%	%	0
		%	%	%	0
2 Total compensation of officers					0
3 Compensation of officers claimed on Schedule A and elsewhere on return					0
4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12					21,915,498

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) ▶ [X]				
2	Income tax. Check if a qualified personal service corporation (see instructions) ▶ [ ]			2	309,514,175
3	Alternative minimum tax (attach Form 4626)			3	6,606,971
4	Add lines 2 and 3			4	316,121,146
5a	Foreign tax credit (attach Form 1118)	5a	0		
b	Credits from Forms 5735 and 8834	5b	0		
c	General business credit. Check applicable box(es): [X] Form 3800 [X] Form 5884 [ ] Form 6478 [ ] Form 8835, Section B [ ] Form 8844 [ ] Form 8846	5c	110,163		
d	Credit for prior year minimum tax (attach Form 8827)	5d	0		
e	Bond credits from: [ ] Form 8860 [ ] Form 8912	5e	0		
6	**Total Credits.** Add lines 5a through 5e			6	110,163
7	Subtract line 6 from line 4			7	316,010,983
8	Personal holding company tax (attach Schedule PH (Form 1120))			8	0
9	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Form 8902 [ ] Other (attach schedule)			9	0
10	**Total tax.** Add lines 7 through 9. Enter here and on page 1, line 31		0	10	316,010,983

Schedule K Other Information (see instructions)

		Yes	No
1	Check accounting method: a [ ] Cash b [X] Accrual c [ ] Other (specify) ▶		
2	See the instructions and enter the:		
a	Business activity code no. ▶ 515210		
b	Business activity ▶ Cable & Other Programming		
c	Product or service ▶ Satellite Communications		
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)	X	
	If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deduction of such corporation for the tax year ending with or within your tax year.		
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?		X
	If "Yes," enter name and EIN of the parent corporation ▶		
5	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)	X	
	If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶ 50.09		
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)		X
	If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions.		
	If this is a consolidated return, answer here for the parent corporation and on **Form 851**, Affiliations Schedule, for each subsidiary.		

		Yes	No
7	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation?		X
	If "Yes," enter: (a) Percentage owned ▶ and (b) Owner's country ▶		
c	The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ▶		
8	Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ [ ] If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.		
9	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $ 0		
10	Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶		
11	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ▶ [ ] If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
12	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ $ 0		
13	Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year **and** its total assets at the end of the tax year less than $250,000?		
	If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ $ 0		

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Schedule L Balance Sheets per Books

	Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1	Cash		1,651,306,495		525,528,933
2a	Trade notes and accounts receivable	759,466,125		710,871,137	
b	Less allowance for bad debts	(13,735,477)	745,730,648	(13,551,460)	697,319,677
3	Inventories		228,932,633		281,881,242
4	U.S. government obligations		0		0
5	Tax-exempt securities (see instructions)		0		0
6	Other current assets (attach schedule)	STATEMENT 6	520,338,484	STATEMENT 12	-681,983,598
7	Loans to shareholders		0		0
8	Mortgage and real estate loans		0		0
9	Other investments (attach schedule)	STATEMENT 7	2,301,342,106	STATEMENT 13	2,653,169,034
10a	Buildings and other depreciable assets	3,585,906,417		4,167,453,403	
b	Less accumulated depreciation	(1,603,862,276)	1,982,044,141	(2,090,715,644)	2,076,737,759
11a	Depletable assets	0		0	
b	Less accumulated depletion	(0)	0	(0)	0
12	Land (net of any amortization)		5,604,804		6,286,407
13a	Intangible assets (amortizable only)	296,370,446		353,833,446	
b	Less accumulated amortization	(102,863,099)	193,507,347	(140,340,975)	213,492,471
14	Other assets (attach schedule)	STATEMENT 8	12,441,090	STATEMENT 14	49,480,286
15	Total assets		7,641,247,748		5,821,912,211
	Liabilities and Shareholders' Equity				
16	Accounts payable		303,029,717		226,126,876
17	Mortgages, notes, bonds payable in less than 1 year		1,556,748		1,008,145,467
18	Other current liabilities (attach schedule)	STATEMENT 9	2,230,396,806	STATEMENT 15	2,433,731,968
19	Loans from shareholders		0		0
20	Mortgages, notes, bonds payable in 1 year or more		5,000,729,544		4,185,985,533
21	Other liabilities (attach schedule)	STATEMENT 10	361,367,803	STATEMENT 16	9,725,506
22	Capital stock: a Preferred stock	0		0	
	b Common stock	10	10	10	10
23	Additional paid-in capital		3,363,463,875		-918,766,678
24	Retained earnings - Appropriated (attach schedule)		0		0
25	Retained earnings - Unappropriated		-3,615,447,354		-1,123,036,471
26	Adjustments to shareholders' equity (attach schedule)	STATEMENT 11	-3,849,400	STATEMENT 17	0
27	Less cost of treasury stock		(0)		(0)
28	Total liabilities and shareholders' equity		7,641,247,749		5,821,912,211

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are $10 million or more - see instructions

1	Net income (loss) per books	667,050,312	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	87,727,281		Tax-exempt interest $ 0	
3	Excess of capital losses over capital gains	0			
4	Income subject to tax not recorded on books this year (itemize):			STATEMENT 20 -4,083,798	-4,083,798
	STATEMENT 18	-86,897,286	8	Deductions on this return not charged against book income this year (itemize):	
5	Expenses recorded on books this year not deducted on this return (itemize):		a	Depreciation $ 797,358,594	
a	Depreciation $ 950,022,533		b	Charitable contributions $ 0	
b	Charitable contributions $ 0				
c	Travel & entertainment $ 1,287,598			STATEMENT 21 166,960,099	964,318,693
	STATEMENT 19 225,370,672	1,176,680,803	9	Add lines 7 and 8	960,234,895
6	Add lines 1 through 5	1,844,561,110	10	Income (page 1, line 28) - line 6 less line 9	884,326,215

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	1,193,030,118	5	Distributions: a Cash	2,983,798,892
2	Net income (loss) per books	667,050,315		b Stock	0
3	Other increases (itemize):			c Property	0
			6	Other decreases (itemize): STATEMENT 22	-681,988
		0	7	Add lines 5 and 6	2,983,116,904
4	Add lines 1, 2, and 3	1,860,080,433	8	Balance at end of year (line 4 less line 7)	-1,123,036,471

8D4935 2.000

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THO

State of South Carolina

C CORPORATION INCOME TAX RETURN

Return is due on or before the 15th day of the 3rd month following the close of the taxable year.

SC1120

(Rev. 7/25/08)

3091

Mail return to: SC DEPARTMENT OF REVENUE, Corporation Return, Columbia SC 29214-0100

SC FILE [redacted]

INCOME TAX PERIOD ENDING 12/31/2008

LICENSE FEE PERIOD ENDING 12/31/2009

FED EI # [redacted]

DISH DBS CORPORATION

NAME FKA ECHOSTAR DBS CORPORATION

MAILING ADDRESS 9601 SOUTH MERIDIAN BLVD

CITY ENGLEWOOD STATE CO ZIP CODE 80112

Change of ☐ Address ☐ Accounting Period

Attach complete copy of Federal Return

County or Counties in SC Where Property is Located:
THROUGHOUT STATE

JUN 16 2010

City	Audit Location	State
ENGLEWOOD		CO

Audit Contact	Telephone Number
KAREN FRANK	303-723-1000

Check if ☐ Amended Return ▶ ☐ Consolidated Return

Total Gross Receipts. ▶ 11654816979

Total cost of depreciable personal property in SC. ▶

If Filing a Final Return, See Instructions for Further Information.

▶ ☐ Merged ☐ Reorganized ☐ Dissolved ☐ Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY

1.	Federal Taxable Income per Federal Form 1120 or 1120A	1.	942,074,351
2.	Net Adjustment from line 15, Schedule A and B	2.	286,067,387
3.	Total Net Income as Reconciled (line 1 plus or minus line 2)	3.	1,228,141,738
4.	If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3.	4.	2,900,871
5.	LESS: South Carolina net operating loss carryover, if applicable	5.	
6.	South Carolina Net Income subject to tax (line 4 less line 5)	6.	2,900,871
7.	TAX: Multiply amount on line 6 by 5% (.05)	7.	145,044
8.	Less tax deferred on income from foreign trade receipts (see instructions)	8.	
9.	Balance (line 7 less line 8)	9.	145,044
10.	Credit Carryover (line 7, Schedule C) ▶ 582,195 Non-refundable credits (line 5, Schedule C) ▶	10.	(145,044)
11.	Balance of tax (line 9 less line 10). Enter the difference but not less than zero.	11.	
12.	Interest on DISC-deferred tax liability _____ ; or Foreign Trade Deferred Tax Liability _____	12.	
13.	Total tax and/or interest (add lines 11 and 12)	13.	
14.	Payments: (a) Tax Withheld (see instructions) ▶ _____ (b) Paid by Declaration ▶ 1,130,647		
	(c) Paid with Tentative Return ▶ 175,000 (d) Credit from Line 29b ▶ _____		
	Refundable Credits: (e) Ammonia Additive ▶ _____ (f) Milk Credit ▶ _____		1,342,494
15.	Total Payments and Refundable Credits (add lines 14a through 14f)	15.	~~1,305,647~~
16.	Balance of Tax and/or Interest Due (line 13 less line 15) ▶	16.	
17.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total ▶	17.	
18.	TOTAL INCOME TAX, Interest and Penalty Due (add lines 16 and 17) BALANCE DUE	18.	
19.	OVERPAYMENT (line 15 less line 13) 1,342,494 ~~1,305,647~~ To be applied as follows:		
	(a) Estimated Tax ▶ 1,342,494 ~~1,305,622~~ (b) License Fee ▶ 25 (c) REFUNDED ▶		

PART II COMPUTATION OF LICENSE FEE

20.	Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E) ▶	20.	NONE
21.	FEE DUE - Line 20 x .001, plus $15.00 (Fee cannot be less than $25.00 per taxpayer)	21.	25
22.	Credit Carryover ▶ _____ Credit taken this year from SC1120TC, Part II, Column C ▶	22.	( )
23.	Balance (line 21 less line 22)	23.	25
24.	Payments: (24a) Paid with Tentative Return ▶ NONE (24b) Credit from line 19b ▶ 25		
25.	Total Payments (add line 24a and 24b)	25.	25
26	Balance of Fee Due (line 23 less line 25) 178.70442 ▶	26	
27.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total ▶	27.	
28.	TOTAL LICENSE FEE, Interest and Penalty Due (add lines 26 and 27) BALANCE DUE	28.	
29.	OVERPAYMENT (line 25 less line 23) _____ To be applied as follows:		
	(a) Estimated Tax ▶ _____ (b) Income Tax ▶ _____ (c) REFUNDED ▶		
30.	GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28) . . . EFT ☐ ▶	30.	

Make check payable to: SC Department of Revenue. Include Business Name, FEI Number and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

For Office Use Only

1062 42022W 1503 09/01/2009 13:14:21 V08-7.5

PETITIONER'S EXHIBIT 45

002065

5/2

SCHEDULE A AND B ADDITIONS TO FEDERAL TAXABLE INCOME

1.	Taxes on or Measured By Income	1. 26,637,796	
2.	Federal Net Operating Loss	2.	
3.		3.	
4.		4.	
5.	Other Additions (attach schedule) STMT 1	5. 259,429,591	
6.	Total Additions (add lines 1 through 5)		6. 286,067,387

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7.	Interest On Obligations Of The U.S.	7.	
8.		8.	
9.		9.	
10.	Other Deductions (attach schedule)	10.	
11.	Total Deductions (add lines 7 through 10)		11.
12.	Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120		12. 286,067,387

SCHEDULE C SUMMARY OF INCOME TAX CREDITS (FROM SC1120-TC)

1.	Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 16)	1. 727,239
2.	Enter Total Credits from SC1120-TC, Column B, line 16. **SC1120-TC must be attached to return.**	2.
3.	Total Credits (add lines 1 and 2)	3. 727,239
4.	Tax (line 9, Part 1, SC1120)	4. 145,044
5.	Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 16.)	5. 145,044
6.	Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 16.)	6.
7.	Credit Carryover (line 3 less lines 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 16.)	7. 582,195

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Please Sign Here

Signature of officer: Karen Grant — Date: 9/14/09 — Title: Tax Director — Telephone Number: 303-723-1022

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes [X] No [ ]

Preparer's printed name: Michael C. Theiss P00850977

Paid Preparer's Use Only

Preparer's signature — Date: 9/14/2009 — Check if self-employed [ ] — Preparer's Telephone Number: (303) 296-2323

Firm's name (or yours if self-employed) and address: KPMG LLP, 707 SEVENTEENTH ST., SUITE 2700, DENVER, CO — EI # [redacted] — ZIP Code 80202

SCHEDULE D **ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS**

1. Name DISH DBS CORPORATION
2. Incorporated under the laws of the State of COLORADO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 5000 THRUMOND MALL BLVD.
   In the City of COLUMBIA Registered Agent at such address is CORPORATION SERVICE COMPANY
4. Location of principal office (street address) SEE STATEMENT 2
   Nature of principal business in SC CABLE AND OTHER PROGRAMMING
5. The total number of authorized shares of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000. CLASS: COMMON & PREFERRED SERIES:
6. The total number of issued and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000. CLASS: COMMON & PREFERRED SERIES:
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
	SEE STATEMENT 2	

8. Date Incorporated 01/16/1996 Date commenced business in the State of South Carolina was 1/1/2004
9. Date of this report 09/15/2009 Fed EI # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is
11. Was the name of the Corporation changed during the year? YES Give old name
12. The Corporation's books are in the care of KAREN FRANK
    Located at (street address) SEE STATEMENT 2
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount). . . . . $ NONE
    B. Total paid in Capital Surplus (cannot be a negative amount). . . . . $ NONE
    C. Total amount of stated Capital (cannot be a negative amount). . . . . $ NONE

SCHEDULES E, F, G, AND H ARE TO BE COMPLETED BY MULTI-STATE CORPORATIONS

SCHEDULE E — COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-in-Surplus at end of Year . . . . . $ NONE
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 20, Part II . . . . . $ NONE

SCHEDULE F — INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business						
2. Dividends received						
3. Rents						
4. Gains/losses on real property						
5. Gains/losses on intangible pers. prop.						
6. Investment income directly allocated						
7. TOTAL INCOME DIRECTLY ALLOCATED						
8. INCOME DIRECTLY ALLOCATED TO SC						
9. TOTALS TO APPORTIONMENT FACTORS						

SCHEDULE G — COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1 . . . . . 1. 1,228,141,738
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7 . . . . . 2.
3. Total net income subject to apportionment (line 1 less line 2) 3. 1,228,141,738
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I 4. 2,900,871
5. Add: Income subject to direct allocation to SC from Schedule F, line 8 . . . . . 5.
6. Total S.C. Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1 . . . . . 6. 2,900,871

SCHEDULE H-1 — COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land				
2. Buildings				
3. Machinery and Equipment				
4. Inventories				
5. Other Property				
6. Exclusions	( )	( )	( )	( )
7. TOTAL (add lines 1-5; subtract line 6)				

	1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)			
9. Rental or Lease Value			
10. TOTAL **Property** Add lines 8 and 9. (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)			%
11. GROSS Payroll			
12. Less: Officers Compensation and Exclusions	( )	( )	
13. TOTAL **Payroll** (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)			%
14. TOTAL **Sales** (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)			%
15. TOTAL **Sales** (same as line 14)			%
16. TOTAL of Ratios (add Column 3 - lines 10, 13, 14 and 15)			%
17. Arithmetical Average of Ratios			%

SCHEDULE H-2 — COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts	27,534,405	11,654,816,979	
2. Less: Exclusion (see instructions)	( )	( )	
3. Gross Receipts (for ratio)	27,534,405	11,654,816,979	
4. Ratio of Gross Receipts (line 3, Col. 1 ÷ line 3, Col. 2)			0.2362%

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3. Ratio (South Carolina ÷ Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina		
2. Total Sales Everywhere		
3. Ratio (South Carolina ÷ Everywhere)		

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3 . . . . . 1. 1,228,141,738
2. Enter Ratio from Sch H-1, Line 17 . . . . . 2. %
3. Multiply Line 2 by Line 1 . . . . . 3.
4. Enter Ratio from Line 3 of single factor apportionment schedule . . . . . 4. %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, STOP HERE and enter amount from Line 3, Schedule H-4, Part I on Schedule G, Line 4 . . . . . 5.
6. Line 3 minus Line 5 . . . . . 6.
7. For tax year 2008, multiply amount on Line 6 by 40% (.40). This is the amount of reduction in SC taxable income allowed this year . . . . . 7.
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4 . . . . . 8.

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-in-Surplus at the end of the year. If $10,000 or less, STOP HERE and enter on Schedule E, Line 2 . . . . . 1. NONE
2. Enter the ratio from Sch H-1, Line 17 . . . . . 2. %
3. Multiply Line 1 by Line 2. If $10,000 or less, STOP HERE and enter on Schedule E, Line 2 . . . . . 3.
4. Enter the ratio from Line 3 of single factor apportionment schedule . . . . . 4. %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, STOP HERE and enter amount from Line 3 on Schedule E, Line 2 . . . . . 5.
6. Line 3 minus Line 5 . . . . . 6.
7. For tax year 2008, multiply the amount on Line 6 by 40% (.40). This is the amount of reduction of license fee basis allowed this year . . . . . 7.
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2 . . . . . 8.

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

CORPORATE TAX CREDITS

SC1120-TC
(Rev. 10/31/08)
3370

NAME OF CORPORATION DISH DBS CORPORATION
FKA ECHOSTAR DBS CORPORATION

FED EI # [redacted]

SC FILE #

These credits are computed on separate forms. Be sure to attach the appropriate form(s) to this schedule for the credit you are claiming.

Part I Corporate Income Tax Credits

	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. New Jobs Credit (TC-4)	464,058	1,680,000	145,044		1,999,014
2. Economic Impact Zone Property Investment Credit (TC-11)					
3. Family Independence Payments Credit (TC-12)					
4. Research Expenses Credit (TC-18)					

For lines 5-15, enter credit description and associated code from the following information, along with the dollar amount of credit claimed.

Credit Title	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
5.	5.					
6.	6.					
7.	7.					
8.	8.					
9.	9.					
10.	10.					
11.	11.					
12.	12.					
13.	13.					
14.	14.					
15.	15.					
16. Total of Lines 1-15		464,058	1,680,000	145,044		1,999,014

**SEE SEPARATE LISTING FOR CREDITS WHICH MAY BE USED AS CREDITS AGAINST LICENSE FEES.

Part II Corporate License Fee Credits

Credit Title	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1.	1.					
2.	2.					
3.	3.					
4.	4.					
5.	5.					
6.	6.					
7. Total Corporate License Fee Credits (See Instructions)						

DESCRIPTIONS CONTINUES ON LAST PAGE

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SOUTH CAROLINA SC1120, PAGE 2 DETAIL

SCH. A, LINE 5 - OTHER ADDITIONS

DEPR. ADJ. FOR JOB CREATION AND WORKERS' ASSISTANCE ACT	259,429,591.
TOTAL	259,429,591.

SCH. D, LINE 4 - LOCATION OF PRINCIPAL OFFICE

9601 S. MERIDIAN BLVD.
ENGLEWOOD, CO CO 80112

SCH. D, LINE 7 - DIRECTORS AND PRINCIPAL OFFICERS IN THE CORPORATION

NAME	TITLE	BUSINESS ADDRESS AND OFFICE
CHARLES ERGEN	PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
R. STANTON DODGE	SECRETARY	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
JAMES DEFRANCO	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
CARL E. VOGEL	OTHER	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
W. ERIK CARLSON	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
THOMAS A. CULLEN	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
BERNARD L. HAN	TREASURER	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
MICHAEL KELLY	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
STEPHEN W. WOOD	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801

SCH. D, LINE 12 - LOCATION OF BOOKS

9601 SOUTH MERIDIAN BLVD.
ENGLEWOOD, CO CO 80112

2008 Tax Credit - South Carolina

Company	State	C/O from PY	2008 Credit	Total Credit Available
Dish DBS Corporation	SC	464,058	1,680,000	2,144,058

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8S4901 1.000

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
TENTATIVE CORPORATION TAX RETURN
AND CONDITIONAL EXTENSION

SC1120-T
(Rev. 6/5/08)
3096

INSTRUCTIONS FOR TENTATIVE CORPORATION TAX RETURN

If any corporate income tax or license fee is anticipated to be due, a request for an extension of time must be filed using SC1120-T, on or before the day that the tax return is due. No refund will be issued from a tentative return. Any amounts shown to be due on this form must be paid when the SC1120-T is filed. A penalty will be incurred for failure to pay at least ninety (90) percent of the total tax due by the original due date.

If no income tax or license fee is anticipated to be due, and the taxpayer has requested a federal extension of time to file a federal income tax return, the department will accept a copy of a properly filed federal extension if the corporate return is received within the time extended by the Internal Revenue Service.

A copy of the federal or South Carolina extension(s) must be attached to the return when filed. The Department may allow an extension of time not to exceed six months.

For consolidated return filers: File a **Single Tentative Return** and attach a schedule listing the corporations to be included in the return. The license fees are computed separately and then added. Fee cannot be less than $25 per taxpayer. **Failure to list members of the affiliated group may result in the group's inability to elect to file a consolidated return.** The license fee is not applicable to savings and loan associations or banks. A federal extension will be accepted if all corporations filing in South Carolina are included in one or more federal extensions.

Mail to: SC Department of Revenue, Corporation, Columbia SC 29214-0006. Include Business Name, FEI Number and SC File Number on Check.

COPY

USE BLACK INK ONLY
PLEASE DO NOT CUT, SUBMIT ENTIRE PAGE

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
TENTATIVE CORPORATION TAX RETURN
AND CONDITIONAL EXTENSION

SC1120-T
(Rev. 6/5/08)
3096

CLIP CHECK HERE

SC CORPORATE FILE #

ACCT PERIOD END (MM-YY)
12-08

[redacted]

FED EI #

Corporate Name and Address

DISH DBS CORPORATION
9601 S. MERIDIAN BLVD.
ENGLEWOOD CO 80112

Foreign Not USA
Tax EXEMPT
Consolidated Return (Attach a schedule listing each member.)
Bank or S & L
QSSS Election (Attach a schedule listing each member.)
Utility or Electric Cooperative

1. Tentative Tax Based on Net Income . . .		1,328,239.00
2. LESS: Estimated Tax Payments . . .		1,153,239.00
3. Tentative Tax Due . . 14-0804	▶	175,000.00
4. Total Capital and Paid in Surplus 174,985,000.00 x .001 plus $15.00 but not less than $25.00 Tentative License Fee 14-0401	▶	175,000.00
5. Balance Remitted . .	▶	175,000.00

Signature [signature] Date 3/18/09

30961031 [redacted] 1208 00017500000 00017500000 6

PAYMENT MADE VIA ELECTRONIC FUNDS TRANSFER (EFT) 002074

Form 1120 U.S. Corporation Income Tax Return

Department of the Treasury Internal Revenue Service

For calendar year 2008 or tax year beginning _____, ending _____

▶ See separate instructions.

OMB No. 1545-0123

2008

A Check if: 1a Consolidated return (attach Form 851) X; b Life/nonlife consolidated return; 2 Personal holding co. (attach Sch. PH); 3 Personal service corp. (see instructions); 4 Schedule M-3 attached X

Use IRS label. Otherwise, print or type.

Name: DISH DBS CORPORATION AND SUBSIDIARIES
FKA ECHOSTAR DBS CORPORATION

Number, street, and room or suite no. If a P.O. box, see instructions.: 9601 SOUTH MERIDIAN BLVD

City or town, state, and ZIP code: ENGLEWOOD, CO 80112

B Employer identification number: [redacted]

C Date incorporated: 01/16/1996

D Total assets (see instructions): $ 4,385,248,587.

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income	1a	Gross receipts or sales: 11,550,298,867. b Less returns and allowances:	c Bal ▶ 1c	11,550,298,867.
	2	Cost of goods sold (Schedule A, line 8)	2	7,881,531,102.
	3	Gross profit. Subtract line 2 from line 1c	3	3,668,767,765.
	4	Dividends (Schedule C, line 19)	4	
	5	Interest	5	51,716,576.
	6	Gross rents	6	352,678.
	7	Gross royalties	7	
	8	Capital gain net income (attach Schedule D (Form 1120))	8	106,200,000.
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	-29,047,539.
	10	Other income (see instructions - attach schedule) SEE STATEMENT 3	10	-1,273.
	11	**Total income.** Add lines 3 through 10 ▶	11	3,797,988,207.
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4) ▶	12	3,415,221.
	13	Salaries and wages (less employment credits)	13	553,127,912.
	14	Repairs and maintenance	14	-5,643,394.
	15	Bad debts	15	-538,546.
	16	Rents	16	36,606,181.
	17	Taxes and licenses SEE STATEMENT 4	17	66,698,681.
	18	Interest	18	357,524,542.
	19	Charitable contributions	19	31,820.
	20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)	20	1,263,833,257.
	21	Depletion	21	
	22	Advertising	22	236,823,553.
	23	Pension, profit-sharing, etc., plans	23	17,076,408.
	24	Employee benefit programs	24	16,420,095.
	25	Domestic production activities deduction (attach Form 8903)	25	
	26	Other deductions (attach schedule) SEE STATEMENT 7	26	310,538,126.
	27	**Total deductions.** Add lines 12 through 26 ▶	27	2,855,913,856.
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28	942,074,351.
	29	Less: a Net operating loss deduction (see instructions) 29a; b Special deductions (Schedule C, line 20) 29b	29c	
Tax, Refundable Credits, and Payments	30	**Taxable income.** Subtract line 29c from line 28 (see instructions)	30	942,074,351.
	31	**Total tax** (Schedule J, line 10)	31	NONE
	32a	2007 overpayment credited to 2008 32a		
	b	2008 estimated tax payments 32b		
	c	2008 refund applied for on Form 4466 32c ( ) d Bal ▶ 32d		
	e	Tax deposited with Form 7004 32e		
	f	Credits: (1) Form 2439 (2) Form 4136 32f		
	g	Refundable credits from Form 3800, line 19c, and Form 8827, line 8c 32g	32h	
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ ☐	33	
	34	**Amount owed.** If line 32h is smaller than the total of lines 31 and 33, enter amount owed	34	
	35	**Overpayment.** If line 32h is larger than the total of lines 31 and 33, enter amount overpaid	35	
	36	Enter amount from line 35 you want: **Credited to 2009 estimated tax** ▶ Refunded ▶	36	

COPY

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer ▶ Date ▶ Title

May the IRS discuss this return with the preparer shown below (see instructions)? X Yes ☐ No

Paid Preparer's Use Only

Preparer's signature ▶ Date Check if self-employed ☐ Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code ▶ KPMG LLP, 707 SEVENTEENTH ST., SUITE 2700, DENVER, CO 80202

EIN [redacted] Phone 303-296-2323

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	281,881,242.
2	Purchases	2	135,330,323.
3	Cost of labor	3	1,088,088,750.
4	Additional section 263A costs (attach schedule) SEE. STATEMENT. 12.	4	5,754,681.
5	Other costs (attach schedule) SEE. STATEMENT. 12.	5	6,787,687,671.
6	Total. Add lines 1 through 5	6	8,298,742,667.
7	Inventory at end of year	7	417,211,565.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	7,881,531,102.

9 a Check all methods used for valuing closing inventory:
- (i) [X] Cost
- (ii) [ ] Lower of cost or market
- (iii) [ ] Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods ▶ [ ]

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ [ ]

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? [X] Yes [ ] No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation [ ] Yes [X] No

Schedule C Dividends and Special Deductions (see instructions)

		(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3	Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8	Dividends from wholly owned foreign subsidiaries		100	
9	Total. Add lines 1 through 8. See instructions for limitation			
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11	Dividends from affiliated group members		100	
12	Dividends from certain FSCs		100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15	Foreign dividend gross-up			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17	Other dividends			
18	Deduction for dividends paid on certain preferred stock of public utilities			
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4 ▶			
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b ▶			

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: *Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are $500,000 or more.*

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned (d) Common	(e) Preferred	(f) Amount of compensation
1 SEE STATEMENT 15		%	%	%	
INFORMATION AVAILABLE IN TAXPAYER'S OFFICE.		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					3,415,221.
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12					3,415,221.

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) ▶ ☐			
2	Income tax. Check if a qualified personal service corporation (see instructions) ▶ ☐		2	NONE
3	Alternative minimum tax (attach Form 4626)		3	
4	Add lines 2 and 3		4	NONE
5a	Foreign tax credit (attach Form 1118)	5a		
b	Credit from Form 8834	5b		
c	General business credit (attach Form 3800)	5c		
d	Credit for prior year minimum tax (attach Form 8827)	5d		
e	Bond credits from Form 8912	5e		
6	Total credits. Add lines 5a through 5e		6	
7	Subtract line 6 from line 4		7	NONE
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	
9	Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Form 8902 ☐ Other (attach schedule)		9	
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31		10	NONE

Schedule K Other Information (see instructions)

		Yes	No
1	Check accounting method: a ☐ Cash b ☒ Accrual c ☐ Other (specify) ▶		
2	See the instructions and enter the:		
a	Business activity code no. ▶ 551112		
b	Business activity ▶ CABLE & OTHER PROGRAMING		
c	Product or service ▶ SATELLITE COMMUNICATIONS		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?	X	
	If "Yes," enter name and EIN of the parent corporation ▶ DISH NETWORK CORPORATION [redacted]		
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v).	X	

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Percentage Owned in Voting Stock
ECHOSTAR ORBITAL CORPORATION	84-1544987	CORPORATION	US	100.00

b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv).	X	

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Percentage Owned in Voting Stock
ECHOSTAR ORBITAL CORPORATION	[redacted]	US	100.00

Schedule K *Continued*

		Yes	No
5	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions . .	X	
	If "Yes," complete (i) through (iv).		

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock
STMT 16			

b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions . .		X
	If "Yes," complete (i) through (iv).		

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)		X
	If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.		
	If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.		
7	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?		X
	For rules of attribution, see section 318. If "Yes," enter:		
	(i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____		
	(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____		
8	Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . . . ▶ ☐		
	If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
9	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $ _____ NONE		
10	Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____ 1		
11	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here . . . . . ▶ ☐		
	If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
12	Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ $ _____		
13	Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than $250,000?		X
	If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year ▶ $		

Schedule L Balance Sheets per Books

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash		401,052,401.		86,113,602.
2a Trade notes and accounts receivable	710,413,848.	STMT 21	833,977,495.	
b Less allowance for bad debts	(13,554,460.)	696,859,388.	(15,206,379.)	818,771,116.
3 Inventories		281,881,242.		417,211,565.
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach schedule)	STMT 22	-1,117,179,111.		-1,788,840,242.
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach schedule)	STMT 24	3,112,259,461.		2,870,321,953.
10a Buildings and other depreciable assets	4,096,756,193.		3,700,885,854.	
b Less accumulated depreciation	(2,095,898,229.)	2,000,857,964.	(1,873,364,165.)	1,827,521,689.
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)		6,286,407.		3,262,170.
13a Intangible assets (amortizable only)	296,370,446.		33,155,570.	
b Less accumulated amortization	(140,340,975.)	156,029,471.	(10,068,827.)	23,086,743.
14 Other assets (attach schedule)	STMT 25	282,367,236.		127,799,991.
15 Total assets		5,820,414,459.		4,385,248,587.
Liabilities and Shareholders' Equity				
16 Accounts payable		227,738,302.		229,567,594.
17 Mortgages, notes, bonds payable in less than 1 year		1,008,145,467.		10,679,593.
18 Other current liabilities (attach schedule)	STMT 27	2,453,352,408.		2,288,117,880.
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more		4,185,985,533.		4,932,267,483.
21 Other liabilities (attach schedule)	STMT 31	-13,003,964.		134,292,640.
22 Capital stock: a Preferred stock				
b Common stock	10.	10.	-490.	-490.
23 Additional paid-in capital		-921,518,380.		-783,518,911.
24 Retained earnings-Appropriated (attach schedule)				
25 Retained earnings - Unappropriated		-1,117,880,231.		-2,417,365,218.
26 Adjustments to shareholders' equity (attach schedule)	STMT 32	-2,404,686.		-8,791,984.
27 Less cost of treasury stock		( )		( )
28 Total liabilities and shareholders' equity		5,820,414,459.		4,385,248,587.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are $10 million or more - see instructions

1 Net income (loss) per books	842,937,954.	7 Income recorded on books this year not included on this return (itemize): Tax-exempt interest $	
2 Federal income tax per books	687,795,420.	SEE STATEMENT 37	370,051,791.
3 Excess of capital losses over capital gains		8 Deductions on this return not charged against book income this year (itemize):	
4 Income subject to tax not recorded on books this year (itemize): SEE STATEMENT 35	116,154,924.	a Depreciation $	1,262,867,903.
5 Expenses recorded on books this year not deducted on this return (itemize): a Depreciation $	828,630,093.	b Charitable contributions $	
b Charitable contributions $		SEE STATEMENT 38	77,506,261.
c Travel and entertainment $	190,519.	9 Add lines 7 and 8	1,710,425,955.
SEE STATEMENT 35	176,791,396.	10 Income (page 1, line 28) - line 6 less line 9	942,074,351.
6 Add lines 1 through 5	2,652,500,306.		

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	-1,117,880,231.	5 Distributions: a Cash	1,150,000,000.
2 Net income (loss) per books	842,937,954.	b Stock	
3 Other increases (itemize):		c Property	
SEE STATEMENT 40	298,650,012.	6 Other decreases (itemize): STMT 40	1,291,072,953.
4 Add lines 1, 2, and 3	23,707,735.	7 Add lines 5 and 6	2,441,072,953.
		8 Balance at end of year (line 4 less line 7)	-2,417,365,218.

8D4935 2.000

AMENDED

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State of South Carolina

'C' CORPORATION INCOME TAX RETURN

Return is due on or before the 15th day of the 3rd month following the close of the taxable year.

SC1120 (Rev. 7/25/08) 3091

Mail return to: SC DEPARTMENT OF REVENUE, Corporation Return, Columbia SC 29214-0100

SC FILE # [redacted]

INCOME TAX PERIOD ENDING 12/31/2008

LICENSE FEE PERIOD ENDING 12/31/2009

FED EI # [redacted]

DISH DBS CORPORATION

NAME FKA ECHOSTAR DBS CORPORATION

MAILING ADDRESS 9601 SOUTH MERIDIAN BLVD

CITY ENGLEWOOD STATE CO ZIP CODE 80112

Change of ☐ Address ☐ Accounting Period

Attach complete copy of Federal Return

County or Counties in SC Where Property is Located: THROUGHOUT STATE

City: ENGLEWOOD | Audit Location | State: CO

Audit Contact: KAREN FRANK | Telephone Number: 303-723-1000

JUL 02 2010

Check if [X] Amended Return ▶ ☐ Consolidated Return

Total Gross Receipts. ▶ 11654816979

Total cost of depreciable personal property in SC. ▶

If Filing a Final Return, See Instructions for Further Information.

▶ ☐ Merged ☐ Reorganized ☐ Dissolved ☐ Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY

1.	Federal Taxable Income per Federal Form 1120 or 1120A	1.	942,074,351
2.	Net Adjustment from line 15, Schedule A and B	2.	286,067,387
3.	Total Net Income as Reconciled (line 1 plus or minus line 2)	3.	1,228,141,738
4.	If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3.	4.	2,900,871
5.	LESS: South Carolina net operating loss carryover, if applicable	5.	
6.	South Carolina Net Income subject to tax (line 4 less line 5)	6.	2,900,871
7.	TAX: Multiply amount on line 6 by 5% (.05)	7.	145,044
8.	Less tax deferred on income from foreign trade receipts (see instructions) 04029997	8.	
9.	Balance (line 7 less line 8)	9.	145,044
10.	Credit Carryover (line 7, Schedule C) ▶ 2,071,536 Non-refundable credits (line 5, Schedule C) ▶	10.	(72,522)
11.	Balance of tax (line 9 less line 10). Enter the difference but not less than zero.	11.	72,522
12.	Interest on DISC-deferred tax liability ____ ; or Foreign Trade Deferred Tax Liability ____	12.	
13.	Total tax and/or interest (add lines 11 and 12)	13.	72,522
14.	Payments: (a) Tax Withheld (see instructions) ▶ ____ (b) Paid by Declaration ▶ 1,130,647		
	(c) Paid with Tentative Return ▶ 175,000 (d) Credit from Line 29b ▶ ____		
	Refundable Credits: (e) Ammonia Additive ▶ ____ (f) Milk Credit ▶ ____ 1342499		
15.	Total Payments and Refundable Credits (add lines 14a through 14f)	15.	1,305,647
16.	Balance of Tax and/or Interest Due (line 13 less line 15)	16.	
17.	Interest Due ▶ ____ Penalty Due ▶ ____ (See penalty and interest instructions.) Enter Total. ▶	17.	
18.	TOTAL INCOME TAX, Interest and Penalty Due (add lines 16 and 17) BALANCE DUE	18.	
19.	OVERPAYMENT (line 15 less line 13) 1269971 1,233,125 To be applied as follows:		
	(a) Estimated Tax ▶ 1269971 1,233,100 (b) License Fee ▶ 25 (c) REFUNDED ▶		

PART II COMPUTATION OF LICENSE FEE

20.	Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E) 19210504	20.	NONE
21.	FEE DUE - Line 20 x .001, plus $15.00 (Fee cannot be less than $25.00 per taxpayer)	21.	25
22.	Credit Carryover ▶ ____ Credit taken this year from SC1120TC, Part II, Column C ▶	22.	( )
23.	Balance (line 21 less line 22)	23.	25
24.	Payments: (24a) Paid with Tentative Return ▶ NONE (24b) Credit from line 19b ▶ 25		
25.	Total Payments (add line 24a and 24b)	25.	25
26	Balance of Fee Due (line 23 less line 25)	26	
27.	Interest Due ▶ ____ Penalty Due ▶ ____ (See penalty and interest instructions.) Enter Total. ▶	27.	
28.	TOTAL LICENSE FEE, Interest and Penalty Due (add lines 26 and 27) BALANCE DUE	28.	
29.	OVERPAYMENT (line 25 less line 23) ____ To be applied as follows:		
	(a) Estimated Tax ▶ ____ (b) Income Tax ▶ ____ (c) REFUNDED ▶		
30.	GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28) . . . EFT ☐	▶ 30.	

Make check payable to: SC Department of Revenue. Include Business Name, FEI Number and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

For Office Use Only

NOV 06 2009

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PETITIONER'S EXHIBIT #6

002042

SCHEDULE A AND B ADDITIONS TO FEDERAL TAXABLE INCOME

1.	Taxes on or Measured By Income	1. 26,637,796	
*2.	Federal Net Operating Loss	2.	
3.		3.	
4.		4.	
5.	Other Additions (attach schedule) STMT 1	5. 259,429,591	
6.	Total Additions (add lines 1 through 5)		6. 286,067,387

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7.	Interest On Obligations Of The U.S.	7.	
8.		8.	
9.		9.	
10.	Other Deductions (attach schedule)	10.	
11.	Total Deductions (add lines 7 through 10)		11.
12.	Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120		12. 286,067,387

SCHEDULE C SUMMARY OF INCOME TAX CREDITS (FROM SC1120-TC)

1.	Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 16)	1. 464,058
2.	Enter Total Credits from SC1120-TC, Column B, line 16. **SC1120-TC must be attached to return.**	2. 1,680,000
3.	Total Credits (add lines 1 and 2)	3. 2,144,058
4.	Tax (line 9, Part 1, SC1120)	4. 145,044
5.	Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 16.)	5. 72,522
6.	Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 16.)	6.
7.	Credit Carryover (line 3 less lines 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 16.)	7. 2,071,536

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Please Sign Here

Signature of officer: Karen Ofcarcik | Date: 11/3/09 | Title: Tax Director | Telephone Number: 303-733-1002

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes [X] No [ ]

Preparer's Printed Name: Michael C. Theiss P00850977

Paid Preparer's Use Only

Preparer's signature | Date: 11/2/2009 | Check if self-employed [ ] | Preparer's Telephone Number: 303-296-2323

Firm's name (or yours if self-employed) and address: KPMG LLP
707 SEVENTEENTH ST., SUITE 2700
DENVER, CO

EI # [redacted] ZIP Code 80202

SCHEDULE D ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

1. Name DISH DBS CORPORATION
2. Incorporated under the laws of the State of COLORADO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 5000 THRUMOND MALL BLVD.
   In the City of COLUMBIA Registered Agent at such address is CORPORATION SERVICE COMPANY
4. Location of principal office (street address) SEE STATEMENT 2
   Nature of principal business in SC CABLE AND OTHER PROGRAMMING
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000. CLASS: COMMON & PREFERRED SERIES:
6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000. CLASS: COMMON & PREFERRED SERIES:
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
	SEE STATEMENT 2	

8. Date Incorporated 01/16/1996 Date commenced business in the State of South Carolina was 1/1/2004
9. Date of this report 09/15/2009 Fed EI # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is
11. Was the name of the Corporation changed during the year? YES Give old name
12. The Corporation's books are in the care of KAREN FRANK
    Located at (street address) SEE STATEMENT 2
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) . . . . . $ NONE
    B. Total paid in Capital Surplus (cannot be a negative amount) . . . . . $ NONE
    C. Total amount of stated Capital (cannot be a negative amount) . . . . . $ NONE

SCHEDULES E, F, G, AND H ARE TO BE COMPLETED BY MULTI-STATE CORPORATIONS

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-in-Surplus at end of Year . . . . . $ NONE
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 20, Part II . . . . . $ NONE

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business						
2. Dividends received						
3. Rents						
4. Gains/losses on real property						
5. Gains/losses on intangible pers. prop.						
6. Investment income directly allocated						
7. TOTAL INCOME DIRECTLY ALLOCATED						
8. INCOME DIRECTLY ALLOCATED TO SC						
9. TOTALS TO APPORTIONMENT FACTORS						

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1	1.	1,228,141,738
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7	2.	
3. Total net income subject to apportionment (line 1 less line 2)	3.	1,228,141,738
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I	4.	2,900,871
5. Add: Income subject to direct allocation to SC from Schedule F, line 8	5.	
6. Total S.C. Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1	6.	2,900,871

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land				
2. Buildings				
3. Machinery and Equipment				
4. Inventories				
5. Other Property				
6. Exclusions	( )	( )	( )	( )
7. TOTAL (add lines 1-5; subtract line 6)				

	1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)			
9. Rental or Lease Value			
10. TOTAL Property Add lines 8 and 9. (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)			%
11. GROSS Payroll			
12. Less: Officers Compensation and Exclusions	( )	( )	
13. TOTAL Payroll (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)			%
14. TOTAL Sales (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)			%
15. TOTAL Sales (same as line 14)			%
16. TOTAL of Ratios (add Column 3 - lines 10, 13, 14 and 15)			%
17. Arithmetical Average of Ratios			%

SCHEDULE H-2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts	27,534,405	11,654,816,979	
2. Less: Exclusion (see instructions)	( )	( )	
3. Gross Receipts (for ratio)	27,534,405	11,654,816,979	
4. Ratio of Gross Receipts (line 3, Col. 1 ÷ line 3, Col. 2)			0.2362 %

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3. Ratio (South Carolina ÷ Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina		
2. Total Sales Everywhere		
3. Ratio (South Carolina ÷ Everywhere)		

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3 . . . . . 1. 1,228,141,738
2. Enter Ratio from Sch H-1, Line 17 . . . . . 2. %
3. Multiply Line 2 by Line 1 . . . . . 3.
4. Enter Ratio from Line 3 of single factor apportionment schedule . . . . . 4. %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3, Schedule H-4, Part I on Schedule G, Line 4 . . . . . 5.
6. Line 3 minus Line 5 . . . . . 6.
7. For tax year 2008, multiply amount on Line 6 by 40% (.40). This is the amount of reduction in SC taxable income allowed this year . . . . . 7.
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4 . . . . . 8.

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-in-Surplus at the end of the year. If $10,000 or less, **STOP HERE** and enter on Schedule E, Line 2 . . . . . 1. NONE
2. Enter the ratio from Sch H-1, Line 17 . . . . . 2. %
3. Multiply Line 1 by Line 2. If $10,000 or less, **STOP HERE** and enter on Schedule E, Line 2 . . . . . 3.
4. Enter the ratio from Line 3 of single factor apportionment schedule . . . . . 4. %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3 on Schedule E, Line 2 . . . . . 5.
6. Line 3 minus Line 5 . . . . . 6.
7. For tax year 2008, multiply the amount on Line 6 by 40% (.40). This is the amount of reduction of license fee basis allowed this year . . . . . 7.
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2 . . . . . 8.

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

CORPORATE TAX CREDITS

SC1120-TC
(Rev. 10/31/08)
3370

NAME OF CORPORATION DISH DBS CORPORATION
FKA ECHOSTAR DBS CORPORATION

FED EI # [redacted]

SC FILE #

These credits are computed on separate forms. Be sure to attach the appropriate form(s) to this schedule for the credit you are claiming.

Part I Corporate Income Tax Credits

	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. New Jobs Credit (TC-4)	464,058	1,680,000	72,522		2,071,536
2. Economic Impact Zone Property Investment Credit (TC-11)					
3. Family Independence Payments Credit (TC-12)					
4. Research Expenses Credit (TC-18)					

For lines 5-15, enter credit description and associated code from the following information, along with the dollar amount of credit claimed.

Credit Title	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
5.	5.					
6.	6.					
7.	7.					
8.	8.					
9.	9.					
10.	10.					
11.	11.					
12.	12.					
13.	13.					
14.	14.					
15.	15.					
16. Total of Lines 1-15		464,058	1,680,000	72,522		2,071,536

**SEE SEPARATE LISTING FOR CREDITS WHICH MAY BE USED AS CREDITS AGAINST LICENSE FEES.

Part II Corporate License Fee Credits

Credit Title	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1.	1.					
2.	2.					
3.	3.					
4.	4.					
5.	5.					
6.	6.					
7. Total Corporate License Fee Credits (See Instructions)						

DESCRIPTIONS CONTINUES ON LAST PAGE

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002047

SOUTH CAROLINA SC1120, PAGE 2 DETAIL

SCH. A, LINE 5 - OTHER ADDITIONS

DEPR. ADJ. FOR JOB CREATION AND WORKERS' ASSISTANCE ACT	259,429,591.
GAIN OR LOSS ON SALE OF QUALIFYING PROPERTY	NONE
TOTAL	259,429,591.

SOUTH CAROLINA SC1120, PAGE 2 DETAIL

SCH. D, LINE 4 - LOCATION OF PRINCIPAL OFFICE

9601 S. MERIDIAN BLVD.
ENGLEWOOD, CO CO 80112

SCH. D, LINE 7 - DIRECTORS AND PRINCIPAL OFFICERS IN THE CORPORATION

NAME	TITLE	BUSINESS ADDRESS AND OFFICE
CHARLES ERGEN	PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
R. STANTON DODGE	SECRETARY	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
JAMES DEFRANCO	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
CARL E. VOGEL	OTHER	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
W. ERIK CARLSON	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
THOMAS A. CULLEN	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
BERNARD L. HAN	TREASURER	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
MICHAEL KELLY	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
STEPHEN W. WOOD	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801

SCH. D, LINE 12 - LOCATION OF BOOKS

9601 SOUTH MERIDIAN BLVD.
ENGLEWOOD, CO CO 80112

Attachment to and to be made part of
Form SC1120
South Carolina Corporation Return - AMENDED
for the year ended December 31, 2008

Dish DBS Corporation
Taxpayer Number: [redacted]

Taxpayer is amending its originally filed South Carolina return for the year ended December 31, 2008 due to an error reported on its originally filed report. Taxpayer inadvertently applied earned tax credits against 100% of its tax liability instead of 50% pursuant to SC Code Ann. s.12-6-3360(A). There has been no change to the federal return, therefore an 1120X has not been attached as instructed. The adjusted amount carried forward to the following year will be reflected on Taxpayer's 2009 tax return.

002050

2008 Tax Credit - South Carolina

Company	State	C/O from PY	2008 Credit	Total Credit Available
Dish DBS Corporation	SC	464,058	1,680,000	2,144,058

002051

8D4935 2.000

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State of South Carolina

'C' CORPORATION INCOME TAX RETURN

Return is due on or before the 15th day of the 3rd month following the close of the taxable year.

SC1120 (Rev. 7/25/08) 3091

Mail return to: SC DEPARTMENT OF REVENUE, Corporation Return, Columbia SC 29214-0100

SC FILE # [redacted]

INCOME TAX PERIOD ENDING 12/31/2008

LICENSE FEE PERIOD ENDING 12/31/2009

FED EI # [redacted]

DISH DBS CORPORATION

NAME FKA ECHOSTAR DBS CORPORATION

MAILING ADDRESS 9601 SOUTH MERIDIAN BLVD

CITY ENGLEWOOD STATE CO ZIP CODE 80112

Change of ☐ Address ☐ Accounting Period

Attach complete copy of Federal Return

County or Counties in SC Where Property is Located: THROUGHOUT STATE

City: ENGLEWOOD | Audit Location | State: CO

Audit Contact: KAREN FRANK | Telephone Number: 303-723-1000

AUG 04 2011

Check if ☒ Amended Return ▶ ☐ Consolidated Return

Total Gross Receipts: ▶ 11550298867

Total cost of depreciable personal property in SC. ▶ 59621362

If Filing a Final Return. See Instructions for Further Information.

▶ ☐ Merged ☐ Reorganized ☐ Dissolved ☐ Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY

1.	Federal Taxable Income per Federal Form 1120 or 1120A	1.	905,532,756
2.	Net Adjustment from line 15, Schedule A and B	2.	324,824,139
3.	Total Net Income as Reconciled (line 1 plus or minus line 2)	3.	1,230,356,895
4.	If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3.	4.	22,184,565
5.	LESS: South Carolina net operating loss carryover, if applicable	5.	
6.	South Carolina Net Income subject to tax (line 4 less line 5)	6.	22,184,565
7.	TAX: Multiply amount on line 6 by 5% (.05) 14035118	7.	1,109,228
8.	Less tax deferred on income from foreign trade receipts (see instructions)	8.	
9.	Balance (line 7 less line 8)	9.	1,109,228
10.	Credit Carryover (line 7, Schedule C) ▶ 1,589,444 Non-refundable credits (line 5, Schedule C) ▶	10.	(554,614)
11.	Balance of tax (line 9 less line 10). Enter the difference but not less than zero.	11.	554,614
12.	Interest on DISC-deferred tax liability ____ ; or Foreign Trade Deferred Tax Liability	12.	
13.	Total tax and/or interest (add lines 11 and 12)	13.	554,614
14.	**Payments:** (a) Tax Withheld (see instructions) ▶ ____ (b) Paid by Declaration ▶ 1,130,647		
	(c) Paid with Tentative Return ▶ 175,000 (d) Credit from Line 29b ▶		
	Refundable Credits: (e) Ammonia Additive ▶ ____ (f) Milk Credit ▶		
15.	Total Payments and Refundable Credits (add lines 14a through 14f)	15.	1,305,647
16.	Balance of Tax and/or Interest Due (line 13 less line 15)	16.	
17.	Interest Due ▶ ____ Penalty Due ▶ ____ (See penalty and interest instructions.) Enter Total ▶	17.	
18.	**TOTAL INCOME TAX**, Interest and Penalty Due (add lines 16 and 17) **BALANCE DUE**	18.	482,092
19.	**OVERPAYMENT** (line 15 less line 13) 751,033 To be applied as follows:		
	(a) Estimated Tax ____ 1,233,100 (b) License Fee ▶ 25 (c) REFUNDED ▶		

SC DEPT. OF REVENUE NOV 29 2010 RECEIVED

PART II COMPUTATION OF LICENSE FEE

20.	Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E) ▶	20.	✓ NONE
21.	FEE DUE - Line 20 x .001, plus $15.00 **(Fee cannot be less than $25.00 per taxpayer)**	21.	25
22.	Credit Carryover ▶ ____ Credit taken this year from SC1120TC, Part II, Column C ▶	22.	( )
23.	Balance (line 21 less line 22)	23.	25
24.	Payments: (24a) Paid with Tentative Return ▶ NONE (24b) Credit from line 19b ▶ 25		
25.	Total Payments (add line 24a and 24b)	25.	25
26	Balance of Fee Due (line 23 less line 25)	26	
27.	Interest Due ▶ ____ Penalty Due ▶ ____ (See penalty and interest instructions.) Enter Total ▶	27.	
28.	**TOTAL LICENSE FEE**, Interest and Penalty Due (add lines 26 and 27) **BALANCE DUE**	28.	
29.	**OVERPAYMENT** (line 25 less line 23) ____ To be applied as follows:		
	(a) Estimated Tax ▶ ____ (b) Income Tax ▶ ____ (c) REFUNDED ▶		
30.	**GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28)** . . . EFT ☐ ▶	30.	482,092

NO REMITTANCE ENCLOSED

Envelope opened by

Make check payable to: SC Department of Revenue. Include Business Name, FEI Number and SC File Number [redacted]

Go to www.sctax.org and look for the DOR ePay logo for other payment options.

For Office Use Only

PETITIONER'S EXHIBIT 24

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SC1120 Page 2

SCHEDULE A AND B ADDITIONS TO FEDERAL TAXABLE INCOME

1.	Taxes on or Measured By Income	1.	26,673,266	
2.	Federal Net Operating Loss	2.		
3.		3.		
4.		4.		
5.	Other Additions (attach schedule) Stmt 1	5.	312,633,983	
6.	Total Additions (add lines 1 through 5)			6. 339,307,249

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7.	Interest On Obligations Of The U.S.	7.		
8.	Federal Jobs Credit	8.	811,503	
9.		9.		
10.	Other Deductions (attach schedule) Stmt 1	10.	13,671,607	
11.	Total Deductions (add lines 7 through 10)			11. 14,483,110
12.	Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120			12. 324,824,139

SCHEDULE C SUMMARY OF INCOME TAX CREDITS (FROM SC1120-TC)

1.	Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 16)	1.	464,058
2.	Enter Total Credits from SC1120-TC, Column B, line 16. **SC1120-TC must be attached to return.**	2.	1,680,000
3.	Total Credits (add lines 1 and 2)	3.	2,144,058
4.	Tax (line 9, Part 1, SC1120)	4.	1,109,228
5.	Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 16.)	5.	554,614
6.	Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 16.)	6.	
7.	Credit Carryover (line 3 less lines 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 16.)	7.	1,589,444

Please Sign Here

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Signature of officer | Date: 11/23/2010 | Title: VP- TAX ADMIN | Telephone Number: (303) 723-1000

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes [X] No [ ]

Preparer's Printed Name: Michael C. Theiss P00850977

Paid Preparer's Use Only

Preparer's signature | Date: 11/23/2010 | Check if self-employed [ ] | Preparer's Telephone Number: 303-296-2323

Firm's name (or yours if self-employed) and address: KPMG LLP, 707 Seventeenth St., Suite 2700, Denver, CO | EI # [redacted] | ZIP Code 80202

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SCHEDULE D ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

1. Name DISH DBS CORPORATION
2. Incorporated under the laws of the State of COLORADO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 5000 THRUMOND MALL BLVD.
   In the City of COLUMBIA Registered Agent at such address is CORPORATION SERVICE COMPANY
4. Location of principal office (street address) See Statement 2
   Nature of principal business in SC CABLE AND OTHER PROGRAMMING
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000. CLASS: COMMON & PREFERRED SERIES:
6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000. CLASS: COMMON & PREFERRED SERIES:
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
	See Statement 2	

8. Date Incorporated 01/16/1996 Date commenced business in the State of South Carolina was 1/1/2004
9. Date of this report 09/15/2009 Fed EI # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is
11. Was the name of the Corporation changed during the year? YES Give old name
12. The Corporation's books are in the care of KAREN FRANK
    Located at (street address) See Statement 2
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) . . . . . $ NONE
    B. Total paid in Capital Surplus (cannot be a negative amount) . . . . . $ NONE
    C. Total amount of stated Capital (cannot be a negative amount) . . . . . $ NONE

SCHEDULES E, F, G, AND H ARE TO BE COMPLETED BY MULTI-STATE CORPORATIONS

SCHEDULE E — COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-in-Surplus at end of Year . . . . . $ NONE
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 20, Part II . . . . . $ NONE

SCHEDULE F — INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business						
2. Dividends received						
3. Rents						
4. Gains/losses on real property						
5. Gains/losses on intangible pers. prop.						
6. Investment income directly allocated						
7. TOTAL INCOME DIRECTLY ALLOCATED						
8. INCOME DIRECTLY ALLOCATED TO SC						
9. TOTALS TO APPORTIONMENT FACTORS						

SCHEDULE G — COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1 . . . . . 1. 1,230,356,895
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7 . . . . . 2.
3. Total net income subject to apportionment (line 1 less line 2) 3. 1,230,356,895
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I 4. 22,184,565
5. Add: Income subject to direct allocation to SC from Schedule F, line 8 . . . . . 5.
6. Total S.C. Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1 . . . . . 6. 22,184,565

SCHEDULE H-1 — COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land			4,156,182	4,455,167
2. Buildings	25,493		153,108,114	33,739,266
3. Machinery and Equipment	39,643,576	45,959,784	2,798,353,538	3,048,090,170
4. Inventories	22,084,305	33,839,981	274,336,418	406,689,435
5. Other Property	13,465,908	13,661,578	599,271,329	581,169,857
6. Exclusions	( )	( )	( )	( )
7. TOTAL (add lines 1-5; subtract line 6)	75,219,282	93,461,343	3,829,225,581	4,074,143,895

	1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)	84,340,313	3,951,684,738	
9. Rental or Lease Value	64,349,744	4,148,970,000	
10. TOTAL **Property** Add lines 8 and 9 (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)	148,690,057	8,100,654,738	1.8355%
11. GROSS Payroll	35,014,419	741,071,815	
12. Less: Officers Compensation and Exclusions	( )	( )	
13. TOTAL **Payroll** (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)	35,014,419	741,071,815	4.7248%
14. TOTAL **Sales** (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)	136,373,746	11,654,816,979	1.1701%
15. TOTAL **Sales** (same as line 14)	136,373,746	11,654,816,979	1.1701%
16. TOTAL of Ratios (add Column 3 - lines 10, 13, 14 and 15)			8.9005%
17. Arithmetical Average of Ratios			2.2251%

SCHEDULE H-2 — COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts			
2. Less: Exclusion (see instructions)	( )	( )	
3. Gross Receipts (for ratio)			
4. Ratio of Gross Receipts (line 3, Col. 1 ÷ line 3, Col. 2)			%

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3. Ratio (South Carolina ÷ Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina	136,373,746	
2. Total Sales Everywhere	11,654,816,979	
3. Ratio (South Carolina ÷ Everywhere)		1.1701

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3	1.	1,230,356,895
2. Enter Ratio from Sch H-1, Line 17	2.	2.2251 %
3. Multiply Line 2 by Line 1	3.	27,376,671
4. Enter Ratio from Line 3 of single factor apportionment schedule	4.	1.1701 %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3, Schedule H-4, Part I on Schedule G, Line 4	5.	14,396,406
6. Line 3 minus Line 5	6.	12,980,265
7. For tax year 2008, multiply amount on Line 6 by 40% (.40). This is the amount of reduction in SC taxable income allowed this year	7.	5,192,106
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4	8.	22,184,565

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-in-Surplus at the end of the year. If $10,000 or less, **STOP HERE** and enter on Schedule E, Line 2	1.	NONE
2. Enter the ratio from Sch H-1, Line 17	2.	%
3. Multiply Line 1 by Line 2. If $10,000 or less, **STOP HERE** and enter on Schedule E, Line 2	3.	
4. Enter the ratio from Line 3 of single factor apportionment schedule	4.	%
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3 on Schedule E, Line 2	5.	
6. Line 3 minus Line 5	6.	
7. For tax year 2008, multiply the amount on Line 6 by 40% (.40). This is the amount of reduction of license fee basis allowed this year	7.	
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2	8.	

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

CORPORATE TAX CREDITS

SC1120-TC
(Rev. 10/31/08)
3370

NAME OF CORPORATION DISH DBS CORPORATION
FKA ECHOSTAR DBS CORPORATION

FED EI # [redacted]

SC FILE #

These credits are computed on separate forms. Be sure to attach the appropriate form(s) to this schedule for the credit you are claiming.

Part I Corporate Income Tax Credits

	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. New Jobs Credit (TC-4)	464,058	1,680,000	72,522		2,071,536
2. Economic Impact Zone Property Investment Credit (TC-11)					
3. Family Independence Payments Credit (TC-12)					
4. Research Expenses Credit (TC-18)					

For lines 5-15, enter credit description and associated code from the following information, along with the dollar amount of credit claimed.

Credit Title	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
5.	5.					
6.	6.					
7.	7.					
8.	8.					
9.	9.					
10.	10.					
11.	11.					
12.	12.					
13.	13.					
14.	14.					
15.	15.					
16. Total of Lines 1-15		464,058	1,680,000	72,522		2,071,536

**SEE SEPARATE LISTING FOR CREDITS WHICH MAY BE USED AS CREDITS AGAINST LICENSE FEES.

Part II Corporate License Fee Credits

Credit Title	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1.	1.					
2.	2.					
3.	3.					
4.	4.					
5.	5.					
6.	6.					
7. Total Corporate License Fee Credits (See Instructions)						

DESCRIPTIONS CONTINUES ON LAST PAGE

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South Carolina SC1120, Page 2 Detail

Sch. A, Line 5 - Other additions

Depr. Adj. for Job Creation and Workers' Assistance Act	312,633,983.
Total	312,633,983.

Sch. B, Line 10 - Other deductions

Gain or loss on sale of qualifying property	13,671,607.
Total	13,671,607.

South Carolina SC1120, Page 2 Detail

Sch. D, Line 4 - Location of Principal Office

9601 S. MERIDIAN BLVD.
ENGLEWOOD, CO CO 80112

Sch. D, Line 7 - Directors and Principal Officers in the Corporation

Name	Title	Business Address and Office
CHARLES ERGEN	President	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
R. STANTON DODGE	Secretary	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
JAMES DEFRANCO	Vice President	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
CARL E. VOGEL	Other	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
W. Erik Carlson	Vice President	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
THOMAS A. CULLEN	Vice President	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
BERNARD L. HAN	Treasurer	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
MICHAEL KELLY	Vice President	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801
STEPHEN W. WOOD	Vice President	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 801

Sch. D, Line 12 - Location of Books

9601 SOUTH MERIDIAN BLVD.
ENGLEWOOD, CO CO 80112

Taxpayer's Name: DISH DBS Corporation
Federal I.D. Number: [redacted]
Form: South Carolina C Corporation Income Tax Return Form SC1120
Income Tax Year: 12/31/2008

Apportionment Factor

Apportionment Factor

DISH DBS Corporation, "DISH", is a pay-television provider that provides its customers with a wide selection of local and national programming accessible by the subscriber via direct satellite communications. For those companies that do not sell tangible personal property, South Carolina requires the companies to apportion their income using the single sales factor pursuant to SC Code Ann. §12-6-2290. On the original return, DISH utilized the three factor apportionment. Since DISH primary business is providing programming for its subscribers, the single sales factor should have been utilized on the return. The return is being amended to reflect the single sales factor.

Per SC Code Ann. §12-6-2295(A)(5), receipts from services are situsted to South Carolina if the entire income-producing activity is within the state. If the income-producing activity is performed partly within and partly without this State, then sales are attributable to the state to the extent the income-producing activity is performed within this state. Dish income-producing activity in South Carolina is performed partly within and partly without the state. The return is being amended to include sales in the numerator of the sales factor where the income producing activity occurs in the state.

TP filed amended returns for period under audit - the CD & do not issue refunds.

PETITIONER'S EXHIBIT 28

647460-001

1039

State of South Carolina
'C' CORPORATION INCOME TAX RETURN
Return is due on or before the 15th day of the 3rd month following the close of the taxable year.
Mail return to: SC DEPARTMENT OF REVENUE, Corporation Return, Columbia SC 29214-0100

SC1120
(Rev. 7/25/08)
3091

SC FILE # [redacted]

INCOME TAX PERIOD ENDING 12/31/2008
LICENSE FEE PERIOD ENDING 12/31/2009

FED EI # [redacted]

NAME DISH DBS CORPORATION
MAILING ADDRESS 9601 SOUTH MERIDIAN BLVD
CITY ENGLEWOOD STATE CO ZIP CODE 80112

Change of ☐ Address ☐ Accounting Period

Attach complete copy of Federal Return

County or Counties in SC Where Property is Located:
THROUGHOUT STATE

City Audit Location: ENGLEWOOD State:

Audit Contact: KAREN FRANK Telephone Number: 303-723-1000

Check if ☒ Amended Return ▶ ☐ Consolidated Return

Total Gross Receipts. ▶ 11,654,816,979

Total cost of depreciable personal property in SC ▶ 59,621,362

If Filing a Final Return, See Instructions for Further Information.
▶ ☐ Merged ☐ Reorganized ☐ Dissolved ☐ Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY

1.	Federal Taxable Income per Federal Form 1120 or 1120A	1.	905,532,756
2.	Net Adjustment from line 12, Schedules A and B ... 34020989	2.	324,824,139
3.	Total Net Income as Reconciled (line 1 plus or minus line 2) ... S.C.	3.	1,230,356,895
4.	If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3 ... DEPT. OF REVENUE	4.	2,952,744
5.	LESS: South Carolina net operating loss carryover, if applicable	5.	
6.	South Carolina Net Income subject to tax (line 4 less line 5)	6.	2,952,744
7.	TAX: Multiply amount on line 6 by 5% (.05) ... SEP 20 2012	7.	147,637
8.	Less tax deferred on income from foreign trade receipts (see instructions)	8.	
9.	Balance (line 7 less line 8)	9.	147,637
10.	Credit Carryover (line 7, Schedule C) ▶ 2,069,007 Non-refundable credits (line 5, Schedule C) ... RECEIVED	10.	< 73,819 >
11.	Balance of tax (line 9 less line 10). Enter the difference but not less than zero	11.	73,818
12.	Interest on DISC-deferred tax liability _____ ; or Foreign Trade Deferred Tax Liability _____	12.	
13.	Total tax and/or interest (add lines 11 and 12)	13.	73,818
14.	Payments: (a) Tax Withheld (see instructions) ▶ _____ (b) Paid by Declaration ▶ 554,614 (c) Paid with Tentative Return ▶ _____ (d) Credit from Line 29b ▶ 0 Refundable Credits: (e) Ammonia Additive ▶ _____ (f) Milk Credit ▶ _____		
15.	Total Payments and Refundable Credits (add lines 14a through 14f)	15.	554,614
16.	Balance of Tax and/or Interest Due (line 13 less line 15)	16.	0
17.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total.	17.	(0
18.	TOTAL INCOME TAX, Interest and Penalty Due (add lines 16 and 17) ... BALANCE DUE	18.	0
19.	OVERPAYMENT (line 15 less line 13) 480.796 To be applied as follows: (a) Estimated Tax ▶ _____ (b) License Fee ▶ _____ (c) REFUNDED ▶		480.796

PART II COMPUTATION OF LICENSE FEE

20.	Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E)	20.	NONE
21.	FEE DUE - Line 20 x .001, plus $15.00 (Fee cannot be less than $25.00 per taxpayer)	21.	25
22.	Credit Carryover ▶ _____ Credit taken this year from SC1120TC, Part II, Column C	22.	< >
23.	Balance (line 21 less line 22)	23.	25
24.	Payments: (24a) Paid with Tentative Return ▶ 25 (24b) Credit from line 19b ▶ _____		
25.	Total Payments (add line 24a and 24b)	25.	25
26.	Balance of Fee Due (line 23 less line 25)	26.	0
27.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total.	27.	0
28.	TOTAL LICENSE FEE, Interest and Penalty Due (add lines 26 and 27) ... BALANCE DUE	28.	0
29.	OVERPAYMENT (line 25 less line 23) 0 To be applied as follows: (a) Estimated Tax ▶ _____ (b) Income Tax ▶ _____ (c) REFUNDED ▶		0
30.	GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28) ... EFT ☐	30.	0

Make check payable to: SC Department of Revenue. Include Business Name, FEI Number and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

For Office Use Only

VB

000386

647460-002

SC1120 Page 2

SCHEDULES A AND B ADDITIONS TO FEDERAL TAXABLE INCOME

1. Taxes on or Measured By Income	1.	26,673,266	
2. Federal Net Operating Loss	2.		
3.	3.		
4.	4.		
5. Other Additions (attach schedule) SEE STMT 1	5.	312,633,983	
6. Total Additions (add lines 1 through 5)			6. 339,307,249

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7. Interest On Obligations Of The U.S.	7.		
8. FEDERAL JOBS CREDIT	8.	811,503	
9.	9.		
10. Other Deductions (attach schedule) SEE STMT 1	10.	13,671,607	
11. Total Deductions (add lines 7 through 10)			11. 14,483,110
12. Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120			12. 324,824,139

SCHEDULE C SUMMARY OF INCOME TAX CREDITS (FROM SC1120-TC)

1. Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC, Column A, line 18)	1.	462,826
2. Enter Total Credits from SC1120-TC, Column B, line 18. SC1120-TC must be attached to return.	2.	1,680,000
3. Total Credits (add lines 1 and 2)	3	2,142,826
4. Tax (line 9, Part 1, SC1120)	4.	147,637
5. Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 16.)	5.	73,819
6. Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 18.)	6.	
7. Credit Carryover (line 3 less lines 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 16.)	7.	2,069,007

Please Sign Here

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Signature of officer | Date 9/13/12 | Title VP CORPORATE TAXES | Telephone Number 303-723-3367

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes [X] No [ ] | Preparer's Printed Name

Paid Preparer's Use Only

Preparer's signature | Date 9/12/12 | Check if self-employed [ ] | Preparer's Telephone Number (303) 292-5400

Firm's name (or yours if self-employed) and address: DELOITTE TAX LLP, 555 17TH STREET SUITE 3600, DENVER, CO | EI # [redacted] | ZIP Code 80202

647460-003

SC1120 Page 3

SCHEDULE D ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

1. Name DISH DBS CORPORATION
2. Incorporated under the laws of the State of COLORADO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 500 THURMOND MALL BLVD
   In the City of COLUMBIA Registered Agent at such address is CORPORATION SERVICE COMPANY
4. Location of principal office (street address) SEE STATEMENT 2
   Nature of principal business in SC CABLE AND OTHER PROGRAMMING
5. The total number of authorized shares of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000 CLASS: COMMON AND PREFERRED SERIES:
6. The total number of issued and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000 CLASS: COMMON AND PREFERRED SERIES:
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are: (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
SEE STATEMENT 2		

8. Date incorporated 01/16/1996 Date commenced business in the State of South Carolina was 01/01/2004
9. Date of this report Fed EI # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is
11. Was the name of the Corporation changed during the year? YES Give old name ECHOSTAR DBS CORPORATION
12. The Corporation's books are in the care of KAREN FRANK
    Located at (street address) SEE STATEMENT 2
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) ..... $ NONE
    B. Total paid in Capital Surplus (cannot be a negative amount) ..... $ NONE
    C. Total amount of stated Capital (cannot be a negative amount) ..... $ NONE

000388

SCHEDULES E, F, G, AND H ARE TO BE COMPLETED BY MULTI-STATE CORPORATIONS

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-In-Surplus at end of Year. ..... $ NONE
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II Also enter on line 20, Part II ..... $ NONE

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business						
2. Dividends received						
3. Rents						
4. Gains/losses on real property						
5. Gains/losses on intangible pers. prop.						
6. Investment income directly allocated						
7. TOTAL INCOME DIRECTLY ALLOCATED						
8. INCOME DIRECTLY ALLOCATED TO SC						
9. TOTALS TO APPORTIONMENT FACTORS						

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1.	1.	1,230,356,895
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7.	2.	
3. Total net income subject to apportionment (line 1 less line 2)	3.	1,230,356,895
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I	4.	2,952,744
5. Add. Income subject to direct allocation to SC from Schedule F, line 8	5.	
6. Total S.C. Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1	6.	2,952,744

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land				
2. Buildings				
3. Machinery and Equipment				
4. Inventories				
5. Other Property				
6. Exclusions	< >	< >	< >	< >
7. TOTAL (add lines 1 - 5; subtract line 6)				

	1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)			
9. Rental or Lease Value			
10. TOTAL Property Add lines 8 and 9. (Col. 1÷ Col. 2 and enter ratio in Col. 3)			%
11. GROSS Payroll			
12 Less Officers Compensation and Exclusions	< 0 >	< 0 >	
13. TOTAL Payroll (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)			%
14. TOTAL Sales (Col 1 ÷ Col. 2 and enter ratio in Col 3)			%
15. TOTAL Sales (same as line 14)			%
16. TOTAL of Ratios (add Column 3 - lines 10,13, 14 and 15)			%
17. Arithmetical Average of Ratios			%

SCHEDULE H-2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts	27,975,254	11,654,816,979	
2. Less: Exclusion (see instructions)	< >	< >	
3. Gross Receipts (for ratio)	27,975,254	11,654,816,979	
4. Ratio of Gross Receipts (line 3, Col. 1 ÷ line 3, Col. 2)			0.2400 %

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3. Ratio (South Carolina ÷ Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1 Total Sales Within South Carolina	27,975,254	
2. Total Sales Everywhere	11,654,816,979	
3. Ratio (South Carolina ÷ Everywhere)		0.2400

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3. ..... 1. 1,230,356,895
2. Enter Ratio from Sch H-1, Line 17 ..... 2. %
3. Multiply Line 2 by Line 1. ..... 3. 0
4. Enter Ratio from Line 3 of single factor apportionment schedule. ..... 4. 0.2400 %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, STOP HERE and enter amount from Line 3, Schedule H-4, Part I on Schedule G, Line 4 ..... 5. 2,952,744
6. Line 3 minus Line 5 ..... 6.
7. For tax year 2008, multiply amount on Line 6 by 40% (.40). This is the amount of reduction in SC taxable income allowed this year ..... 7.
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4. ..... 8.

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-In-Surplus at the end of the year. If $10,000 or less, STOP HERE and enter on Schedule E, Line 2 ..... 1. NONE
2. Enter the ratio from Sch H-1, Line 17. ..... 2. %
3. Multiply Line 1 by Line 2. If $10,000 or less, STOP HERE and enter on Schedule E, Line 2 ..... 3.
4. Enter the ratio from Line 3 of single factor apportionment schedule ..... 4. %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, STOP HERE and enter amount from Line 3 on Schedule E, Line 2. ..... 5.
6. Line 3 minus Line 5 ..... 6.
7. For tax year 2008, multiply the amount on Line 6 by 40% (.40). This is the amount of reduction of license fee basis allowed this year ..... 7.
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2 ..... 8.

647460-006

1039

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

CORPORATE TAX CREDITS

SC1120-TC
(Rev. 10/31/08)
3370

NAME OF CORPORATION
DISH DBS CORPORATION FKA ECHOSTAR DBS CORPORATION

FED EI #

SC FILE #

These credits are computed on separate forms. Be sure to attach the appropriate form(s) to this schedule for the credit you are claiming.

Part I Corporate Income Tax Credits

	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. New Jobs Credit (TC-4)	462,826	1,680,000	73,819		2,069,007
2. Economic Impact Zone Property Investment Credit (TC-11)					
3. Family Independence Payments Credit (TC-12)					
4. Research Expenses Credit (TC-18)					

For lines 5-15, enter credit description and associated code from the following information, along with the dollar amount of credit claimed.

Credit Title	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
5.	5.					
6.	6.					
7.	7.					
8.	8.					
9.	9.					
10.	10.					
11.	11.					
12.	12.					
13.	13.					
14.	14.					
15.	15.					
16. Total of Lines 1-15		462,826	1,680,000	73,819		2,069,007

**SEE SEPARATE LISTING FOR CREDITS WHICH MAY BE USED AS CREDITS AGAINST LICENSE FEES.

Part II Corporate License Fee Credits

Credit Title	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1.	1.					
2.	2.					
3.	3.					
4.	4.					
5.	5.					
6.	6.					
7. Total Corporate License Fee Credits (See Instructions)						

DESCRIPTIONS CONTINUED ON LAST PAGE

33701038

DISH DBS CORPORATION FKA ECHOSTAR DBS CORPORATION
FEIN [redacted]
AMENDED FORM SC1120
12/31/2008

SOUTH CAROLINA SC1120, PAGE 2 DETAIL

SCH. A, LINE 5 - OTHER ADDITIONS

DEPRECIATION ADJUSTMENT FOR JOB CREATION AND WORKERS' ASSISTANCE ACT	312,633,983
TOTAL	312,633,983

SCH. B, LINE 10 - OTHER DEDUCTIONS

GAIN OR LOSS ON SALE OF QUALIFYING PROPERTY	13,671,607
TOTAL	13,671,607

STATEMENT 1

DISH DBS CORPORATION FKA ECHOSTAR DBS CORPORATION
FEIN [redacted]
AMENDED FORM SC1120
12/31/2008

SOUTH CAROLINA SC1120, PAGE 3 DETAIL

SCH. D, LINE 4 - LOCATION OF PRINCIPAL OFFICE

9601 SOUTH MERIDIAN BLVD.
ENGLEWOOD, CO 80112

SCH. D, LINE 7 - DIRECTORS AND PRINCIPAL OFFICERS IN THE CORPORATION

NAME	TITLE	BUSINESS ADDRESS AND OFFICE
CHARLES ERGEN	PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
R. STANTON DODGE	SECRETARY	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
JAMES DEFRANCO	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
CARL E. VOGEL	OTHER	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
W. ERIK CARLSON	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
THOMAS A. CULLEN	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
BERNARD L. HAN	TREASURER	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
MICHAEL KELLY	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
STEPHEN W. WOOD	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112

SCH. D, LINE 12 - LOCATION OF BOOKS

9601 SOUTH MERIDIAN BLVD.
ENGLEWOOD, CO 80112

STATEMENT 2

647460-009

DISH DBS CORPORATION FKA ECHOSTAR DBS CORPORATION
FEIN [redacted]
AMENDED FORM SC1120
12/31/2008

	AS LAST FILED	ADJUSTMENTS	PER AMENDED
FEDERAL TAXABLE INCOME	905,532,756	0	905,532,756
ADDITIONS TO TAXABLE INCOME			
TAXES ON OR MEASURED BY INCOME	26,673,266	0	26,673,266
DEPRECIATION ADJUSTMENT	312,633,983	0	312,633,983
TOTAL ADDITIONS	339,307,249	0	339,307,249
SUBTRACTIONS FROM TAXABLE INCOME			
FEDERAL JOBS CREDIT	811,503	0	811,503
GAIN/LOSS ON QUALIFYING PROPERTY	13,671,607	0	13,671,607
TOTAL SUBTRACTIONS	14,483,110	0	14,483,110
NET INCOME FROM SOUTH CAROLINA & OTHER STATES	1,230,356,895	0	1,230,356,895
LESS: NET NONBUSINESS INCOME	0	0	0
TOTAL NET INCOME SUBJECT TO APPORTIONMENT	1,230,356,895	0	1,230,356,895
SOUTH CAROLINA APPORTIONMENT			
TOTAL SOUTH CAROLINA PROPERTY	0	0	0
TOTAL EVERYWHERE PROPERTY	0	0	0
TOTAL SOUTH CAROLINA PAYROLL	0	0	0
TOTAL EVERYWHERE PAYROLL	0	0	0
TOTAL SOUTH CAROLINA SALES	149,279,655	-121,304,401	27,975,254
TOTAL EVERYWHERE SALES	11,654,816,979	0	11,654,816,979
SOUTH CAROLINA APPORTIONMENT PERCENTAGE	2.2251%	-0.9443%	1.2808%
INCOME APPORTIONED TO SOUTH CAROLINA	15,758,411	-12,805,667	2,952,744
ADD: INCOME ALLOCATED TO SOUTH CAROLINA	0	0	0
LESS: SOUTH CAROLINA NOL DEDUCTION	0	0	0
SOUTH CAROLINA TAXABLE INCOME	15,758,411	0	2,952,744

STATEMENT 3

000394

1350

State of South Carolina

'C' CORPORATION INCOME TAX RETURN

Return is due on or before the 15th day of the 3rd month following the close of the taxable year.

SC1120
(Rev. 8/28/09)
3091

Mail return to: SC DEPARTMENT OF REVENUE, Corporation Return, Columbia SC 29214-0100

SC FILE # [redacted]

INCOME TAX PERIOD ENDING 2009-12-31
LICENSE FEE PERIOD ENDING 2010-12-31

FEIN [redacted]

NAME DISH DBS CORPORATION
MAILING ADDRESS 9601 SOUTH MERIDIAN BLVD
CITY ENGLEWOOD STATE CO ZIP CODE 80112

Change of ☐ Address ☐ Accounting Period

Attach complete copy of Federal Return

County or Counties in SC Where Property is Located:
THROUGHOUT STATE

City	Audit Location	State
Englewood		CO

Audit Contact	Telephone Number
KAREN FRANK	303-723-1000

Check if ☐ Amended Return ▶ ☐ Consolidated Return

Total Gross Receipts. ▶ 12,445,462,366

Total cost of depreciable personal property in SC. ▶

If Filing a Final Return, see General Instructions, page 6.
You MUST close your account with the SECRETARY OF STATE and complete I-349.
▶ ☐ Merged ☐ Reorganized ☐ Dissolved ☐ Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY

1.	Federal Taxable Income per Federal Form 1120 or 1120A	1.	459,875,061
2.	Net Adjustment from line 12, Schedule A and B	2.	173,910,487
3.	Total Net Income as Reconciled (line 1 plus or minus line 2)	3.	633,785,548
4.	If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3.	4.	27,065,812
5.	LESS: South Carolina net operating loss carryover, if applicable	5.	
6.	South Carolina Net Income subject to tax (line 4 less line 5)	6.	27,065,812
7.	TAX: Multiply amount on line 6 by 5% (.05)	7.	1,353,291
8.	Less tax deferred on income from foreign trade receipts (see instructions)	8.	
9.	Balance (line 7 less line 8)	9.	1,353,291
10.	Credit Carryover (line 7, Schedule C) ▶ 5,010,389 Non-refundable credits (line 5, Schedule C)	10.	676,646
11.	Balance of tax (line 9 less line 10). Enter the difference but not less than zero	11.	676,645
12.	Interest on DISC-deferred tax liability _____ ; or Foreign Trade Deferred Tax Liability _____	12.	
13.	Total tax and/or interest (add lines 11 and 12)	13.	676,645
14.	**Payments:** (a) Tax Withheld (see instructions) ▶ _____ (b) Paid by Declaration ▶ 1,483,100		
	(c) Paid with Tentative Return ▶ _____ (d) Credit from Line 29b ▶ _____		
	Refundable Credits: (e) Ammonia Additive ▶ _____ (f) Milk Credit ▶ _____		
15.	Total Payments and Refundable Credits (add lines 14a through 14f)	15.	1,483,100
16.	Balance of Tax and/or Interest Due (line 13 less line 15)	16.	
17.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total.	17.	
18.	**TOTAL INCOME TAX**, Interest and Penalty Due (add lines 16 and 17) **BALANCE DUE**	18.	
19.	**OVERPAYMENT** (line 15 less line 13) 806,455 To be applied as follows:		
	(a) Estimated Tax ▶ 806,430 **(b) License Fee** ▶ 25 **(c) *REFUNDED** ▶		

PART II COMPUTATION OF LICENSE FEE

20.	Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E)	20.	0
21.	FEE DUE - Line 20 x .001, plus $15.00 **(Fee cannot be less than $25.00 per taxpayer)**	21.	25
22.	Credit Carryover ▶ 676,646 Credit taken this year from SC1120TC, Part II, Column C.	22.	
23.	Balance (line 21 less line 22)	23.	25
24.	Payments: (24a) Paid with Tentative Return ▶ _____ (24b) Credit from line 19b ▶ 25		
25.	Total Payments (add line 24a and 24b)	25.	25
26.	Balance of Fee Due (line 23 less line 25)	26.	
27.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total.	27.	
28.	**TOTAL LICENSE FEE**, Interest and Penalty Due (add lines 26 and 27) **BALANCE DUE**	28.	
29.	**OVERPAYMENT** (line 25 less line 23) _____ To be applied as follows:		
	(a) Estimated Tax ▶ _____ **(b) Income Tax** ▶ _____ **(c) *REFUNDED** ▶		
30.	**GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28) . . . EFT** ☐ ▶	30.	

Make check payable to: SC Department of Revenue. Include Business Name, FEIN and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

For Office Use Only

PETITIONER'S EXHIBIT
4 9

001891

SCHEDULE A AND B ADDITIONS TO FEDERAL TAXABLE INCOME

1. Taxes on or Measured By Income	1.	69,537,601	
2. Federal Net Operating Loss	2.		
3.	3.		
4.	4.		
5. Other Additions (attach schedule)	5.	168,790,605	
6. Total Additions (add lines 1 through 5)			6. 238,328,206

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7. Interest On Obligations Of The U.S.	7.		
8.	8.		
9.	9.		
10. Other Deductions (attach schedule)	10.	63,214,364	
11. Total Deductions (add lines 7 through 10)			11. 64,417,719
12. Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120			12. 173,910,487

SCHEDULE C SUMMARY OF INCOME TAX CREDITS (FROM SC1120-TC)

1. Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 16)	1.	2,071,535
2. Enter Total Credits from SC1120-TC, Column B, line 16. **SC1120-TC must be attached to return.**	2.	3,615,500
3. Total Credits (add lines 1 and 2)	3.	5,687,035
4. Tax (line 9, Part 1, SC1120)	4.	1,353,291
5. Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 16.)	5.	676,646
6. Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 16.)	6.	
7. Credit Carryover (line 3 less lines 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 16.)	7.	5,010,389

***REFUND NOTE:** Income tax refunds of less than $100 and license fee refunds of less than $100 will be applied to the next year's estimated tax unless indicated here: Initial here for refund to be sent. _____

Please Sign Here

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Signature of officer	Date	Title	Telephone Number
	2010-09-15	Vice President	303-723-1000

I **authorize** the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes [X] No [ ] Preparer's Printed Name

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed [ ]	Preparer's Telephone Number
Firm's name (or yours if self-employed) and address		FEIN	
		ZIP Code	

001892

SCHEDULE D ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

1. Name DISH DBS CORPORATION
2. Incorporated under the laws of the State of COLORADO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 500 THURMOND MALL BLVD
   In the City of COLUMBIA Registered Agent at such address is CORPORATION SERVICE COMPANY
4. Location of principal office (street address) 9601 South Meridian Blvd Englewood CO
   Nature of principal business in SC CABLE AND OTHER PROGRAMMING
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000 CLASS: COMMON AND PREFERRED SERIES:
6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000 CLASS: COMMON AND PREFERRED SERIES:
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are: (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
CHARLES W ERGEN		9601 S MERIDIAN BLVD ENGLEWOOD C ENGLEWOOD CO 80112
W ERIK CARLSON		9601 S MERIDIAN BLVD ENGLEWOOD C ENGLEWOOD CO 80112
THOMAS A CULLEN		9601 S MERIDIAN BLVD ENGLEWOOD C ENGLEWOOD CO 80112
JAMES DEFRANCO		9601 S MERIDIAN BLVD ENGLEWOOD C ENGLEWOOD CO 80112
R STANTON DODGE		9601 S MERIDIAN BLVD ENGLEWOOD C ENGLEWOOD CO 80112
BERNARD L HAN		9601 S MERIDIAN BLVD ENGLEWOOD C ENGLEWOOD CO 80112
MICHAEL KELLY		9601 S MERIDIAN BLVD ENGLEWOOD C ENGLEWOOD CO 80112
STEPHEN W WOOD		9601 S MERIDIAN BLVD ENGLEWOOD C ENGLEWOOD CO 80112
CARL E VOGEL		9601 S MERIDIAN BLVD ENGLEWOOD ENGLEWOOD CO 80112

8. Date Incorporated 1996-01-16 Date commenced business in the State of South Carolina was 2004-01-01
9. Date of this report 2010-09-15 FEIN [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is
11. Was the name of the Corporation changed during the year? Give old name
12. The Corporation's books are in the care of Karen Frank
    Located at (street address) 9601 South Meridian Blvd Englewood CO 80112
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) . . . . . $ 0
    B. Total paid in Capital Surplus (cannot be a negative amount). . . . . $ 0
    C. Total amount of stated Capital (cannot be a negative amount) . . . . . $ 0

001893

SCHEDULES E, F, G, AND H ARE TO BE COMPLETED BY MULTI-STATE CORPORATIONS

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-In-Surplus at end of Year	$	0
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 20, Part II	$	0

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business						
2. Dividends received						
3. Rents						
4. Gains/losses on real property						
5. Gains/losses on intangible pers. prop.						
6. Investment income directly allocated						
7. TOTAL INCOME DIRECTLY ALLOCATED						
8. INCOME DIRECTLY ALLOCATED TO SC						
9. TOTALS TO APPORTIONMENT FACTORS						

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1	1.	633,785,548
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7	2.	
3. Total net income subject to apportionment (line 1 less line 2)	3.	633,785,548
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I	4.	27,065,812
5. Add: Income subject to direct allocation to SC from Schedule F, line 8	5.	
6. Total SC Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1	6.	27,065,812

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land				
2. Buildings				
3. Machinery and Equipment				
4. Inventories				
5. Other Property				
6. Exclusions	< >	< >	< >	< >
7. TOTAL (add lines 1 - 5; subtract line 6)				

	1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)			
9. Rental or Lease Value			
10. TOTAL **Property** Add lines 8 and 9. (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)			0.0000 %
11. GROSS Payroll			
12. Less: Officers Compensation and Exclusions	< >	< >	
13. TOTAL **Payroll** (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)	0	0	0.0000 %
14. TOTAL **Sales** (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)	0	0	0.0000 %
15. TOTAL **Sales** (same as line 14)			0.0000 %
16. TOTAL of Ratios (add Column 3 - lines 10,13, 14 and 15)			%
17. Arithmetical Average of Ratios			0.0000 %

SCHEDULE H - 2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts	531,477,876	12,445,462,366	
2. Less: Exclusion (see instructions)	< >	< >	
3. Gross Receipts (for ratio)	531,477,876	12,445,462,366	
4. Ratio of Gross Receipts (line 3, Col. 1 ÷ line 3, Col. 2)			4.0000 %

001894

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3. Ratio (South Carolina ÷ Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina		
2. Total Sales Everywhere		
3. Ratio (South Carolina ÷ Everywhere)		0.0000 %

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3 ..... 1. 633,785,548
2. Enter Ratio from Sch H-1, Line 17 ..... 2. 0.0000 %
3. Multiply Line 2 by Line 1 ..... 3.
4. Enter Ratio from Line 3 of single factor apportionment schedule ..... 4. 0.0000 %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3, Schedule H-4, Part I on Schedule G, Line 4 ..... 5.
6. Line 3 minus Line 5 ..... 6.
7. For tax year 2009, multiply amount on Line 6 by 60% (.60). This is the amount of reduction in SC taxable income allowed this year ..... 7.
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4 ..... 8. 27,065,812

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-in-Surplus at the end of the year. If $10,000 or less, **STOP HERE** and enter on Schedule E, Line 2 ..... 1.
2. Enter the ratio from Sch H-1, Line 17 ..... 2. 0.0000 %
3. Multiply Line 1 by Line 2. If $10,000 or less, **STOP HERE** and enter on Schedule E, Line 2 ..... 3.
4. Enter the ratio from Line 3 of single factor apportionment schedule ..... 4. 0.0000 %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3 on Schedule E, Line 2 ..... 5.
6. Line 3 minus Line 5 ..... 6.
7. For tax year 2009, multiply the amount on Line 6 by 60% (.60). This is the amount of reduction of license fee basis allowed this year ..... 7.
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2 ..... 8. 0

001895

647441-095

1039

State of South Carolina
'C' CORPORATION INCOME TAX RETURN
Return is due on or before the 15th day of the 3rd month following the close of the taxable year.

SC1120
(Rev. 8/31/10)
3091

If a refund or zero return, mail to: SC DOR, Corporation Return, Columbia SC 29214-0033
If a balance due return, mail to: SC DOR, Corporation Return, Columbia SC 29214-0034

SC FILE # [redacted] 6

INCOME TAX PERIOD ENDING 12/31/2009
LICENSE FEE PERIOD ENDING 12/31/2010

FEIN [redacted]

NAME DISH DBS CORPORATION
MAILING ADDRESS 9601 SOUTH MERIDIAN BLVD
CITY ENGLEWOOD STATE CO ZIP CODE 80112

Change of ☐ Address ☐ Accounting Period ☐ Officers

Attach complete copy of Federal Return

County or Counties in SC Where Property is Located:
THROUGHOUT STATE

City	Audit Location	State
ENGLEWOOD		CO

Audit Contact	Telephone Number
KAREN FRANK	303-723-1000

Check if ☒ Amended Return ▶ ☐ Consolidated Return

Total Gross Receipts.	Total cost of depreciable personal property in SC.
▶ 12,445,462,366	▶

If Filing a Final Return, see General Instructions, page 6.
You MUST close your account with the SECRETARY OF STATE and complete I-349.
▶ ☐ Merged ☐ Reorganized ☐ Dissolved ☐ Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY

1.	Federal Taxable Income per federal tax return	1.	459,875,061
2.	Net Adjustment from line 12, Schedule A and B	2.	173,910,487
3.	Total Net Income as Reconciled (line 1 plus or minus line 2) ▶	3.	633,785,548
4.	If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3. ▶	4.	1,955,862
5.	LESS: South Carolina net operating loss carryover, if applicable	5.	
6.	South Carolina Net Income subject to tax (line 4 less line 5) ▶	6.	1,955,862
7.	TAX: Multiply amount on line 6 by 5% (.05)	7.	97,793
8.	Less tax deferred on income from foreign trade receipts (see instructions) ▶	8.	
9.	Balance (line 7 less line 8)	9.	97,793
10.	Credit Carryover (line 7, Schedule C) ▶ 5,635,610 Non-refundable credits (line 5, Schedule C) ▶	10.	< 48,897 >
11.	Balance of tax (line 9 less line 10). Enter the difference but not less than zero.	11.	48,896
12.	Interest on DISC-deferred tax liability _____; or Foreign Trade Deferred Tax Liability _____	12.	
13.	Total tax and/or interest (add lines 11 and 12)	13.	48,896
14.	Payments: (a) Tax Withheld (see instructions) ▶ _____ (b) Paid by Declaration ▶ 676,645 (c) Paid with Tentative Return ▶ 0 (d) Credit from Line 29b ▶ 0 Refundable Credits: (e) Ammonia Additive ▶ _____ (f) Milk Credit ▶ _____		
15.	Total Payments and Refundable Credits (add lines 14a through 14f)	15.	676,645
16.	Balance of Tax and/or Interest Due (line 13 less line 15) ▶	16.	0
17.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total ▶	17.	0
18.	TOTAL INCOME TAX, Interest and Penalty Due (add lines 16 and 17) ..... BALANCE DUE	18.	0
19.	OVERPAYMENT (line 15 less line 13) 627,749 To be applied as follows: (a) Estimated Tax ▶ _____ (b) License Fee ▶ _____ (c) *REFUNDED ▶		627,749

PART II COMPUTATION OF LICENSE FEE

20.	Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E) ▶	20.	NONE
21.	FEE DUE - Line 20 x .001, plus $15.00 (Fee cannot be less than $25.00 per taxpayer)	21.	25
22.	Credit Carryover ▶ _____ Credit taken this year from SC1120TC, Part II, Column C ▶	22.	< >
23.	Balance (line 21 less line 22)	23.	25
24.	Payments: (24a) Paid with Tentative Return ▶ 25 (24b) Credit from line 19b ▶ _____		
25.	Total Payments (add line 24a and 24b)	25.	25
26.	Balance of Fee Due (line 23 less line 25) ▶	26.	0
27.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total ▶	27.	0
28.	TOTAL LICENSE FEE, Interest and Penalty Due (add lines 26 and 27) ..... BALANCE DUE	28.	0
29.	OVERPAYMENT (line 25 less line 23) 0 To be applied as follows: (a) Estimated Tax ▶ _____ (b) Income Tax ▶ _____ (c) *REFUNDED ▶		0
30.	GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28) ... EFT ☐ ▶	30.	0

Make check payable to: SC Department of Revenue. Include Business Name, FEIN and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

For Office Use Only

DEPT. OF REVENUE
SEP 20 2012
3402U8B1
RECEIVED

PETITIONER'S EXHIBIT #10

000395

647441-096

SC1120 Page 2

SCHEDULE A AND B ADDITIONS TO FEDERAL TAXABLE INCOME

1.	Taxes on or Measured By Income	1.	69,537,601	
2.	Federal Net Operating Loss	2.		
3.		3.		
4.		4.		
5.	Other Additions (attach schedule) SEE STMT 1	5.	168,790,605	
6.	Total Additions (add lines 1 through 5)			6. 238,328,206

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7.	Interest On Obligations Of The U.S.	7.		
8.	FEDERAL JOBS CREDIT	8.	1,203,355	
9.		9.		
10.	Other Deductions (attach schedule) SEE STMT 1	10.	63,214,364	
11.	Total Deductions (add lines 7 through 10)			11. 64,417,719
12.	Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120			12. 173,910,487

SCHEDULE C SUMMARY OF INCOME TAX CREDITS (FROM SC1120-TC)

1.	Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 16)	1.	2,069,007
2.	Enter Total Credits from SC1120-TC, Column B, line 16. SC1120-TC must be attached to return.	2.	3,615,500
3.	Total Credits (add lines 1 and 2)	3.	5,684,507
4.	Tax (line 9, Part 1, SC1120)	4.	97,793
5.	Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 16.)	5.	48,897
6.	Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 16.)	6.	
7.	Credit Carryover (line 3 less lines 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 16.)	7.	5,635,610

*REFUND NOTE: Income tax refunds of less than $100 and license fee refunds of less than $100 will be applied to the next year's estimated tax unless indicated here: Initial here for refund to be sent. _____

Please Sign Here

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Signature of officer | Date 9/13/12 | Title VP OF CORPORATE TAX | Telephone Number (303) 723-3367

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes [X] No [ ] | Preparer's Printed Name

Paid Preparer's Use Only

Preparer's signature | Date 9/12/12 | Check if self-employed [ ] | Preparer's Telephone Number (303) 292-5400

Firm's name (or yours if self-employed) and address: DELOITTE TAX LLP, 555 17TH STREET SUITE 3600, DENVER, CO | PTIN or FEI [redacted] | ZIP Code 80202

If this is a corporation's final return, signing here authorizes the Department of Revenue to disclose that information with the Secretary of State. You must close with the Secretary of State as well as the Department of Revenue and complete I-349.

Taxpayer's Signature | Date

000396

647441-097

SC1120

SCHEDULE D ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

1. Name DISH DBS CORPORATION
2. Incorporated under the laws of the State of COLORADO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 500 THURMOND MALL BLVD
   In the City of COLUMBIA Registered Agent at such address is CORPORATION SERVICE COMPANY
4. Location of principal office (street address) SEE STATEMENT 2
   Nature of principal business in SC CABLE AND OTHER PROGRAMMING
5. The total number of authorized shares of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000 CLASS: COMMON AND PREFERRED SERIES:
6. The total number of issued and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000 CLASS: COMMON AND PREFERRED SERIES:
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are: (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
SEE STATEMENT 2		

8. Date Incorporated 01/16/1996 Date commenced business in the State of South Carolina was 01/01/2004
9. Date of this report FEIN [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is
11. Was the name of the Corporation changed during the year? NO Give old name
12. The Corporation's books are in the care of KAREN FRANK
    Located at (street address) SEE STATEMENT 2
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) ..... $ NONE
    B. Total paid in Capital Surplus (cannot be a negative amount) ..... $ NONE
    C. Total amount of stated Capital (cannot be a negative amount) ..... $ NONE

000397

647441-098

SC1120

ONLY MULTI-STATE CORPORATIONS MUST COMPLETE SCHEDULES E, F, G, AND H

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-In-Surplus at end of Year. ..... $ NONE
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 20, Part II ..... $ NONE

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business						
2 Dividends received						
3. Rents						
4 Gains/losses on real property						
5 Gains/losses on intangible pers. prop.						
6. Investment income directly allocated						
7. TOTAL INCOME DIRECTLY ALLOCATED						
8. INCOME DIRECTLY ALLOCATED TO SC						
9 TOTALS TO APPORTIONMENT FACTORS						

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1.	1.	633,785,548
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7	2.	
3. Total net income subject to apportionment (line 1 less line 2)	3.	633,785,548
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I	4.	1,955,862
5. Add: Income subject to direct allocation to SC from Schedule F, line 8	5.	
6. Total SC Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1	6.	1,955,862

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land				
2 Buildings				
3. Machinery and Equipment				
4 Inventories				
5. Other Property				
6. Exclusions	< >	< >	< >	< >
7. TOTAL (add lines 1 - 5; subtract line 6)				

	1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)			
9. Rental or Lease Value			
10. TOTAL Property Add lines 8 and 9. (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)			%
11. GROSS Payroll			
12. Less: Officers Compensation and Exclusions	< >	< >	
13. TOTAL Payroll (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)			%
14. TOTAL Sales (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)			%
15. TOTAL Sales (same as line 14)			%
16. TOTAL of Ratios (add Column 3 - lines 10,13, 14 and 15)			%
17 Arithmetical Average of Ratios			%

SCHEDULE H - 2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2 Total Everywhere	3. Ratio
1. Total Gross Receipts	38,410,411	12,445,462,366	
2. Less: Exclusion (see instructions)	< >	< >	
3. Gross Receipts (for ratio)	38,410,411	12,445,462,366	
4. Ratio of Gross Receipts (line 3, Col. 1 ÷ line 3, Col. 2)			0.3086 %

000398

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3 Ratio (South Carolina ÷ Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina		
2. Total Sales Everywhere		
3. Ratio (South Carolina ÷ Everywhere)		

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3 ..... 1. 633,785,548
2. Enter Ratio from Sch H-1, Line 17 ..... 2 %
3. Multiply Line 2 by Line 1 3
4. Enter Ratio from Line 3 of single factor apportionment schedule ..... 4. %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, STOP HERE and enter amount from Line 3, Schedule H-4, Part I on Schedule G, Line 4 ..... 5.
6. Line 3 minus Line 5 ..... 6.
7. For tax year 2010, multiply amount on Line 6 by 80% (.80). This is the amount of reduction in SC taxable income allowed this year ..... 7.
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4 ..... 8.

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-In-Surplus at the end of the year. If $10,000 or less, STOP HERE and enter on Schedule E, Line 2 ..... 1. NONE
2. Enter the ratio from Sch H-1, Line 17 ..... 2. %
3. Multiply Line 1 by Line 2. If $10,000 or less, STOP HERE and enter on Schedule E, Line 2 ..... 3.
4. Enter the ratio from Line 3 of single factor apportionment schedule ..... 4. %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, STOP HERE and enter amount from Line 3 on Schedule E, Line 2 ..... 5.
6. Line 3 minus Line 5 ..... 6.
7. For tax year 2010, multiply the amount on Line 6 by 80% (.80). This is the amount of reduction of license fee basis allowed this year ..... 7.
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2 ..... 8.

647441-100

1039

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

CORPORATE TAX CREDITS

SC1120-TC
(Rev. 8/13/10)
3370

NAME OF CORPORATION
DISH DBS CORPORATION

FEIN [redacted]

SC FILE # [redacted]

These credits are computed on separate forms. Be sure to attach the appropriate form(s) to this schedule for the credit you are claiming.

Part I Corporate Income Tax Credits

	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. New Jobs Credit (TC-4)	2,069,007	3,615,500	48,897		5,635,610
2. Economic Impact Zone Property Investment Credit (TC-11)					
3. Family Independence Payments Credit (TC-12)					
4. Research Expenses Credit (TC-18)					

For lines 5-15, enter credit description and associated code from the following information, along with the dollar amount of credit claimed.

Credit Description	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
5.	5.					
6.	6.					
7.	7.					
8.	8.					
9.	9.					
10.	10.					
11.	11.					
12.	12.					
13.	13.					
14.	14.					
15.	15.					
16. Total of Lines 1-15		2,069,007	3,615,500	48,897		5,635,610

**SEE SEPARATE LISTING FOR CREDITS WHICH MAY BE USED AS CREDITS AGAINST LICENSE FEES.

Part II Corporate License Fee Credits

Credit Description	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1.	1.					
2.	2.					
3.	3.					
4.	4.					
5.	5.					
6.	6.					
7. Total Corporate License Fee Credits (See Instructions)						

DESCRIPTIONS CONTINUED ON THE FOLLOWING PAGES

33701038

COMPUTATION OF EMPLOYEES ELIGIBLE FOR CREDIT

	2007	2008	2009	2010	2011
	Year 2	Year 3	Year 4	Year 5	Year 6
Line 6: Year 1 Increase	197	197	197	197	197
Line 7: Year 2 Increase		475	475	475	475
Line 8: Year 3 Increase			361	361	361
Line 9: Year 4 Increase					
Line 10: Year 5 Increase					
Line 11: Year 6 Increase					
Line 12: Number of New Jobs for Credit	197	672	1,033	1,033	1,033
Line 13: Amount of Credit Per Employee	2,500	2,500	3,500		
Line 14: Eligible Credit	$492,500	$1,680,000	$3,615,500		
Line 15: Unused New Jobs Credit Carry Over	$0	$462,826	$2,069,008		
Line 16: Total Eligible Credit	$492,500	$2,142,826	$5,684,508		
Line 17: Tax Liability	$59,348	$147,637	$443,016		
Line 18: Tentative Credit	$29,674	$73,819	$97,793		
Line 19: Lessor of Line 16 or 18	$29,674	$73,819	$97,793		

DISH OBS CORPORATION
FEIN: [redacted]
AMENDED FORM SC1120
12/31/2009

SOUTH CAROLINA SC1120, PAGE 2 DETAIL

SCH. A, LINE 5 - OTHER ADDITIONS

DEPRECIATION ADJUSTMENT FOR JOB CREATION AND WORKERS' ASSISTANCE ACT	168,790,605
TOTAL	168,790,605

SCH. B, LINE 10 - OTHER DEDUCTIONS

GAIN OR LOSS ON SALE OF QUALIFYING PROPERTY	63,214,364
TOTAL	63,214,364

STATEMENT 1

DISH DBS CORPORATION
FEIN: [redacted]
AMENDED FORM SC1120
12/31/2009

SOUTH CAROLINA SC1120, PAGE 3 DETAIL

SCH. D, LINE 4 - LOCATION OF PRINCIPAL OFFICE

9601 SOUTH MERIDIAN BLVD.
ENGLEWOOD, CO

SCH. D, LINE 7 - DIRECTORS AND PRINCIPAL OFFICERS IN THE CORPORATION

NAME	TITLE	BUSINESS ADDRESS AND OFFICE
CHARLES W. ERGEN	PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
W. ERIK CARLSON	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
THOMAS A. CULLEN	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
JAMES DEFRANCO	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
R. STANTON DODGE	SECRETARY	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
BERNARD L. HAN	TREASURER	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
MICHAEL KELLY	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
STEPHEN W. WOOD	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
CARL E. VOGEL	OTHER	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112

SCH. D, LINE 12 - LOCATION OF BOOKS

9601 SOUTH MERIDIAN BLVD.
ENGLEWOOD, CO 80112

STATEMENT 2

DISH DBS CORPORATION
FEIN: [redacted]
AMENDED FORM SC1120
12/31/2009

	AS LAST FILED	ADJUSTMENTS	PER AMENDED
FEDERAL TAXABLE INCOME	459,875,061	0	459,875,061
ADDITIONS TO TAXABLE INCOME			
TAXES ON OR MEASURED BY INCOME	69,537,601	0	69,537,601
DEPRECIATION ADJUSTMENT	168,790,605	0	168,790,605
TOTAL ADDITIONS	238,328,206	0	238,328,206
SUBTRACTIONS FROM TAXABLE INCOME			
FEDERAL JOBS CREDIT	1,203,355	0	1,203,355
GAIN/LOSS ON QUALIFYING PROPERTY	63,214,364	0	63,214,364
TOTAL SUBTRACTIONS	64,417,719	0	64,417,719
NET INCOME FROM SOUTH CAROLINA & OTHER STATES	633,785,548	0	633,785,548
LESS: NET NONBUSINESS INCOME	0	0	0
TOTAL NET INCOME SUBJECT TO APPORTIONMENT	633,785,548	0	633,785,548
SOUTH CAROLINA APPORTIONMENT			
TOTAL SOUTH CAROLINA SALES	173,981,480	-135,571,069	38,410,411
TOTAL EVERYWHERE SALES	12,445,462,366	0	12,445,462,366
SOUTH CAROLINA APPORTIONMENT PERCENTAGE	1.3980%	-1.0893%	0.3086%
INCOME APPORTIONED TO SOUTH CAROLINA	8,860,322	-6,904,460	1,955,862
ADD: INCOME ALLOCATED TO SOUTH CAROLINA	0	0	0
LESS: SOUTH CAROLINA NOL DEDUCTION	0	0	0
SOUTH CAROLINA TAXABLE INCOME	8,860,322	-6,904,460	1,955,862

STATEMENT 3

Taxpayer's Name: DISH DBS Corporation
Federal I.D. Number: [redacted]
Form: South Carolina C Corporation Income Tax Return Form SC1120
Income Tax Year: 12/31/2009

Apportionment Factor

Apportionment Factor

DISH DBS Corporation, "DISH", is a pay-television provider that provides its customers with a wide selection of local and national programming accessible by the subscriber via direct satellite communications. For those companies that do not sell tangible personal property, South Carolina requires those companies to apportion their income using the single sales factor pursuant to SC Code Ann. §12-6-2290.

Per SC Code Ann. §12-6-2295(A)(5), receipts from services are situsted to South Carolina if the entire income-producing activity is within the state. If the income-producing activity is performed partly within and partly without this State, then sales are attributable to the state to the extent the income-producing activity is performed within this state. Dish income-producing activity in South Carolina is performed partly within and partly without the state. The return is being amended to include sales in the numerator of the sales factor where the income producing activity occurs in the state.

Statement 4

647441-106

CERTIFIED MAIL

PO Box 6623
Englewood, CO 80155

7009 1410 0000 2387 1717

Deloitte.

Suite 3600
555 Seventeenth Street
Denver, CO 80202-3942
USA

SC DOR
CORPORATE REFUND
COLUMBIA, SC 29214-0032

Member of

000406

1350

State of South Carolina
'C' CORPORATION INCOME TAX RETURN
Return is due on or before the 15th day of the 3rd month following the close of the taxable year.

SC1120
(Rev. 8/28/09)

Mail return to: SC DEPARTMENT OF REVENUE, Corporation Return, Columbia SC 29214-0100

3091

SC FILE # [redacted]

INCOME TAX PERIOD ENDING 2010-12-31
LICENSE FEE PERIOD ENDING 2011-12-31

FEIN [redacted]

NAME DISH DBS CORPORATION
MAILING ADDRESS 9601 SOUTH MERIDIAN BLVD
CITY ENGLEWOOD STATE CO ZIP CODE 80112

Change of ☐ Address ☐ Accounting Period

Attach complete copy of Federal Return

County or Counties in SC Where Property is Located:
THROUGHOUT STATE

City	Audit Location	State
US ENGLEWOOD		CO

Audit Contact	Telephone Number
KAREN FRANK	303-723-1000

Check if ☐ Amended Return ▶ ☑ Consolidated Return

Total Gross Receipts.	Total cost of depreciable personal property in SC.
▶ 15,260,663,919	▶ 3,034,406

If Filing a Final Return, see General Instructions, page 6.
You MUST close your account with the SECRETARY OF STATE and complete I-349.
▶ ☐ Merged ☐ Reorganized ☐ Dissolved ☐ Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY

1.	Federal Taxable Income per Federal Form 1120 or 1120A	1.	476,738,605
2.	Net Adjustment from line 12, Schedule A and B	2.	648,374,998
3.	Total Net Income as Reconciled (line 1 plus or minus line 2)	3.	1,125,113,603
4.	If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3.	4.	17,146,011
5.	LESS: South Carolina net operating loss carryover, if applicable	5.	244,720
6.	South Carolina Net Income subject to tax (line 4 less line 5)	6.	16,901,291
7.	TAX: Multiply amount on line 6 by 5% (.05)	7.	845,065
8.	Less tax deferred on income from foreign trade receipts (see instructions)	8.	
9.	Balance (line 7 less line 8)	9.	845,065
10.	Credit Carryover (line 7, Schedule C) ▶ 4,587,856 Non-refundable credits (line 5, Schedule C)	10.	422,533
11.	Balance of tax (line 9 less line 10). Enter the difference but not less than zero.	11.	422,532
12.	Interest on DISC-deferred tax liability _____ ; or Foreign Trade Deferred Tax Liability _____	12.	
13.	Total tax and/or interest (add lines 11 and 12)	13.	422,532
14.	**Payments:** (a) Tax Withheld (see instructions) ▶ _____ (b) Paid by Declaration ▶ 2,432,249 (c) Paid with Tentative Return ▶ 19 (d) Credit from Line 29b ▶ _____ **Refundable Credits:** (e) Ammonia Additive ▶ _____ (f) Milk Credit ▶ _____		
15.	Total Payments and Refundable Credits (add lines 14a through 14f)	15.	2,432,268
16.	Balance of Tax and/or Interest Due (line 13 less line 15)	16.	
17.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total.	17.	
18.	**TOTAL INCOME TAX**, Interest and Penalty Due (add lines 16 and 17) **BALANCE DUE**	18.	
19.	**OVERPAYMENT** (line 15 less line 13) 2,009,736 To be applied as follows: **(a) Estimated Tax** ▶ 1,194,145 **(b) License Fee** ▶ 95,591 **(c) *REFUNDED** ▶		(720,000)

PART II COMPUTATION OF LICENSE FEE

20.	Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E)	20.	95,570,783
21.	FEE DUE - Line 20 x .001, plus $15.00 **(Fee cannot be less than $25.00 per taxpayer)**	21.	95,622
22.	Credit Carryover ▶ _____ Credit taken this year from SC1120TC, Part II, Column C	22.	
23.	Balance (line 21 less line 22)	23.	95,622
24.	Payments: (24a) Paid with Tentative Return ▶ 31 (24b) Credit from line 19b ▶ 95,591		
25.	Total Payments (add line 24a and 24b)	25.	95,622
26.	Balance of Fee Due (line 23 less line 25)	26.	
27.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total.	27.	
28.	**TOTAL LICENSE FEE**, Interest and Penalty Due (add lines 26 and 27) **BALANCE DUE**	28.	
29.	**OVERPAYMENT** (line 25 less line 23) _____ To be applied as follows: **(a) Estimated Tax** ▶ _____ **(b) Income Tax** ▶ _____ **(c) *REFUNDED** ▶		
30.	**GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28) . . . EFT** ☐ ▶	30.	

Make check payable to: SC Department of Revenue. Include Business Name, FEIN and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

For Office Use Only

60259585
60259586

PETITIONER'S EXHIBIT 2/1

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SCHEDULE A AND B ADDITIONS TO FEDERAL TAXABLE INCOME

1. Taxes on or Measured By Income	1.	23,560,814	
2. Federal Net Operating Loss	2.		
3.	3.		
4.	4.		
5. Other Additions (attach schedule)	5.	764,042,953	
6. Total Additions (add lines 1 through 5)			6. 794,620,607

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7. Interest On Obligations Of The U.S.	7.		
8.	8.		
9.	9.		
10. Other Deductions (attach schedule)	10.	144,204,672	
11. Total Deductions (add lines 7 through 10)			11. 146,245,609
12. Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120			12. 648,374,998

SCHEDULE C SUMMARY OF INCOME TAX CREDITS (FROM SC1120-TC)

1. Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 16)	1.	
2. Enter Total Credits from SC1120-TC, Column B, line 16. **SC1120-TC must be attached to return.**	2.	
3. Total Credits (add lines 1 and 2)	3.	
4. Tax (line 9, Part 1, SC1120)	4.	
5. Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 16.)	5.	
6. Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 16.)	6.	
7. Credit Carryover (line 3 less lines 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 16.)	7.	

*REFUND NOTE: Income tax refunds of less than $100 and license fee refunds of less than $100 will be applied to the next year's estimated tax unless indicated here: Initial here for refund to be sent. _____

Please Sign Here

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Signature of officer	Date	Title	Telephone Number
	2011-09-14	Vice President	303-723-1000

I **authorize** the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes [X] No [ ] Preparer's Printed Name

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed	Preparer's Telephone Number
		[ ]	

Firm's name (or yours if self-employed) and address — FEIN — ZIP Code

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SCHEDULE D ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

1. Name DISH DBS CORPORATION
2. Incorporated under the laws of the State of COLORADO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 500 THURMOND MALL BLVD
   In the City of COLUMBIA Registered Agent at such address is CORPORATION SERVICE COMPANY
4. Location of principal office (street address) 9601 South Meridian Blvd CO CO
   Nature of principal business in SC CABLE AND OTHER PROGRAMMING
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000 CLASS: COMMON AND PREFERRED SERIES:
6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000 CLASS: COMMON AND PREFERRED SERIES:
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS

8. Date Incorporated 1996-01-16 Date commenced business in the State of South Carolina was 2004-01-01
9. Date of this report 2011-09-14 FEIN [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is 2004-01-01
11. Was the name of the Corporation changed during the year? _____ Give old name _____
12. The Corporation's books are in the care of Karen Frank
    Located at (street address) 9601 South Meridian Blvd Englewood CO 80112
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) ..... $ 90,900
    B. Total paid in Capital Surplus (cannot be a negative amount). ..... $ 6,532,971,790
    C. Total amount of stated Capital (cannot be a negative amount) ..... $ 6,533,062,690

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SCHEDULES E, F, G, AND H ARE TO BE COMPLETED BY MULTI-STATE CORPORATIONS

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-in-Surplus at end of Year. . . . . $ 6,533,062,690
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 20, Part II . . . . . $ 95,570,783

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business						
2. Dividends received						
3. Rents						
4. Gains/losses on real property						
5. Gains/losses on intangible pers.						
7. TOTAL INCOME DIRECTLY ALLOCATED						
8. INCOME DIRECTLY ALLOCATED TO SC						
9. TOTALS TO APPORTIONMENT FACTORS						

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1. . . . . 1. 1,125,113,603
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7. . . . . 2. 1,125,357,558
3. Total net income subject to apportionment (line 1 less line 2) 3. 17,146,011
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here 4. 17,146,011

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

enter amount from Schedule H-4, Part I . . . . .

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land				
2. Buildings	25,493	25,493	148,846,676	154,088,801
3. Machinery and Equipment	2,986,067	3,034,406	641,690,978	665,373,330
4. Inventories	2,148,155	726,289	22,649,336	18,806,600
5. Other Property			64,735,206	71,743,117
6. Exclusions	< >	< >	< >	< >
7. TOTAL (add lines 1 - 5; subtract line 6)	5,159,715	3,786,188	883,720,955	915,951,977

5. Add: Income subject to direct allocation to SC from Schedule F, line 8 . . . . . 5,788,759 5,940,129

	1. Within SC	2. Total	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)	4,472,952	899,836,467	
		10,649,504	
9. Rental or Lease Value ÷	4,472,952	910,485,971	********** %
10. TOTAL Property Add lines 8 and 9. (Col. 1 Col. 2 and enter ratio in Col. 3)	< >	< >	
	0	86,292,936	0.00000000 %
11. GROSS Payroll ÷	30,540,170	1,948,145,757	********** %
12. Less: Officers Compensation and Exclusions	30,540,170	1,948,145,757	********** %
13. TOTAL Payroll (Col. 1 Col. 2 and enter ratio in Col. 3)			4.00000000 %
14. TOTAL Sales (Col. 1 Col. 2 and enter ratio in Col. 3)			********** %
15. TOTAL Sales (same as line 14)			

SCHEDULE H - 2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total	3. Ratio
1. Total Gross Receipts	201,946,258	13,327,671,707	
2. Less: Exclusion (see instructions)	< >	< >	
3. Gross Receipts (for ratio)	201,946,258	13,327,671,707	
4. Ratio of Gross Receipts (line 3, Col. 1 line 3, Col. 2)			%

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SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3. Ratio (South Carolina ÷ Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina	30,540,170	
2. Total Sales Everywhere	1,948,145,757	
3. Ratio (South Carolina ÷ Everywhere)		0.01567700 %

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3	1.	1,125,357,558
2. Enter Ratio from Sch H-1, Line 17	2.	********** %
3. Multiply Line 2 by Line 1	3.	
4. Enter Ratio from Line 3 of single factor apportionment schedule	4.	0.01567700 %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3, Schedule H-4, Part I on Schedule G, Line 4	5.	
6. Line 3 minus Line 5	6.	
7. For tax year 2009, multiply amount on Line 6 by 60% (.60). This is the amount of reduction in SC taxable income allowed this year	7.	
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4	8.	17,146,011

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-in-Surplus at the end of the year. If $10,000 or less, **STOP HERE** and enter on Schedule E, Line 2	1.	
2. Enter the ratio from Sch H-1, Line 17	2.	********** %
3. Multiply Line 1 by Line 2. If $10,000 or less, **STOP HERE** and enter on Schedule E, Line 2	3.	
4. Enter the ratio from Line 3 of single factor apportionment schedule	4.	0.01567700 %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3 on Schedule E, Line 2	5.	
6. Line 3 minus Line 5	6.	
7. For tax year 2009, multiply the amount on Line 6 by 60% (.60). This is the amount of reduction of license fee basis allowed this year	7.	
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2	8.	95,570,783

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SC1120

SCHEDULE I RESERVED

SCHEDULE J CORPORATIONS INCLUDED IN CONSOLIDATED RETURN
AFFILIATED CORPORATION NO. 1

1. Name ECHOSTAR CORPORATION
2. Incorporated under the laws of the State of NV
3. Location of the Registered Office of the Corporation in the State of South Carolina is Corporation Service Company
   In the City of Columbia Registered Agent at such address is 1703 Laurel Street
4. Location of principal office (street address)
   Nature of principal business in S.C. HOLDING COMPANY
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES

6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES

7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are: (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
CHARLES W ERGEN		
R STANTON DODGE		
MICHAEL T DUGAN		
DAVID J RAYNER		
STEVEN SCHAVER		

8. Date Incorporated 2007-10-12 Date commenced business in the State of South Carolina was 2008-01-01
9. Date of this report 2011-09-14 FEIN [redacted] SC File # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is 2008-01-01
11. Was the name of the Corporation changed during the year? Give old name
12. The Corporation's books are in the care of KAREN FRANK
    Located at (street address) 9601 S MERIDIAN BLVD ENGLEWOOD CO 80112
13. Corporate Mailing Address 9601 SOUTH MERIDIAN BLVDENGLEWOODCO80112ENGLEWOOD
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) . . . . . $ 90,790
    B. Total paid in Capital Surplus (cannot be a negative amount) . . . . . $ 3,340,833,877
    C. Total amount of stated Capital (cannot be a negative amount) . . . . . $ 3,340,924,667

For additional affiliated corporations duplicate Schedule J as needed.

ATTACH COMPLETED COPY OF FEDERAL RETURN.

Make check payable to: SC Department of Revenue. Include Business Name, FEIN and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

000470

SCHEDULE I RESERVED

SCHEDULE J CORPORATIONS INCLUDED IN CONSOLIDATED RETURN
AFFILIATED CORPORATION NO. 1

1. Name ECHOSTA :OADCASTING CORPORATION
2. Incorporated under :aws of the State of COLORADO
3. Location of the Reg :ed Office of the Corporation in the State of South Carolina is 1703 Laurel Street
   In the City of Co :bia Registered Agent at such address is Corporation Service Company
4. Location of principa :ffice (street address)
   Nature of principal business in S.C. HOLDING COMPANY
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES

6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES

7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are: (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
Michael T Dugan		
R Stanton Dodge		
David J Rayner		
Charles W Ergen		

8. Date Incorporated 2008-09-29 Date commenced business in the State of South Carolina was 2008-09-29
9. Date of this report 2011-09-14 FEIN [redacted] SC File # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is 2008-09-29
11. Was the name of the Corporation changed during the year? ____ Give old name ____
12. The Corporation's books are in the care of Karen Frank
    Located at (street address) 9601 S MERIDIAN BLVD ENGLEWOOD CO 80112
13. Corporate Mailing Address 9601 SOUTH MERIDIAN BLVDENGLEWOODCO80112ENGLEWOOD
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) . . . . . $ 100
    B. Total paid in Capital Surplus (cannot be a negative amount) . . . . . $ 1,142,394
    C. Total amount of stated Capital (cannot be a negative amount) . . . . . $ 1,142,494

For additional affiliated corporations duplicate Schedule J as needed.

ATTACH COMPLETED COPY OF FEDERAL RETURN.

Make check payable to: SC Department of Revenue. Include Business Name, FEIN and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

000471

SCHEDULE I RESERVED

SCHEDULE J CORPORATIONS INCLUDED IN CONSOLIDATED RETURN
AFFILIATED CORPORATION NO. 1

1. Name DISH NETWORK CORP & SUBS - SC ELIM
2. Incorporated under the laws of the State of NV
3. Location of the Registered Office of the Corporation in the State of South Carolina is
   In the City of Registered Agent at such address is
4. Location of principal office (street address)
   Nature of principal business in S.C.
5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES

6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES

7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are: (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS

8. Date Incorporated 2007-10-12 Date commenced business in the State of South Carolina was 2008-01-01
9. Date of this report 2011-09-14 FEIN [redacted] SC File # [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is 2011-01-01
11. Was the name of the Corporation changed during the year? Give old name
12. The Corporation's books are in the care of
    Located at (street address)
13. Corporate Mailing Address
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount) . . . . . $ 0
    B. Total paid in Capital Surplus (cannot be a negative amount) . . . . . $ 0
    C. Total amount of stated Capital (cannot be a negative amount) . . . . . $ 0

For additional affiliated corporations duplicate Schedule J as needed.

ATTACH COMPLETED COPY OF FEDERAL RETURN.

Make check payable to: SC Department of Revenue. Include Business Name, FEIN and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

000472

647366-062

1039

State of South Carolina
'C' CORPORATION INCOME TAX RETURN
Return is due on or before the 15th day of the 3rd month following the close of the taxable year.

SC1120 (Rev. 8/31/10)

If a refund or zero return, mail to: SC DOR, Corporation Return, Columbia SC 29214-0033
If a balance due return, mail to: SC DOR, Corporation Return, Columbia SC 29214-0034

3091

SC FILE # [redacted]

INCOME TAX PERIOD ENDING 12/31/2010
LICENSE FEE PERIOD ENDING 12/31/2011

FEIN [redacted]

NAME DISH DBS CORPORATION
MAILING ADDRESS 9601 SOUTH MERIDIAN BLVD
CITY ENGLEWOOD STATE CO ZIP CODE 80112

Change of ☐ Address ☐ Officers ☐ Accounting Period

Attach complete copy of Federal Return

County or Counties in SC Where Property is Located:
THROUGHOUT STATE

City	Audit Location	State
US, ENGLEWOOD		CO

Audit Contact	Telephone Number
KAREN FRANK	303-723-1000

Check if ☒ Amended Return ▶ ☒ Consolidated Return

Total Gross Receipts.	Total cost of depreciable personal property in SC.
▶ 15,260,663,919	▶ 3,034,406

If Filing a Final Return, see General Instructions, page 6.
You MUST close your account with the SECRETARY OF STATE and complete I-349.
▶☐ Merged ☐ Reorganized ☐ Dissolved ☐ Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY

1.	Federal Taxable Income per federal tax return	1.	476,738,605
2.	Net Adjustment from line 12, Schedule A and B SEE STMT 1	2.	648,374,998
3.	Total Net Income as Reconciled (line 1 plus or minus line 2)	3.	1,125,113,603
4.	If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3.	4.	3,626,359
5.	LESS: South Carolina net operating loss carryover, if applicable	5.	244,720
6.	South Carolina Net Income subject to tax (line 4 less line 5)	6.	3,381,639
7.	TAX: Multiply amount on line 6 by 5% (.05)	7.	169,082
8.	Less tax deferred on income from foreign trade receipts (see instructions)	8.	
9.	Balance (line 7 less line 8)	9.	169,082
10.	Credit Carryover (line 7, Schedule C) ▶ 5,551,065 Non-refundable credits (line 5, Schedule C)	10.	< 84,541 >
11.	Balance of tax (line 9 less line 10). Enter the difference but not less than zero.	11.	84,541
12.	Interest on DISC-deferred tax liability _____; or Foreign Trade Deferred Tax Liability _____	12.	
13.	Total tax and/or interest (add lines 11 and 12)	13.	84,541
14.	Payments: (a) Tax Withheld (see instructions) ▶ _____ (b) Paid by Declaration ▶ 422,532 (c) Paid with Tentative Return ▶ _____ (d) Credit from Line 29b ▶ 0 Refundable Credits: (e) Ammonia Additive ▶ _____ (f) Milk Credit ▶ _____		
15.	Total Payments and Refundable Credits (add lines 14a through 14f)	15.	422,532
16.	Balance of Tax and/or Interest Due (line 13 less line 15)	16.	0
17.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total.	17.	0
18.	TOTAL INCOME TAX, Interest and Penalty Due (add lines 16 and 17) BALANCE DUE	18.	0
19.	OVERPAYMENT (line 15 less line 13) 337,991 To be applied as follows: (a) Estimated Tax ▶ _____ (b) License Fee ▶ _____ (c) *REFUNDED ▶		337,991

PART II COMPUTATION OF LICENSE FEE

20.	Total Capital And Paid In Surplus (Multi-State Corporations See Schedule E)	20.	55,890,755
21.	FEE DUE - Line 20 x .001, plus $15.00 (Fee cannot be less than $25.00 per taxpayer) SEE STMT 2	21.	55,942
22.	Credit Carryover ▶ _____ Credit taken this year from SC1120TC, Part II, Column C	22.	< >
23.	Balance (line 21 less line 22)	23.	55,942
24.	Payments: (24a) Paid with Tentative Return ▶ 95,622 (24b) Credit from line 19b ▶ 0		
25.	Total Payments (add line 24a and 24b)	25.	95,622
26.	Balance of Fee Due (line 23 less line 25)	26.	0
27.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total.	27.	0
28.	TOTAL LICENSE FEE, Interest and Penalty Due (add lines 26 and 27) BALANCE DUE	28.	0
29.	OVERPAYMENT (line 25 less line 23) 39,680 To be applied as follows: (a) Estimated Tax ▶ _____ (b) Income Tax ▶ _____ (c) *REFUNDED ▶		39,680
30.	GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28) ... EFT ☐	30.	0

Make check payable to: SC Department of Revenue. Include Business Name, FEIN and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

For Office Use Only

34019506 S.C. DEPT. OF REVENUE SEP 20 2011 #6 RECEIVED

PETITIONER'S EXHIBIT

000407

647366-062

1039

State of South Carolina
'C' CORPORATION INCOME TAX RETURN
Return is due on or before the 15th day of the 3rd month following the close of the taxable year.

SC1120 (Rev. 8/31/10)

3091

If a refund or zero return, mail to: SC DOR, Corporation Return, Columbia SC 29214-0033
If a balance due return, mail to: SC DOR, Corporation Return, Columbia SC 29214-0034

SC FILE # [redacted]

INCOME TAX PERIOD ENDING 12/31/2010
LICENSE FEE PERIOD ENDING 12/31/2011

FEIN [redacted]

NAME DISH DBS CORPORATION
MAILING ADDRESS 9601 SOUTH MERIDIAN BLVD
CITY ENGLEWOOD STATE CO ZIP CODE 80112

Change of ☐ Address ☐ Officers ☐ Accounting Period

Attach complete copy of Federal Return

County or Counties in SC Where Property is Located:
THROUGHOUT STATE

City Audit Location	State
US, ENGLEWOOD	CO

Audit Contact	Telephone Number
KAREN FRANK	303-723-1000

Check If ☒ Amended Return ▶ ☒ Consolidated Return

Total Gross Receipts.	Total cost of depreciable personal property in SC.
▶ 15,260,663,919	▶ 3,034,406

If Filing a Final Return, see General Instructions, page 6.
You MUST close your account with the SECRETARY OF STATE and complete I-349.
▶ ☐ Merged ☐ Reorganized ☐ Dissolved ☐ Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY

1.	Federal Taxable Income per federal tax return	1.	476,738,605
2.	Net Adjustment from line 12, Schedule A and B ... SEE STMT 1	2.	648,374,998
3.	Total Net Income as Reconciled (line 1 plus or minus line 2) ... 34019506 S.C.	3.	1,125,113,603
4.	If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3.	4.	3,626,359
5.	LESS: South Carolina net operating loss carryover, if applicable ... DEPT OF REVENUE	5.	244,720
6.	South Carolina Net Income subject to tax (line 4 less line 5)	6.	3,381,639
7.	TAX: Multiply amount on line 6 by 5% (.05) ... SEP 20 2011	7.	169,082
8.	Less tax deferred on income from foreign trade receipts (see instructions)	8.	
9.	Balance (line 7 less line 8)	9.	169,082
10.	Credit Carryover (line 7, Schedule C) ▶ 5,551,065 Non-refundable credits (line 5, Schedule C) ... #5 RECEIVED	10.	< 84,541 >
11.	Balance of tax (line 9 less line 10). Enter the difference but not less than zero.	11.	84,541
12.	Interest on DISC-deferred tax liability _____; or Foreign Trade Deferred Tax Liability _____	12.	
13.	Total tax and/or interest (add lines 11 and 12)	13.	84,541
14.	Payments: (a) Tax Withheld (see instructions) ▶ _____ (b) Paid by Declaration ▶ 422,532		
	(c) Paid with Tentative Return ▶ _____ (d) Credit from Line 29b ▶ _____		
	Refundable Credits: (e) Ammonia Additive ▶ _____ (f) Milk Credit ▶ _____		
15.	Total Payments and Refundable Credits (add lines 14a through 14f) ... 24,62,774	15.	422,532
16.	Balance of Tax and/or Interest Due (line 13 less line 15)	16.	0
17.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total.	17.	0
18.	TOTAL INCOME TAX, Interest and Penalty Due (add lines 16 and 17) ... BALANCE DUE	18.	0
19.	OVERPAYMENT (line 15 less line 13) 635,469 337,991 To be applied as follows: ... 337,991		
	(a) Estimated Tax ▶ 1224620.00 (b) License Fee ▶ 55,923 (c) *REFUNDED ▶		

PART II COMPUTATION OF LICENSE FEE

20.	Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E)	20.	55,890,755
21.	FEE DUE - Line 20 x .001, plus $15.00 (Fee cannot be less than $25.00 per taxpayer) SEE STMT 2	21.	55,942
22.	Credit Carryover ▶ _____ Credit taken this year from SC1120TC, Part II, Column C	22.	< >
23.	Balance (line 21 less line 22)	23.	55,942
24.	Payments: (24a) Paid with Tentative Return ▶ 1900 95,622 (24b) Credit from line 19b ▶ 0		
25.	Total Payments (add line 24a and 24b)	25.	95,622
26.	Balance of Fee Due (line 23 less line 25)	26.	0
27.	Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total.	27.	0
28.	TOTAL LICENSE FEE, Interest and Penalty Due (add lines 26 and 27) ... BALANCE DUE	28.	0
29.	OVERPAYMENT (line 25 less line 23) 39,680 To be applied as follows:		
	(a) Estimated Tax ▶ _____ (b) Income Tax ▶ _____ (c) *REFUNDED ▶		39,680
30.	GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28) ... EFT ☐	30.	0

Make check payable to: SC Department of Revenue. Include Business Name, FEIN and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

For Office Use Only

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000408

SC1120 DISH DBS CORPORATION 647366-063 [redacted]

Page 2

SCHEDULE A AND B ADDITIONS TO FEDERAL TAXABLE INCOME

1. Taxes on or Measured By Income	1.	23,560,814	
2. Federal Net Operating Loss	2.		
3.	3.		
4.	4.		
5. Other Additions (attach schedule)	5.	752,620,849	
6. Total Additions (add lines 1 through 5)	6.		776,181,663

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7. Interest On Obligations Of The U.S.	7.		
8. FEDERAL JOBS CREDIT	8.	2,040,937	
9.	9.		
10. Other Deductions (attach schedule)	10.	140,137,568	
11. Total Deductions (add lines 7 through 10)	11.		142,178,505
12. Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120	12.		634,003,158

SCHEDULE C SUMMARY OF INCOME TAX CREDITS (FROM SC1120-TC)

1. Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 16)	1.	5,635,610
2. Enter Total Credits from SC1120-TC, Column B, line 16. **SC1120-TC must be attached to return.**	2.	
3. Total Credits (add lines 1 and 2)	3.	5,635,610
4. Tax (line 9, Part 1, SC1120)	4.	169,082
5. Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 16)	5.	84,541
6. Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 16.)	6.	
7. Credit Carryover (line 3 less lines 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 16.)	7	5,551,069

*REFUND NOTE: Income tax refunds of less than $100 and license fee refunds of less than $100 will be applied to the next year's estimated tax unless indicated here: Initial here for refund to be sent. _____

Please Sign Here

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Signature of officer | Date: 9/13/12 | Title: VP OF CORPORATE TAX | Telephone Number: (303) 723-3367

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes [X] No [ ] | Preparer's Printed Name

Paid Preparer's Use Only

Preparer's signature | Date: 9/12/12 | Check if self-employed [ ] | Preparer's Telephone Number: (303) 292-5400

Firm's name (or yours if self-employed) and address: DELOITTE TAX LLP, 555 17TH STREET SUITE 3600, DENVER, CO | PTIN or FEIN [redacted] | ZIP Code 80202

If this is a corporation's final return, signing here authorizes the Department of Revenue to disclose that information with the Secretary of State. You must close with the Secretary of State as well as the Department of Revenue and complete I-349.

Taxpayer's Signature | Date

000409

SCHEDULE A AND B ADDITIONS TO FEDERAL TAXABLE INCOME

1.	Taxes on or Measured By Income	1. (1,552,164)	
2.	Federal Net Operating Loss	2. NONE	
3.	INTEREST FROM STATE & LOCAL OBLIG.	3. 7,016,840	
4.		4.	
5.	Other Additions (attach schedule)	5. 243,955	
6.	Total Additions (add lines 1 through 5)		6. 5,708,631

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7	Interest On Obligations Of The U.S.	7.	
8.		8.	
9.		9.	
10.	Other Deductions (attach schedule)	10. 12,557	
11	Total Deductions (add lines 7 through 10)		11. 12,557
12.	Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120		12. 5,696,074

SCHEDULE C SUMMARY OF INCOME TAX CREDITS (FROM SC1120-TC)

1.	Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 16)	1.	
2.	Enter Total Credits from SC1120-TC, Column B, line 16. SC1120-TC must be attached to return.	2.	
3.	Total Credits (add lines 1 and 2)	3.	
4.	Tax (line 9, Part 1, SC1120)	4.	36,373
5.	Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 16.)	5.	
6.	Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 16.)	6.	
7.	Credit Carryover (line 3 less lines 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 16)	7.	

*REFUND NOTE: Income tax refunds of less than $100 and license fee refunds of less than $100 will be applied to the next year's estimated tax unless indicated here: Initial here for refund to be sent _____

Please Sign Here

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Signature of officer | Date | Title | Telephone Number

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes [X] No [ ] | Preparer's Printed Name

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-employed [ ] | Preparer's Telephone Number (303) 292-5400

Firm's name (or yours if self-employed) and address: DELOITTE TAX LLP, 555 17TH STREET SUITE 3600, DENVER, CO | PTIN or FEIN [redacted] | ZIP Code 80202

If this is a corporation's final return, signing here authorizes the Department of Revenue to disclose that information with the Secretary of State. You must close with the Secretary of State as well as the Department of Revenue and complete I-349.

Taxpayer's Signature | Date

000410

SC1120 647366-065 ECHOSTAR BROADCASTING CORPORATION [redacted] Page 2

SCHEDULE A AND B ADDITIONS TO FEDERAL TAXABLE INCOME

1. Taxes on or Measured By Income	1.	(13,117)	
2. Federal Net Operating Loss	2.		
3.	3.		
4.	4.		
5. Other Additions (attach schedule)	5.	11,422,104	
6. Total Additions (add lines 1 through 5)	6.		11,408,987

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

7. Interest On Obligations Of The U.S.	7.		
8.	8.		
9.	9.		
10. Other Deductions (attach schedule)	10.	2,489,266	
11. Total Deductions (add lines 7 through 10)	11.		2,489,266
12. Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120	12.		8,919,721

SCHEDULE C SUMMARY OF INCOME TAX CREDITS (FROM SC1120-TC)

1. Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 18)	1.	
2. Enter Total Credits from SC1120-TC, Column B, line 18. SC1120-TC must be attached to return.	2.	
3. Total Credits (add lines 1 and 2)	3.	
4. Tax (line 9, Part 1, SC1120)	4.	
5. Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 16.)	5.	
6. Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 16.)	6.	
7 Credit Carryover (line 3 less lines 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 16.)	7.	

*REFUND NOTE: Income tax refunds of less than $100 and license fee refunds of less than $100 will be applied to the next year's estimated tax unless indicated here: Initial here for refund to be sent. _____

Please Sign Here — I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Signature of officer | Date | Title | Telephone Number

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes [X] No [ ] | Preparer's Printed Name

Paid Preparer's Use Only — Preparer's signature | Date | Check if self-employed [ ] | Preparer's Telephone Number (303) 292-5400

Firm's name (or yours if self-employed) and address: DELOITTE TAX LLP, 555 17TH STREET SUITE 3600, DENVER, CO | PTIN or FEIN [redacted] | ZIP Code 80202

If this is a corporation's final return, signing here authorizes the Department of Revenue to disclose that information with the Secretary of State. You must close with the Secretary of State as well as the Department of Revenue and complete I-349.

Taxpayer's Signature | Date

000411

647366-066

THO
SC1120

SCHEDULE D ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

1. Name DISH DBS CORPORATION
2. Incorporated under the laws of the State of COLORADO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 500 THURMOND MALL BLVD
   in the City of COLUMBIA Registered Agent at such address is CORPORATION SERVICE COMPANY
4. Location of principal office (street address) SEE STATEMENT 10
   Nature of principal business in SC CABLE AND OTHER PROGRAMMING
5. The total number of authorized shares of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000. CLASS: COMMON AND PREFERRE SERIES
6. The total number of issued and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: 1,000. CLASS: COMMON AND PREFERRE SERIES:
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
CHARLES W. ERGEN	PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD CO, 801
THOMAS A. CULLEN	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD CO, 801
JAMES DEFRANCO	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD CO, 801
BERNARD L. HAN	TREASURER	9601 S. MERIDIAN BLVD. ENGLEWOOD CO, 801
ROBERT E. OLSON	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD CO, 801

8. Date Incorporated 01/16/1996 Date commenced business in the State of South Carolina was 01/01/2004
9. Date of this report 09/14/2011 FEIN [redacted]
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is 01/01/2004
11. Was the name of the Corporation changed during the year? NO Give old name
12. The Corporation's books are in the care of KAREN FRANK
    Located at (street address) SEE STATEMENT 10
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount). . . . . $ 10
    B. Total paid in Capital Surplus (cannot be a negative amount). . . . . $ 3,190,995,519
    C. Total amount of stated Capital (cannot be a negative amount). . . . . $ 3,190,995,529

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000412

647366-067

THO
SC1120 ECHOSTAR CORPORATION [redacted] Page 3
SCHEDULE D ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

1. Name THIS SCHEDULE DOES NOT PRINT FOR SUBS
2. Incorporated under the laws of the State of _____
3. Location of the Registered Office of the Corporation in the State of South Carolina is _____
   In the City of _____ Registered Agent at such address is _____
4. Location of principal office (street address) _____
   Nature of principal business in SC _____
5. The total number of authorized shares of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: _____ CLASS: _____ SERIES _____
6. The total number of issued and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: _____ CLASS: _____ SERIES _____
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are.
   (If additional space is necessary, attach separate schedule)

NAME	TITLE	BUSINESS ADDRESS

8. Date Incorporated _____ Date commenced business in the State of South Carolina was _____
9. Date of this report _____ FEIN _____
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is _____
11. Was the name of the Corporation changed during the year? _____ Give old name _____
12. The Corporation's books are in the care of _____
    Located at (street address) _____
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount). . . . . $ _____
    B Total paid in Capital Surplus (cannot be a negative amount). . . . . $ _____
    C. Total amount of stated Capital (cannot be a negative amount). . . . . $ _____

0D4955 1,000

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000413

647366-068

THO
SC1120 ECHOSTAR BROADCASTING CORPORATION [redacted] Page 3
SCHEDULE D ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

1. Name THIS SCHEDULE DOES NOT PRINT FOR SUBS
2. Incorporated under the laws of the State of _____
3. Location of the Registered Office of the Corporation in the State of South Carolina is _____
   In the City of _____ Registered Agent at such address is _____
4. Location of principal office (street address) _____
   Nature of principal business in SC _____
5. The total number of authorized shares of capital stock, itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: _____ CLASS: _____ SERIES: _____
6. The total number of issued and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows:
   NUMBER OF SHARES: _____ CLASS: _____ SERIES: _____
7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS

8. Date Incorporated _____ Date commenced business in the State of South Carolina was _____
9. Date of this report _____ FEIN _____
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is _____
11. Was the name of the Corporation changed during the year? _____ Give old name _____
12. The Corporation's books are in the care of _____
    Located at (street address) _____
13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount). . . . . $ _____
    B. Total paid in Capital Surplus (cannot be a negative amount). . . . . $ _____
    C. Total amount of stated Capital (cannot be a negative amount). . . . . $ _____

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000414

SC1120 DISH DBS CORPORATION 647366-069 [redacted]

ONLY MULTI-STATE CORPORATIONS MUST COMPLETE SCHEDULES E, F, G, AND H

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-In-Surplus at end of Year..... SEE STMT 2 $ _____
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 20, Part II..... $ _____

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business						
2. Dividends received						
3. Rents						
4. Gains/losses on real property						
5. Gains/losses on intangible pers. prop.						
6. Investment income directly allocated						
7. TOTAL INCOME DIRECTLY ALLOCATED						
8. INCOME DIRECTLY ALLOCATED TO SC						
9. TOTALS TO APPORTIONMENT FACTORS						

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1.....	1.	1,087,225,687
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7.....	2.	
3. Total net income subject to apportionment (line 1 less line 2).....	3.	1,087,225,687
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I.....	4.	2,953,992
5. Add: Income subject to direct allocation to SC from Schedule F, line 8.....	5.	
6. Total SC Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1.....	6.	2,953,992

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land				
2. Buildings				
3. Machinery and Equipment				
4. Inventories				
5. Other Property				
6. Exclusions	< >	< >	< >	< >
7. TOTAL (add lines 1 - 5; subtract line 6)				

	1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)			
9. Rental or Lease Value			
10. TOTAL Property Add lines 8 and 9. (Col 1÷ Col. 2 and enter ratio in Col. 3)			%
11. GROSS Payroll			
12. Less: Officers Compensation and Exclusions	< >	< >	
13. TOTAL Payroll (Col. 1÷ Col. 2 and enter ratio in Col. 3)			%
14. TOTAL Sales (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)			%
15. TOTAL Sales (same as line 14)			%
16. TOTAL of Ratios (add Column 3 - lines 10,13, 14 and 16)			%
17. Arithmetical Average of Ratios			%

SCHEDULE H - 2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts	36,206,836	13,327,671,702	
2. Less. Exclusion (see Instructions)	< >	< >	
3. Gross Receipts (for ratio)	36,206,836	13,327,671,702	
4. Ratio of Gross Receipts (line 3, Col. 1 ÷ line 3, Col. 2)			0.2717%

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THO
SC1120 ECHOSTAR CORPORATION [redacted]

ONLY MULTI-STATE CORPORATIONS MUST COMPLETE SCHEDULES E, F, G, AND H

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1 Total Capital and Paid-in-Surplus at end of Year SEE STMT REF FOR PAGE 1, LINE 21 $ _____

2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 20, Part II . . . . . $ _____

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business						
2. Dividends received						
3. Rents						
4. Gains/losses on real property						
5. Gains/losses on intangible pers. prop.						
6. Investment income directly allocated						
7. TOTAL INCOME DIRECTLY ALLOCATED						
8. INCOME DIRECTLY ALLOCATED TO SC						
9. TOTALS TO APPORTIONMENT FACTORS						

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1	1.	51,473,093
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7	2.	
3. Total net income subject to apportionment (line 1 less line 2)	3.	51,473,093
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I	4.	727,469
5. Add: Income subject to direct allocation to SC from Schedule F, line 8	5	
6. Total SC Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1	6.	727,469

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land			1,083,775	1,093,640
2. Buildings			7,097,375	9,082,552
3. Machinery and Equipment			15,491,390	14,379,777
4. Inventories	2,148,155	726,289	22,649,336	18,806,600
5. Other Property			15,502,275	16,862,951
6. Exclusions	( )	( )	( )	( )
7. TOTAL (add lines 1-5; subtract line 6)	2,148,155	726,289	61,824,151	60,225,520

	1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)	1,437,222	61,024,836	
9. Rental or Lease Value		2,788,912	
10. TOTAL Property Add lines 8 and 9. (Col. 1 ÷ Col. 2 and enter ratio in Col 3)	1,437,222	63,813,748	2.2522%
11. GROSS Payroll		56,327,849	
12. Less: Officers Compensation and Exclusions	( )	( )	
13. TOTAL Payroll (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)		56,327,849	NONE %
14. TOTAL Sales (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)	29,639,391	1,742,947,972	1.7005%
15. TOTAL Sales (same as line 14)	29,639,391	1,742,947,972	1.7005%
16. TOTAL of Ratios (add Column 3 - lines 10, 13, 14 and 15)			5.6532%
17. Arithmetical Average of Ratios			1.4133%

SCHEDULE H-2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2 Total Everywhere	3. Ratio
1. Total Gross Receipts			
2. Less: Exclusion (see instructions)	( )	( )	
3. Gross Receipts (for ratio)			
4. Ratio of Gross Receipts (line 3, Col. 1 ÷ line 3, Col. 2)			%

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SC1120 ECHOSTAR BROADCASTING CORPORATION [redacted]

ONLY MULTI-STATE CORPORATIONS MUST COMPLETE SCHEDULES E, F, G, AND H

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-In-Surplus at end of Year SEE STMT REF., FOR PAGE 1, LINE 21$
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 20, Part II . . . . . $

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business						
2. Dividends received						
3. Rents						
4. Gains/losses on real property						
5. Gains/losses on intangible pers. prop.						
6. Investment income directly allocated						
7. TOTAL INCOME DIRECTLY ALLOCATED						
8. INCOME DIRECTLY ALLOCATED TO SC						
9. TOTALS TO APPORTIONMENT FACTORS						

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1	1.	-13,341,222
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7	2.	
3. Total net income subject to apportionment (line 1 less line 2)	3.	-13,341,222
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I	4.	-55,102
5. Add: Income subject to direct allocation to SC from Schedule F, line 8	5.	
6. Total SC Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1	6.	-55,102

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land				
2. Buildings	25,493	25,493	4,714,984	4,846,489
3. Machinery and Equipment	2,986,067	3,034,406	141,749,301	145,006,249
4. Inventories			626,199,588	650,993,553
5. Other Property				
6. Exclusions	( )	( )	49,232,931	54,880,166
7. TOTAL (add lines 1-5, subtract line 6)	3,011,560	3,059,899	821,896,804	855,726,457

	1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)	3,035,730	838,811,631	
9. Rental or Lease Value		7,860,592	
10. TOTAL Property Add lines 8 and 9 (Col 1+Col 2 and enter ratio in Col 3)	3,035,730	846,672,223	0.3585 %
11. GROSS Payroll		29,965,087	
12. Less: Officers Compensation and Exclusions	( )	( )	
13. TOTAL Payroll (Col. 1 - Col. 2 and enter ratio in Col. 3)		29,965,087	NONE %
14. TOTAL Sales (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)	900,779	205,197,785	0.4390 %
15. TOTAL Sales (same as line 14)	900,779	205,197,785	0.4390 %
16. TOTAL of Ratios (add Column 3 - lines 10, 13, 14 and 15)			1.2365 %
17. Arithmetical Average of Ratios			0.3091 %

SCHEDULE H-2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts			
2. Less: Exclusion (see instructions)	( )	( )	
3. Gross Receipts (for ratio)			
4. Ratio of Gross Receipts (line 3, Col. 1 ÷ line 3, Col. 2)			%

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SC1120 DISH DBS CORPORATION
SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS [redacted] Page 5

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3. Ratio (South Carolina ÷ Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina		
2. Total Sales Everywhere		
3. Ratio (South Carolina ÷ Everywhere)		100.0000

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3 . . . . . 1. 1,087,225,687
2. Enter Ratio from Sch H-1, Line 17 . . . . . 2. %
3. Multiply Line 2 by Line 1 3
4. Enter Ratio from Line 3 of single factor apportionment schedule . . . . . 4. 100.0000 %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, STOP HERE and enter amount from Line 3, Schedule H-4, Part I on Schedule G, Line 4 . . . . . 5. 1,087,225,687
6. Line 3 minus Line 5 . . . . . 6.
7. For tax year 2010, multiply amount on Line 6 by 80% (.80). This is the amount of reduction in SC taxable income allowed this year . . . . . 7.
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4 . . . . . 8.

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-In-Surplus at the end of the year. If $10,000 or less, STOP HERE and enter on Schedule E, Line 2 . . . . . 1. 3,190,995,529
2. Enter the ratio from Sch H-1, Line 17 . . . . . 2 %
3. Multiply Line 1 by Line 2. If $10,000 or less, STOP HERE and enter on Schedule E, Line 2 . . . . . 3.
4. Enter the ratio from Line 3 of single factor apportionment schedule . . . . . 4. %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, STOP HERE and enter amount from Line 3 on Schedule E, Line 2 . . . . . 5.
6. Line 3 minus Line 5 6
7. For tax year 2010, multiply the amount on Line 6 by 80% (.80) This is the amount of reduction of license fee basis allowed this year . . . . . 7.
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2 . . . . . 8.

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SC1120 ECHOSTAR CORPORATION [redacted] Page 6

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3. Ratio (South Carolina ÷ Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina	29,639,391	
2. Total Sales Everywhere	1,742,947,972	
3. Ratio (South Carolina ÷ Everywhere)		1.7005

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3	1.	51,473,093
2. Enter Ratio from Sch H-1, Line 17	2.	1.4133 %
3. Multiply Line 2 by Line 1	3.	727,469
4. Enter Ratio from Line 3 of single factor apportionment schedule	4.	1.7005 %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, STOP HERE and enter amount from Line 3, Schedule H-4, Part I on Schedule G, Line 4	5.	875,300
6. Line 3 minus Line 5	6.	
7. For tax year 2010, multiply amount on Line 6 by 80% (.80). This is the amount of reduction in SC taxable income allowed this year	7.	
8 Line 3 minus Line 7. Enter this amount on Sch G, Line 4	8.	

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-in-Surplus at the end of the year. If $10,000 or less, STOP HERE and enter on Schedule E, Line 2	1.	3,340,924,667
2. Enter the ratio from Sch H-1, Line 17	2.	1.4133 %
3. Multiply Line 1 by Line 2. If $10,000 or less, STOP HERE and enter on Schedule E, Line 2	3.	47,217,288
4. Enter the ratio from Line 3 of single factor apportionment schedule	4.	1.7005 %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, STOP HERE and enter amount from Line 3 on Schedule E, Line 2	5.	56,812,424
6. Line 3 minus Line 5	6.	
7. For tax year 2010, multiply the amount on Line 6 by 80% (.80). This is the amount of reduction of license fee basis allowed this year	7.	
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2	8.	

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SC1120 ECHOSTAR BROADCASTING CORPORATION [redacted]

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3. Ratio (South Carolina ÷ Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina	900,779	
2. Total Sales Everywhere	205,197,785	
3. Ratio (South Carolina ÷ Everywhere)		0.4390

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1 Enter amount from Sch G, Line 3	1.	-13,341,222
2. Enter Ratio from Sch H-1, Line 17	2.	0.3091 %
3. Multiply Line 2 by Line 1	3.	-41,238
4. Enter Ratio from Line 3 of single factor apportionment schedule	4.	0.4390 %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, STOP HERE and enter amount from Line 3, Schedule H-4, Part I on Schedule G, Line 4	5.	-58,568
6. Line 3 minus Line 5	6.	17,330
7. For tax year 2010, multiply amount on Line 6 by 80% (.80). This is the amount of reduction in SC taxable income allowed this year	7.	13,864
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4	8.	-55,102

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-In-Surplus at the end of the year. If $10,000 or less, STOP HERE and enter on Schedule E, Line 2	1.	1,142,494
2. Enter the ratio from Sch H-1, Line 17	2.	0.3091 %
3. Multiply Line 1 by Line 2. If $10,000 or less, STOP HERE and enter on Schedule E, Line 2	3.	3,531
4. Enter the ratio from Line 3 of single factor apportionment schedule	4.	%
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, STOP HERE and enter amount from Line 3 on Schedule E, Line 2	5.	
6. Line 3 minus Line 5	6.	
7. For tax year 2010, multiply the amount on Line 6 by 80% (.80). This is the amount of reduction of license fee basis allowed this year	7.	
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2	8.	

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SCHEDULE I — RESERVED — Page 6

SCHEDULE J — CORPORATIONS INCLUDED IN CONSOLIDATED RETURN
AFFILIATED CORPORATION NO. 1

1. Name DISH DBS CORPORATION
2. Incorporated under the laws of the State of COLORADO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 500 THURMOND MALL BLVD
   in the City of COLUMBIA Registered Agent at such address is CORPORATION SERVICE COMPANY
4. Location of principal office (street address) SEE STATEMENT 11
   Nature of principal business in S.C CABLE AND OTHER PROGRAMMING
5. The total number of authorized shares of capital stock, itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES

6. The total number of issued and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES

7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
CHARLES W. ERGEN	PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD CO, 80112
THOMAS A. CULLEN	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD CO, 80112
JAMES DEFRANCO	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD CO, 80112
BERNARD L. HAN	TREASURER	9601 S. MERIDIAN BLVD. ENGLEWOOD CO, 80112
ROBERT E. OLSON	VICE PRESIDENT	9601 S. MERIDIAN BLVD. ENGLEWOOD CO, 80112

8. Date Incorporated 01/16/1996 Date commenced business in the State of South Carolina was 01/01/2004
9. Date of this report 09/14/2011 FEIN [redacted] SC File # 20859669
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is 01/01/2004
11. Was the name of the Corporation changed during the year? NO Give old name
12. The Corporation's books are in the care of KAREN FRANK
    Located at (street address) SEE STATEMENT 11
13. Corporate Mailing Address
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount). . . . . $ 10.
    B. Total paid in Capital Surplus (cannot be a negative amount). . . . . $ 3,190,995,519.
    C. Total amount of stated Capital (cannot be a negative amount). . . . . $ 3,190,995,529.

For additional affiliated corporations duplicate Schedule J as needed.

ATTACH COMPLETED COPY OF FEDERAL RETURN.

Make check payable to: SC Department of Revenue. Include Business Name, FEIN and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

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SCHEDULE I — RESERVED — Page 6

SCHEDULE J — CORPORATIONS INCLUDED IN CONSOLIDATED RETURN
AFFILIATED CORPORATION NO. 1

1. Name ECHOSTAR CORPORATION
2. Incorporated under the laws of the State of NV
3. Location of the Registered Office of the Corporation in the State of South Carolina is CORPORATION SERVICE COMPANY
   in the City of COLUMBIA Registered Agent at such address is 1703 LAUREL STREET
4. Location of principal office (street address) SEE STATEMENT 12
   Nature of principal business in S C. HOLDING COMPANY
5. The total number of authorized shares of capital stock, itemized by class and series, if any, within each class is as follows.

NUMBER OF SHARES	CLASS	SERIES

6. The total number of issued and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES

7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
CHARLES W. ERGEN	OTHER	
R. STANTON DODGE	SECRETARY	
MICHAEL T. DUGAN	TREASURER	
DAVID J. RAYNER	OTHER	
STEVEN SCHAVER	OTHER	

8. Date Incorporated 10/12/2007 Date commenced business in the State of South Carolina was 01/01/2008
9. Date of this report 09/14/2011 FEIN [redacted] SC File # 21157192
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is 1/1/2008
11. Was the name of the Corporation changed during the year? NO Give old name
12. The Corporation's books are in the care of KAREN FRANK
    Located at (street address) SEE STATEMENT 12
13. Corporate Mailing Address 9601 SOUTH MERIDIAN BLVD
14. The total amount of stated capital per balance sheet is.
    A. Total paid in Capital Stock (cannot be a negative amount). . . . . $ 90,790.
    B. Total paid in Capital Surplus (cannot be a negative amount). . . . . $ 3,340,833,877.
    C. Total amount of stated Capital (cannot be a negative amount). . . . . $ 3,340,924,667.

For additional affiliated corporations duplicate Schedule J as needed.

ATTACH COMPLETED COPY OF FEDERAL RETURN.

Make check payable to: SC Department of Revenue. Include Business Name, FEIN and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

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SCHEDULE I — RESERVED — Page 6

SCHEDULE J — CORPORATIONS INCLUDED IN CONSOLIDATED RETURN
AFFILIATED CORPORATION NO. 1

1. Name ECHOSTAR BROADCASTING CORPORATION
2. Incorporated under the laws of the State of COLORADO
3. Location of the Registered Office of the Corporation in the State of South Carolina is 1703 LAUREL STREET
   In the City of COLUMBIA Registered Agent at such address is CORPORATION SERVICE COMPANY
4. Location of principal office (street address) SEE STATEMENT 13
   Nature of principal business in S.C. HOLDING COMPANY
5. The total number of authorized shares of capital stock, itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES

6. The total number of issued and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows.

NUMBER OF SHARES	CLASS	SERIES

7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
   (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
MICHAEL T. DUGAN	PRESIDENT	
R. STANTON DODGE	SECRETARY	
DAVID J. RAYNER	OTHER	
CHARLES W. ERGEN	OTHER	

8. Date Incorporated 09/29/2008 Date commenced business in the State of South Carolina was 09/29/2008
9. Date of this report 09/14/2011 FEIN [redacted] SC File # 20431329
10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is 09/29/2008
11. Was the name of the Corporation changed during the year? NO Give old name
12. The Corporation's books are in the care of KAREN FRANK
    Located at (street address) SEE STATEMENT 13
13. Corporate Mailing Address 9601 SOUTH MERIDIAN BLVD
14. The total amount of stated capital per balance sheet is:
    A. Total paid in Capital Stock (cannot be a negative amount). . . . . $ 100.
    B. Total paid in Capital Surplus (cannot be a negative amount). . . . . $ 1,142,394.
    C. Total amount of stated Capital (cannot be a negative amount). . . . . $ 1,142,494.

For additional affiliated corporations duplicate Schedule J as needed.

ATTACH COMPLETED COPY OF FEDERAL RETURN.

Make check payable to: SC Department of Revenue. Include Business Name, FEIN and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

CORPORATE TAX CREDITS

SC1120-TC
(Rev. 8/13/10)
3370

NAME OF CORPORATION
DISH DBS CORPORATION

FEIN [redacted]

SC FILE # [redacted]

These credits are computed on separate forms. Be sure to attach the appropriate form(s) to this schedule for the credit you are claiming.

Part I Corporate Income Tax Credits

	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. New Jobs Credit (TC-4)	5,635,610	0	84,541	0	5,551,069
2. Economic Impact Zone Property Investment Credit (TC-11)					
3. Family Independence Payments Credit (TC-12)					
4. Research Expenses Credit (TC-18)					

For lines 5-15, enter credit description and associated code from the following information, along with the dollar amount of credit claimed.

Credit Description	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
5.	5.					
6.	6.					
7.	7.					
8.	8.					
9.	9.					
10.	10.					
11.	11.					
12.	12.					
13.	13.					
14.	14.					
15.	15.					
16. Total of Lines 1-15		5,635,610	0	84,541	0	5,551,069

**SEE SEPARATE LISTING FOR CREDITS WHICH MAY BE USED AS CREDITS AGAINST LICENSE FEES.

Part II Corporate License Fee Credits

Credit Description	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1.	1.					
2.	2.					
3.	3.					
4.	4.					
5.	5.					
6.	6.					
7. Total Corporate License Fee Credits (See Instructions)						

DESCRIPTIONS CONTINUED ON THE FOLLOWING PAGES

33701038

000424

DISH DBS CORPORATION - SC

12/31/2010

[redacted]

SOUTH CAROLINA SC 1120, PAGE 1 DETAIL

SC TAXABLE INCOME

COMPUTATION OF TAXABLE INCOME	COMBINED	ADJUSTMENTS	DISH DBS CORPORATION-SC [redacted]	DISH DBS CORPORATION-COPY2 [redacted]	ECHOSTAR CORPORATION [redacted]	ECHOSTAR BROADCASTING CORPORATION 26- [redacted]
1. TOTAL NET INCOME AS RECONCILED	1,125,357,558	(243,955)	1,125,113,603	1,087,225,687	51,473,093	(13,341,222)
2. LESS: ALLOC. INCOME TO SC & OTHER STATES						
3. TOTAL NET INCOME SUBJECT TO APPORTIONMENT	1,125,357,558		1,125,357,558	1,087,225,687	51,473,093	(13,341,222)
RATIO: %			0.32224%	0.27170%	1.41330%	0.30910%
4. SOUTH CAROLINA APPORTIONMENT AMOUNT	3,626,359		3,626,359	2,953,992	727,469	(55,102)
5. ADD: ALLOCABLE INCOME TO S.C.						
6. TOTAL S.C. NET INCOME	3,626,359		3,626,359	2,953,992	727,469	(55,102)

STATEMENT 1

647366-079

1148

000425

DISH DBS CORPORATION - SC 12/31/2010 [redacted]

SOUTH CAROLINA SC 1120, PAGE 1 DETAIL - COMPUTATION OF LICENSE FEE

COMPANY NAME	TOT. CAP. & PAID IN SURPLUS	APPORTIONMENT %	APPORTIONED CAPITAL	LICENSE FEE DUE
DISH DBS CORPORATION - COPY2	3,190,995,529	0.2717%	8,669,935	8,685
ECHOSTAR CORPORATION	3,340,924,667	1.4133%	47,217,288	47,232
ECHOSTAR BROADCASTING CORPORATION	1,142,494	0.3091%	3,531	25
TOTAL LICENSE FEE DUE	6,533,062,690		55,890,755	55,942

STATEMENT 2

647366-080

1149

000426

Taxpayer's Name: DISH DBS Corporation and Subsidiaries
Federal I.D. Number: [redacted]
Form: South Carolina C Corporation Income Tax Return Form SC1120
Income Tax Year: 12/31/2010

Apportionment Factor

Apportionment Factor

DISH DBS Corporation, "DISH", is a pay-television provider that provides its customers with a wide selection of local and national programming accessible by the subscriber via direct satellite communications. For those companies that do not sell tangible personal property, South Carolina requires those companies to apportion their income using the single sales factor pursuant to SC Code Ann. §12-6-2290.

Per SC Code Ann. §12-6-2295(A)(5), receipts from services are situsted to South Carolina if the entire income-producing activity is within the state. If the income-producing activity is performed partly within and partly without this State, then sales are attributable to the state to the extent the income-producing activity is performed within this state. Dish income-producing activity in South Carolina is performed partly within and partly without the state. The return is being amended to include sales in the numerator of the sales factor where the income producing activity occurs in the state.

2010 SALES APPORTIONMENT

	ORIGINAL					
	DBS		ECHOSTAR CORPORATION		ECHOSTAR BROADCASTING	
	WITHIN	EVERYWHERE	WITHIN	EVERYWHERE	WITHIN	EVERYWHERE
GUIDES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LEASES	-	-	-	-	-	-
SERVICES	23,497,495	1,287,955,821	-	-	-	-
GAIN/(LOSS)	-	-	-	(229,034)	-	43,023
OTHER	54,491,719 [See below]	3,385,442,266 [See below]	29,639,391	1,727,999,641	900,779	204,991,240
PROGRAMMING	123,957,043	8,640,530,035	-	-	-	-
INTEREST	-	13,743,580	-	15,177,363	-	-
RENT	-	-	-	-	-	163,523
ROYALTY	-	-	-	-	-	-
ELIMS	-	-	-	-	-	-
TOTALS	201,946,257	13,327,671,702	29,639,391	1,742,947,971	900,779	205,197,786
SALES FACTOR	1.5152%		1.7005%		0.4390%	

OTHER:	4,120,248	344,435,653
	50,302,661	3,040,690,942
	68,810	315,671
	54,491,719	3,385,442,266

11151



Company 111
South Carolina
12/31/2010

2010 Programming Ratio

	Everywhere	South Carolina	
Recurring Programming Cost	4,647,554,967	75,266,892	Cost allocated to SC based on % of SC Subs to total Subs
Satellite & Transmission Expense	458,606,662		
STAT - Engineering & Other Expenses	30,028,615		
Satellites	110,510,405		
Total	5,246,700,649	75,266,892	
		1.4346%	

Source:

Consolidated P&L:
Total Recurring Programming COGS
Total Satellite and Transmission Expense
A/C 670166 R/P - SATS - Engineering and Other Expense
Total Satellites Depr Expense

	SC Programming
SC Programming Costs	75,266,892
Total Programming Costs	5,246,700,649
Income-Producing Ratio	1.4346%
Total Programming Revenue	8,640,530,035
	1.4346%
SC-sourced Programming	123,957,044

Dish DBS Corp
Company 137 (Incl LLCs)
Sales Apportionment Breakdown

(Gross) Sales from

	Sales Without State to Within State	Receipts from Services	Miscellaneous Other	Rents	Other Interest	Real & Tang Pers Prop	Adjusted Basis	Other Receipts*	Sales Totals	Total for State
Alabama	200,370,695	31,246,432	16,563,611					72,271,356	310,452,094	310,452,094
Alaska	30,566,580	1,090,546	620,605	-	-	-	-	3,134,694	35,412,425	
Arizona	182,298,972	28,668,172	5,258,892	-	-	-	1,363	65,247,551	281,474,950	
Arkansas	180,466,729	23,951,901	3,825,617					55,542,970	243,878,217	243,878,217
California	891,480,789	130,134,826	22,362,568	-	-	-	(1,733)	330,120,704	1,374,097,154	
Colorado	179,868,577	23,779,827	2,946,600	-	13,148,772	-	(117,012)	59,278,034	278,904,797	
Connecticut	48,168,175	7,124,591	1,053,146	-	-	-	(3,256)	16,565,627	72,918,284	72,921,540
Delaware	10,852,872	1,978,879	384,647					4,160,091	17,376,489	
D.C.	5,013,851	921,321	114,557	-	-	-	-	1,377,454	7,427,184	2,413,332
Florida	360,526,001	63,237,166	12,005,958					134,776,137	570,545,282	
Georgia	341,067,066	64,901,412	11,086,037				(5,746)	123,424,531	530,473,299	530,478,045
Hawaii	11,634,692	1,164,525	597,181	-	-	-	-	2,883,907	16,280,305	
Idaho	86,941,142	11,167,984	1,878,220	-	-	-	-	31,562,625	131,549,972	
Illinois	403,049,528	54,519,229	8,468,230	-	-	-	(2,593)	144,737,094	610,771,488	
Indiana	240,190,412	34,913,539	5,025,580					86,579,699	366,709,230	126,618,818
Iowa	133,467,885	16,088,587	2,435,234					44,814,997	196,806,703	196,806,703
Kansas	101,759,584	13,913,269	2,068,330	-	-	-	-	35,276,294	153,017,476	
Kentucky	185,329,560	27,075,880	4,664,586					63,658,706	280,918,732	95,680,172
Louisiana	117,441,892	20,681,540	3,709,613					43,724,640	185,551,986	185,551,986
LA Franchise**	-	-	-					-	-	
Maine	37,831,855	6,212,967	733,507	-	-	-	-	13,958,689	58,737,017	
Maryland	62,141,870	11,667,622	1,706,739					21,861,450	97,377,681	97,377,681
Massachusetts	44,963,842	7,839,040	1,305,200	-	-	-	-	14,398,617	68,506,699	
Michigan	293,576,300	40,660,949	6,065,671	-	-	-	-	101,075,936	441,378,855	
Minnesota	164,666,495	21,957,888	2,543,755	-	-	-	-	56,410,522	245,578,659	
Mississippi	108,307,854	18,711,882	3,915,550	-	-	-	-	40,768,173	171,703,458	
Missouri	297,761,343	41,218,895	6,344,005	-	-	-	-	103,633,640	447,957,884	150,196,541
MO Franchise**	-	-	-	-	-	-	-	-	-	
Montana	70,055,623	7,579,111	1,110,709	-	-	-	-	21,411,417	100,156,861	
Nebraska	80,973,958	10,807,937	1,116,999	-	-	-	-	25,179,164	118,078,057	
Nevada	80,614,131	13,658,936	2,586,380	-	-	-	-	31,152,389	128,011,836	
New Hampshire	19,877,140	3,237,798	524,691	-	-	-	-	6,781,139	30,420,768	
New Jersey	98,983,267	15,432,058	2,889,270				2,844	28,069,886	145,377,325	145,377,325
New Mexico	95,884,286	13,451,611	2,075,723	-	-	-	-	31,775,297	143,186,917	
New York	243,726,310	36,442,094	6,707,918	-	-	-	(3,304)	74,846,245	361,719,262	
NY Surcharge**	-	-	-	-	-	-	-	-	-	
NY Alternate**	-	-	-	-	-	-	-	-	-	
North Carolina	296,208,145	51,664,346	8,238,810	-	-	-	-	111,796,741	467,908,042	
North Dakota	29,169,370	3,600,635	357,756	-	-	-	-	8,842,338	41,970,099	
Ohio	244,431,192	39,325,296	6,266,065	-	-	-	-	88,769,663	378,792,215	
Oklahoma	193,505,637	28,609,137	4,136,455	-	-	-	63	66,784,629	293,035,922	222,114,774
Oregon	122,777,330	16,432,546	2,230,992	-	-	-	-	41,586,780	183,027,648	
Pennsylvania	276,382,795	42,272,950	6,349,869	-	-	-	99,281	94,468,662	419,573,556	
Rhode Island	6,476,370	1,429,241	309,599	-	-	-	-	2,553,073	10,768,283	
South Carolina	137,345,873	23,497,495	4,120,248	-	-	-	(68,810)	50,302,661	215,197,467	
South Dakota	34,810,125	3,982,047	552,252	-	-	-	-	11,034,277	50,378,701	
Tennessee	198,797,585	32,325,745	6,301,607	-	-	-	-	72,410,468	308,835,406	110,037,629
TN Franchise**	-	-	-	-	-	-	-	-	-	
Texas	916,936,596	136,998,941	25,108,322	-	-	-	-	333,111,876	1,412,155,734	
Utah	92,727,694	12,758,815	1,670,285	-	-	-	-	36,504,490	143,661,284	
Vermont	34,739,118	3,862,040	545,389	-	-	-	-	10,344,217	49,490,764	
Virginia	193,618,839	29,838,446	4,678,278	-	-	-	-	64,854,601	292,990,164	99,271,325
Washington	176,897,932	23,632,573	3,357,986	-	-	-	-	57,412,624	261,301,115	
West Virginia	75,287,113	11,966,910	1,460,035	-	-	-	-	24,851,105	113,565,163	
Wisconsin	178,507,208	24,085,511	2,931,935	-	-	-	-	63,207,709	268,732,362	
Wyoming	37,957,537	4,519,230	469,703	-	-	-	-	11,179,493	54,125,963	
Battle Creek**	-	-	-	-	-	-	-	-	-	
Bowling Green**	-	-	304,261	-	-	-	-	-	304,261	
Detroit**	-	-	-	-	-	-	-	-	-	
Flint**	-	-	-	-	-	-	-	-	-	
Lapeer MI	-	-	84,764	-	-	-	-	-	84,764	
Big Rapids, MI	-	-	43,883	-	-	-	-	-	43,883	
Kansas City**	-	-	-	-	-	-	-	-	-	
Campbell CTY KY	-	-	131,536	-	-	-	-	-	131,536	
Cumberland CTY I	-	-	142,969	-	-	-	-	-	142,969	
Louisville KY										
NY City**	-	-	27,423,086	-	-	-	-	-	27,423,086	
Philadelphia**	-	-	11,906,513	-	-	-	-	-	11,906,513	
St. Louis**	-	-	3,737,107	-	-	-	-	-	3,737,107	
Foreign	4,104,303	1,715,486	132,359,739	-	594,808		(216,768)	314,558	138,872,126	
									-	
Hash Total	8,640,530,036	1,287,955,821	388,209,772	-	13,743,580		(315,671)	3,040,690,942	13,370,814,480	
			-	-	-					
Crossfooting	8,640,530,036	1,287,955,821	344,435,653	-	13,743,580		(315,671)	3,040,690,942	13,327,040,361	
Everywhere **						Calculated Loss	315,671			

*Other Receipts is determined by subtacting the sales totals from the remaining catagories.

DSH1283

1153

Dish Network
Company 111
Sales Apportionment Breakdown

	Sales Without State to Within State	Receipts from Service	Miscellaneous	Other	Rents	Other Interest	(Gross) Sales from Real & Tang Pers Prop	Adjusted Basis	Other Receipts*	Sales Totals
Alabama	200,368,032	14,560,437	4,355,658						72,271,356	291,555,483
Alaska	30,566,580	495,859	502,927						3,134,694	34,700,059
Arizona	182,230,005	12,176,099	4,572,640					1,363	65,247,551	264,227,659
Arkansas	160,452,685	11,281,366	2,997,960						55,542,970	230,274,981
California	891,156,234	56,942,071	18,597,325						330,120,704	1,296,816,334
Colorado	179,857,957	10,493,967	2,440,244			191,860		(123,342)	59,277,598	252,138,283
Connecticut	48,160,076	2,657,050	983,266						16,565,627	68,366,019
Delaware	10,852,872	740,886	346,086						4,160,091	16,099,935
D.C.	5,013,851	328,772	114,204						1,377,454	6,834,281
Florida	360,427,503	25,500,752	9,017,159						134,776,137	529,721,551
Georgia	341,049,757	24,488,260	7,468,057						123,424,531	496,430,604
Hawaii	11,634,463	600,516	508,080						2,883,907	15,626,966
Idaho	86,940,229	5,833,560	1,137,218						31,562,625	125,473,632
Illinois	402,987,360	24,958,368	6,586,848						144,737,094	579,269,669
Indiana	239,922,470	16,513,300	3,451,637						86,579,699	346,467,106
Iowa	133,410,732	8,136,594	1,224,133						44,814,997	187,586,456
Kansas	101,750,637	6,784,745	1,568,584						35,276,294	145,380,260
Kentucky	185,293,750	12,581,218	3,357,796						63,559,706	264,792,469
Louisiana	117,419,431	9,025,979	3,075,076						43,724,940	173,245,427
LA Franchise**										-
Maine	37,828,910	2,805,860	656,601						13,958,689	55,250,059
Maryland	62,134,249	4,371,950	1,364,744						21,861,450	89,732,392
Massachusetts	44,963,842	2,813,998	1,193,384						14,398,617	63,369,841
Michigan	293,290,898	18,235,954	4,791,704						101,075,936	417,394,492
Minnesota	164,622,676	10,292,566	1,928,356						56,410,522	233,254,119
Mississippi	108,297,974	8,313,093	3,338,987						40,768,173	160,718,226
Missouri	297,732,379	19,215,582	4,434,217						103,633,640	425,015,819
MO Franchise**										-
Montana	70,002,056	4,221,367	767,504						21,411,417	96,402,345
Nebraska	80,966,876	4,994,938	832,129						25,179,164	111,973,107
Nevada	80,603,957	5,631,735	2,047,269						31,152,389	119,435,350
New Hampshire	19,874,407	1,259,445	337,691						6,781,139	28,252,682
New Jersey	98,963,806	6,014,125	2,725,691					2,844	28,069,886	135,776,353
New Mexico	95,877,113	6,376,913	1,840,144						31,775,297	135,869,467
New York	243,711,920	15,038,301	5,644,460					(1,715)	74,845,245	339,239,210
NY Surcharge**										-
NY Alternate**										-
North Carolina	296,190,163	22,374,378	7,031,883						111,796,741	437,393,166
North Dakota	28,993,641	1,832,100	281,134						8,842,338	39,949,213
Ohio	244,328,488	16,915,919	4,477,160						88,769,663	354,491,230
Oklahoma	193,500,580	13,107,774	3,941,177						66,784,629	277,334,160
Oregon	122,776,719	7,579,459	1,693,135						41,586,780	173,636,094
Pennsylvania	276,252,977	19,300,308	4,912,492					99,281	94,468,662	395,033,719
Rhode Island	6,476,370	491,427	283,083						2,553,073	9,803,962
South Carolina	137,316,455	10,512,837	3,683,741					(68,810)	50,302,661	201,746,884
South Dakota	34,810,125	2,081,876	366,570						11,034,277	48,292,848
Tennessee	198,785,651	14,182,456	4,209,499						72,410,468	289,588,074
TN Franchise**										-
Texas	916,839,425	61,904,899	20,678,364						333,111,876	1,332,532,564
Utah	92,720,340	6,219,493	1,386,567						36,504,490	136,830,890
Vermont	34,733,726	2,039,400	404,082						10,344,217	47,521,426
Virgin Island	-	-	-						-	-
Virginia	193,529,497	13,011,426	3,426,896						64,854,601	274,822,419
Washington	176,871,730	10,795,448	2,686,519						57,412,624	247,766,322
West Virginia	75,282,534	5,141,540	1,294,276						24,851,105	106,569,455
Wisconsin	178,500,900	11,841,678	2,057,760						63,207,709	255,608,046
Wyoming	37,952,346	2,255,851	437,605						11,179,493	51,825,295
Battle Creek**				215,424						-
Bowling Green**										215,424
Detroit**										-
Flint**										-
Lapeer MI				84,764						84,764
Big Rapids, MI				43,883						-
Kansas City**										-
Campbell CTY KY				131,366						131,366
Cumberland CTY KY				131,597						131,597
Louisville, KY				3,233,887						3,233,887
NY City**				27,405,633						27,405,633
Philadelphia**				9,460,877						9,460,877
St. Louis**				3,729,570						3,729,570
Foreign	4,104,303	17,045		28,155					314,558	4,464,061
										-
Hash Total	6,638,331,658	575,290,935	211,922,885	-	-	191,860	-	(90,379)	3,040,690,506	12,466,293,583
Crossfooting	6,638,331,658	575,290,935	167,485,884	-	-	191,860	-	(90,379)	3,040,690,506	12,421,900,465
Everywhere **							Computed Loss	90,379		

Reconciliation to Sales per P&L

Total Revenue	12,421,798,984
Loss on Sale of Assets	(90,378)
Interest Income	191,860
Other Miscellaneous Income	-
Total Sales per P&L	12,421,900,466
Total Sales per Above	12,421,900,465
Difference (Def Rev M-1)	1

DSH1284

11154

Dish Network
Company 113
Sales Apportionm

	Miscellaneous Other	(Gross) Sales from Real & Tang Pers Prop	Adjusted Basis	Sales Totals
Alabama	2,207,953			2,207,953
Alaska	117,678			117,678
Arizona	686,251			686,251
Arkansas	928,657			928,657
California	3,765,243		(1,733)	3,763,510
Colorado	506,357		6,330	512,687
Connecticut	79,880		(1,813)	78,067
Delaware	38,561			38,561
D.C.	353			353
Florida	2,988,799			2,988,799
Georgia	3,617,980		(113)	3,617,867
Hawaii	89,101			89,101
Idaho	741,002			741,002
Illinois	1,881,382		(1,661)	1,879,721
Indiana	1,573,943			1,573,943
Iowa	1,211,101			1,211,101
Kansas	499,746			499,746
Kentucky	1,596,790			1,596,790
Louisiana	628,538			628,538
LA Franchise**				-
Maine	76,906			76,906
Maryland	341,996			341,996
Massachusetts	111,816			111,816
Michigan	1,273,966			1,273,966
Minnesota	615,399			615,399
Mississippi	576,563			576,563
Missouri	909,788			909,788
MO Franchise**				-
Montana	343,205			343,205
Nebraska	284,870			284,870
Nevada	539,111			539,111
New Hampshire	187,000			187,000
New Jersey	163,578			163,578
New Mexico	235,579			235,579
New York	1,063,458		(1,589)	1,061,869
NY Surcharge**				-
NY Alternate**				-
North Carolina	1,206,926			1,206,926
North Dakota	76,622			76,622
Ohio	1,788,905			1,788,905
Oklahoma	195,279			195,279
Oregon	537,857			537,857
Pennsylvania	1,437,377			1,437,377
Rhode Island	26,507			26,507
South Carolina	436,507			436,507
South Dakota	185,682			185,682
Tennessee	1,092,108			1,092,108
TN Franchise**				-
Texas	4,431,957			4,431,957
Utah	283,718			283,718
Vermont	141,307			141,307
Virginia	1,151,382			1,151,382
Washington	671,467			671,467
West Virginia	165,759			165,759
Wisconsin	874,175			874,175
Wyoming	32,098			32,098
Battle Creek**				-
Bowling Green**	88,837			88,837
Detroit**				-
Flint**				-
Lapeer MI	5,588			5,588
Kansas City**				-
Campbell CTY KY	170			170
Cumberland CTY I	11,372			11,372
Louisville, KY				-
NY City**	17,453			17,453
Philadelphia**	2,445,636			2,445,636
St. Louis**	7,537			7,537
Foreign	5,027		(216,768)	(211,741)
				-
				-
Hash Total	47,199,805	-	(217,347)	46,982,458
	-			
Crossfooting	44,623,212	-	(217,347)	44,405,865
Everywhere **		Computed Loss	217,347	

Reconciliation to Sales per P&L

Total Revenue	44,626,918
Gain on Sale of Assets	12,035
Loss on Sale of Assets	(229,383)
Other Misc Income	(3,706)
Total Sales per P&L	44,405,864
Total Sales per Above	44,405,865
Difference	(1)

Dish DBS Corp
Company 115
Apportionment Brea

	Receipts from Services	(Gross) Sales from Real & Tang Pers Prop	Adjusted Basis	Sales Totals
Alabama	16,685,995			16,685,995
Alaska	594,687			594,687
Arizona	16,492,073			16,492,073
Arkansas	12,670,535			12,670,535
California	73,192,755			73,192,755
Colorado	13,285,860			13,285,860
Connecticut	4,467,541		(1,443)	4,466,098
Delaware	1,237,993			1,237,993
D.C.	592,549			592,549
Florida	37,736,434			37,736,434
Georgia	30,413,152		(5,633)	30,407,519
Hawaii	564,009			564,009
Idaho	5,334,424			5,334,424
Illinois	29,560,863		(932)	29,559,931
Indiana	18,400,239			18,400,239
Iowa	7,951,993			7,951,993
Kansas	7,128,524			7,128,524
Kentucky	14,494,662			14,494,662
Louisiana	11,655,561			11,655,561
LA Franchise**				-
Maine	3,407,107			3,407,107
Maryland	7,295,672			7,295,672
Massachusetts	5,025,042			5,025,042
Michigan	22,424,995			22,424,995
Minnesota	11,665,322			11,665,322
Mississippi	10,398,789			10,398,789
Missouri	22,003,313			22,003,313
MO Franchise**				-
Montana	3,357,744			3,357,744
Nebraska	5,812,999			5,812,999
Nevada	8,027,201			8,027,201
New Hampshire	1,978,353			1,978,353
New Jersey	9,417,933			9,417,933
New Mexico	7,074,698			7,074,698
New York	21,403,793			21,403,793
NY Surcharge**				-
NY Alternate**				-
North Carolina	29,289,968			29,289,968
North Dakota	1,768,535			1,768,535
Ohio	22,409,377			22,409,377
Oklahoma	15,501,363		63	15,501,426
Oregon	8,853,087			8,853,087
Pennsylvania	22,972,642			22,972,642
Rhode Island	937,814			937,814
South Carolina	12,984,658			12,984,658
South Dakota	1,900,171			1,900,171
Tennessee	18,143,289			18,143,289
TN Franchise**				-
Texas	75,094,042			75,094,042
Utah	6,539,322			6,539,322
Vermont	1,822,640			1,822,640
Virginia	16,827,020			16,827,020
Washington	12,837,125			12,837,125
West Virginia	6,825,370			6,825,370
Wisconsin	12,243,833			12,243,833
Wyoming	2,263,379			2,263,379
Battle Creek**				-
Bowling Green**				-
Detroit**				-
Flint**				-
Lapeer MI				-
Kansas City**				-
Campbell CTY KY				-
Cumberland CTY KY				-
NY City**				-
Philadelphia**				-
St. Louis**				-
Foreign	1,698,441			1,698,441
				-
				-
Hash Total	712,664,886	-	(7,945)	712,656,941
Crossfooting	712,664,886	-	(7,945)	712,656,941
Everywhere **				

Reconciliation to Sales per P&L

Total Revenue	712,664,889
Loss on Sale of Assets	(7,945)
Total Sales per P&L	712,656,944
Total Sales per Above	712,656,941
Difference	3

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Dish Network
Company 137
Sales Apportionment Breakdown

	Sales Without State to Within State	Sales Within State to US Government	Sales Within State to Non-tax Juris.	Receipts from Services	Returns and Allowances	Miscellaneous Other	Rents	Royalties on Patents, Copyrights, etc.	Other Royalties	Interest from Subsidiaries	Other Interest	Other Receipts*	Sales Totals
Alabama													-
Alaska													-
Arizona													-
Arkansas													-
California											12,956,912	436	12,957,348
Colorado													-
Connecticut													-
Delaware													-
D.C.													-
Florida													-
Georgia													-
Hawaii													-
Idaho													-
Illinois													-
Indiana													-
Iowa													-
Kansas													-
Kentucky													-
Louisiana													-
LA Franchise**													-
Maine													-
Maryland													-
Massachusetts													-
Michigan													-
Minnesota													-
Mississippi													-
Missouri													-
MO Franchise**													-
Montana													-
Nebraska													-
Nevada													-
New Hampshire													-
New Jersey													-
New Mexico													-
New York													-
NY Surcharge**													-
NY Alternate**													-
North Carolina													-
North Dakota													-
Ohio													-
Oklahoma													-
Oregon													-
Pennsylvania													-
Rhode Island													-
South Carolina													-
South Dakota													-
Tennessee													-
TN Franchise**													-
Texas													-
Utah													-
Vermont													-
Virginia													-
Washington													-
West Virginia													-
Wisconsin													-
Wyoming													-
Battle Creek**													-
Bowling Green**													-
Detroit**													-
Flint**													-
Lapeer MI													-
Kansas City**													-
Campbell CTY KY													-
Cumberland CTY KY													-
NY City**													-
Philadelphia**													-
St. Louis**													-
Foreign													-
													-
Hash Total	-	-	-	-	-	-	-	-	-	-	12,956,912	436	12,957,348
						-	-	-	-	-	-		
Crossfooting	-	-	-	-	-	-	-	-	-	-	12,956,912	436	12,957,348
Everywhere **													

*Other Receipts is determined by adding the allocated other income to the total gross receipts and subtracting the amounts from the remaining catagories.

Dish Network
Company 177
Sales Apportionment Breakdown

	Sales Without State to Within State	Sales Within State to US Government	Sales Within State to Non-tax Juris.	Receipts from Services	Returns and Allowances	Miscellaneous Other	Rents	Royalties on Patents, Copyrights, etc.	Other Royalties	Interest from Subsidiaries	Other Interest	Dividends from Subsidiaries	Other Dividends	(Gross) Sales from Real & Tang Pers Prop	Adjusted Basis	(Gross) Sales from Intang. Personal Prop	Adjusted Basis	Partnership Receipts	Other Receipts	Sales Totals
Alabama	2,322																			2,322
Alaska																				-
Arizona	59,763																			59,763
Arkansas																				-
California	324,555																			324,555
Colorado																				-
Connecticut	3,445																			3,445
Delaware																				-
D.C.																				-
Florida	70,454																			70,454
Georgia																				-
Hawaii																				-
Idaho																				-
Illinois	62,188																			62,188
Indiana	247,944																			247,944
Iowa	44,606																			44,606
Kansas																				-
Kentucky	31,802																			31,802
Louisiana	14,912																			14,912
LA Franchise**																				-
Maine																				-
Maryland	3,345																			3,345
Massachusetts																				-
Michigan	285,402																			285,402
Minnesota	32,231																			32,231
Mississippi	6,202																			6,202
Missouri	16,813																			16,813
MO Franchise**																				-
Montana	53,567																			53,567
Nebraska																				-
Nevada	3,923																			3,923
New Hampshire	2,733																			2,733
New Jersey	19,481																			19,481
New Mexico																				-
New York	14,390																			14,390
NY Surcharge**																				-
NY Alternate**																				-
North Carolina	1,224																			1,224
North Dakota	175,728																			175,728
Ohio	87,444																			87,444
Oklahoma	5,057																			5,057
Oregon	610																			610
Pennsylvania	119,092																			119,092
Rhode Island																				-
South Carolina	21,820																			21,820
South Dakota																				-
Tennessee																				-
TN Franchise**																				-
Texas	34,477																			34,477
Utah	4,312																			4,312
Vermont																				-
Virginia	89,342																			89,342
Washington	13,574																			13,574
West Virginia																				-
Wisconsin	(70)																			(70)
Wyoming	5,191																			5,191
Battle Creek**																				-
Bowling Green**																				-
Detroit**																				-
Flint**																				-
Lapeer MI																				-
Kansas City**																				-
Campbell CTY KY																				-
Cumberland CTY KY																				-
NY City**																				-
Philadelphia**																				-
St. Louis**																				-
Foreign																				-
																				-
Hash Total	1,857,839	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,857,839
Crossfooting	1,857,839	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,857,839
Everywhere **																				

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Dish Network
Company 189
Sales Apportionment Breakdown

	Sales Without State to Within State	Sales Within State to US Government	Sales Within State to Non-tax Juris.	Receipts from Services	Returns and Allowances	Miscellaneous Other	Rents	Royalties on Patents, Copyrights, etc.	Other Royalties	Interest from Subsidiaries	Other Interest	Dividends from Subsidiaries	Other Dividends	(Gross) Sales from Real & Tang Pers Prop	Adjusted Basis	(Gross) Sales from Intang. Personal Prop	Adjusted Basis	Partnership Receipts	Other Receipts	Sales Totals
Alabama	342																			342
Alaska																				-
Arizona	9,205																			9,205
Arkansas	4,044																			4,044
California																				-
Colorado	10,619																			10,619
Connecticut	4,654																			4,654
Delaware																				-
D.C.																				-
Florida	28,044																			28,044
Georgia	17,308																			17,308
Hawaii	229																			229
Idaho	913																			913
Illinois																				-
Indiana	19,997																			19,997
Iowa	12,546																			12,546
Kansas	8,946																			8,946
Kentucky	4,008																			4,008
Louisiana	7,549																			7,549
LA Franchise**																				-
Maine	2,945																			2,945
Maryland	4,276																			4,276
Massachusetts																				-
Michigan																				-
Minnesota	11,588																			11,588
Mississippi	3,678																			3,678
Missouri	12,151																			12,151
MO Franchise**																				-
Montana																				-
Nebraska	7,081																			7,081
Nevada	6,251																			6,251
New Hampshire																				-
New Jersey																				-
New Mexico	7,173																			7,173
New York																				-
NY Surcharge**																				-
NY Alternate**																				-
North Carolina	16,759																			16,759
North Dakota																				-
Ohio	15,260																			15,260
Oklahoma																				-
Oregon																				-
Pennsylvania	10,726																			10,726
Rhode Island																				-
South Carolina	7,597																			7,597
South Dakota																				-
Tennessee	11,934																			11,934
TN Franchise**																				-
Texas	62,694																			62,694
Utah	3,042																			3,042
Vermont	5,392																			5,392
Virginia																				-
Washington	12,628																			12,628
West Virginia	4,580																			4,580
Wisconsin	6,378																			6,378
Wyoming																				-
Battle Creek**																				-
Bowling Green**																				-
Detroit**																				-
Flint**																				-
Lapeer MI																				-
Kansas City**																				-
Campbell CTY KY																				-
Cumberland CTY KY																				-
NY City**																				-
Philadelphia**																				-
St. Louis**																				-
Foreign																				-
																				-
Hash Total	340,539	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340,539
					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340,539
Crossfooting	340,539	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Everywhere **																				

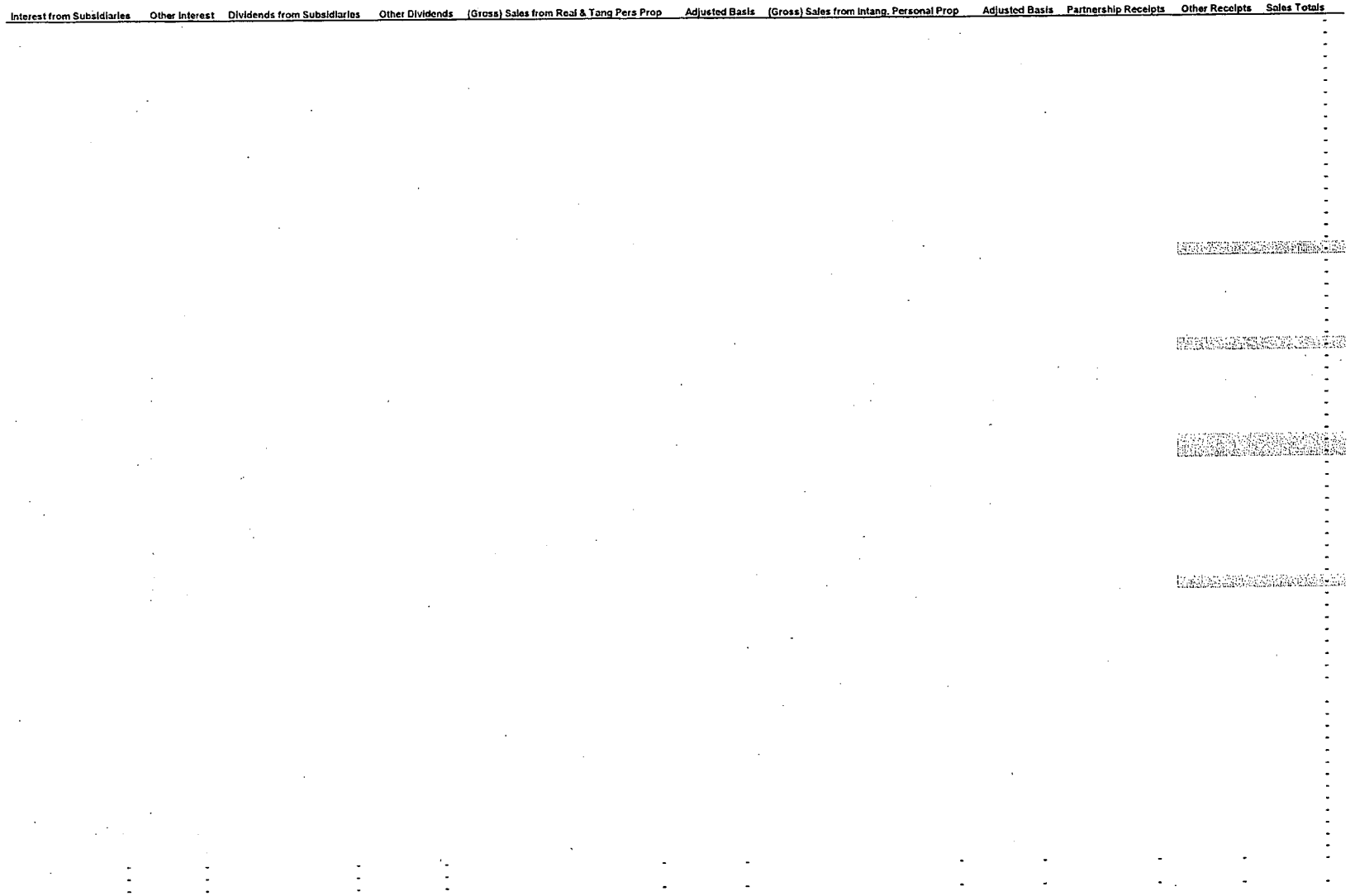
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Dish Network
Company 191

Sales Apportionment Breakdown

	Sales Without State to Within State	Sales Within State to US Government	Sales Within State to Non-tax Juris.	Receipts from	Returns and	Miscellaneous	Royalties on Patents, Copyrights, etc.	Other Royalties
Alabama								
Alaska								
Arizona								
Arkansas								
California								
Colorado								
Connecticut								
Delaware								
D.C.								
Florida								
Georgia								
Hawaii								
Idaho								
Illinois								
Indiana								
Iowa								
Kansas								
Kentucky								
Louisiana								
LA Franchise**								
Maine								
Maryland								
Massachusetts								
Michigan								
Minnesota								
Mississippi								
Missouri								
MO Franchise**								
Montana								
Nebraska								
Nevada								
New Hampshire								
New Jersey								
New Mexico								
New York								
NY Surcharge**								
NY Alternate**								
North Carolina								
North Dakota								
Ohio								
Oklahoma								
Oregon								
Pennsylvania								
Rhode Island								
South Carolina								
South Dakota								
Tennessee								
TN Franchise**								
Texas								
Utah								
Vermont								
Virginia								
Washington								
West Virginia								
Wisconsin								
Wyoming								
Battle Creek**								
Bowling Green**								
Detroit**								
Flint**								
Lapeer MI								
Kansas City**								
Campbell CTY KY								
Cumberland CTY KY								
NY City**								
Philadelphia**								
St. Louis**								
Foreign								
Hash Total	-	-	-	-	-	-	-	-
Crossfooting	-	-	-	-	-	-	-	-
Everywhere **								

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Interest from Subsidiaries
Other Interest
Dividends from Subsidiaries
Other Dividends
(Gross) Sales from Real & Tang Pers Prop
Adjusted Basis
(Gross) Sales from Intang. Personal Prop
Adjusted Basis
Partnership Receipts
Other Receipts
Sales Totals

Dish Network
Company 213
Apportionment Brea

	Miscellaneous	Other	Rents	Other Interest	Partnership Receipts	Other Receipts	Sales Totals
Alabama							-
Alaska							-
Arizona							-
Arkansas							-
California							-
Colorado							-
Connecticut							-
Delaware							-
D.C.							-
Florida							-
Georgia							-
Hawaii							-
Idaho							-
Illinois							-
Indiana							-
Iowa							-
Kansas							-
Kentucky							-
Louisiana							-
LA Franchise**							-
Maine							-
Maryland							-
Massachusetts							-
Michigan							-
Minnesota							-
Mississippi							-
Missouri							-
MO Franchise**							-
Montana							-
Nebraska							-
Nevada							-
New Hampshire							-
New Jersey							-
New Mexico							-
New York							-
NY Surcharge**							-
NY Alternate**							-
North Carolina							-
North Dakota							-
Ohio							-
Oklahoma							-
Oregon							-
Pennsylvania							-
Rhode Island							-
South Carolina							-
South Dakota							-
Tennessee							-
TN Franchise**							-
Texas							-
Utah							-
Vermont							-
Virginia							-
Washington							-
West Virginia							-
Wisconsin							-
Wyoming							-
Battle Creek**							-
Bowling Green**							-
Detroit**							-
Flint**							-
Lapeer MI							-
Kansas City**							-
Campbell CTY KY							-
Cumberland CTY KY							-
NY City**							-
Philadelphia**							-
St. Louis**							-
Foreign		132,326,557		594,808			132,921,365
							-
							-
Hash Total		132,326,557	-	594,808	-	-	132,921,365
		-	-	-			
Crossfooting		132,326,557	-	594,808	-	-	132,921,365
Everywhere **							

Reconciliation to Sales per P&L

Total Revenue	132,326,557
Interest Income	594,808
Total Sales per P&L	132,921,365
Total Sales per Above	132,921,365
Difference	-

DSH1292

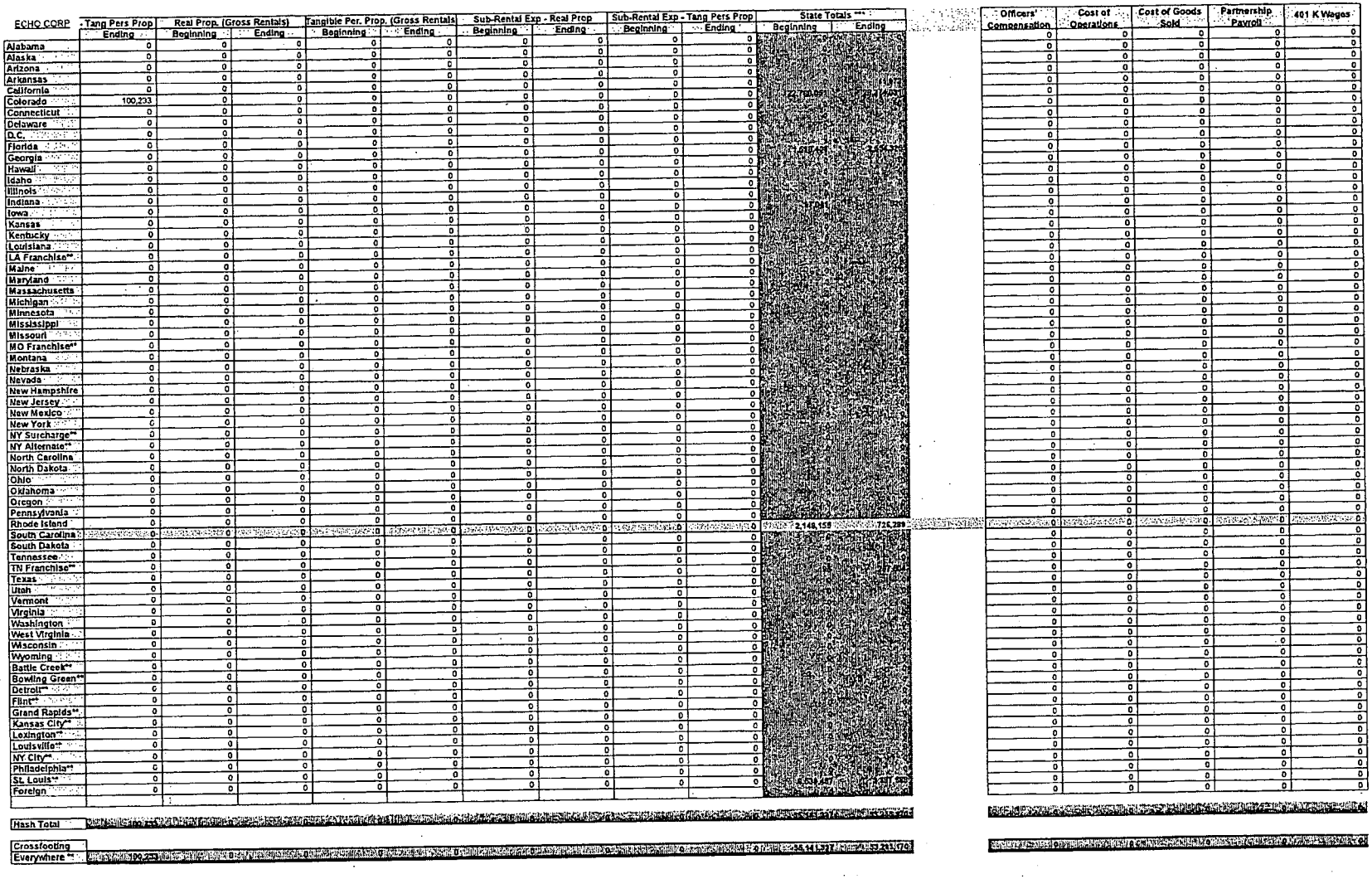
ECHO CORP	Inventories		Land		Land Reserve		Leasehold Improvements		L/H Improv. - Accum. Amort.		Buildings		Buildings - Accum. Depr.		Machinery & Equipment		Machinery & Equ
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning
Alabama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alaska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
California	0	11,973	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado	11,252,177	13,416,330	1,093,775	1,093,640	114,542	131,567	4,250	0	4,250	0	7,097,375	9,082,552	3,372,715	3,581,937	13,060,817	11,497,272	10,676,667
Connecticut	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Delaware	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D.C.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21,165	26,525	5,936
Georgia	1,581,179	2,543,103	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Illinois	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Iowa	97,041	820	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LA Franchise**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maryland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MO Franchise**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NY Surcharge**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NY Alternate**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ohio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rhode Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	2,148,155	726,289	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TN Franchise**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	195	267,504	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vermont	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Washington	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Battle Creek**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bowling Green**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Detroit**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flint**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Rapids**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas City**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lexington**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Louisville**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NY City**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Philadelphia**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
St. Louis**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,409,408	2,855,980	2,150,685
Foreign	7,570,589	1,840,581	0	0	0	0	142,714	142,714	116,704	136,181	0	0	0	0			
Hash Total																	
Crossfooting Everywhere ??																	

ECHO CORP	ip - Accum. Depr.	Furniture & Fixtures		Furniture & Fixtures - Accum. Depr		Transportation Equipment		Transportation, Eq. - Accum. Depr		Other Depreciable Assets		Other Depr Assets - Accum. Depr.		Depletable Assets		Depl. Assets - Accum. Depletion	
	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending
Alabama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alaska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
California	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado	8,609,803	1,375,791	1,503,483	1,125,230	1,218,352	5,000	5,000	5,000	5,000	12,691,773	12,880,351	8,845,410	9,657,168	0	0	0	0
Connecticut	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Delaware	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D.C.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	0	0	0	0	0	0	0	0	17,659	17,659	17,659	17,659	0	0	0	0
Georgia	15,303	0	630	0	630	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Illinois	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LA Franchise**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maryland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MO Franchise**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NY Surcharge**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NY Alternate**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ohio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rhode Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TN Franchise**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vermont	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Washington	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Battle Creek**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bowling Green**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Detroit**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flint**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Rapids**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas City**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lexington**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Louisville**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NY City**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Philadelphia**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
St. Louis**	0	0	0	0	0	0	0	0	0	1,335,947	2,273,973	659,475	1,007,464	0	0	0	0
Foreign	2,587,612	38,841	38,941	15,576	23,384	0	0	0	0								
Hash Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Crossfooting Everywhere **	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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ECHO CORP	Prepaid Supplies		Other Tang. Pers. Property (Cost)		Construction-In-Progress		Partnership Property		Miscellaneous Other		Real Property		Other Tang. Pers. Property (FMV)		Property Rental - Real Property		Property Rental
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning
Alabama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alaska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
California	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(24)	0
Colorado	0	0	0	0	133,907	1,000,000	0	0	0	0	0	0	0	0	0	0	0
Connecticut	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Delaware	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D.C.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Georgia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Illinois	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LA Franchise**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maryland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MO Franchise**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NY Surcharge**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NY Alternate**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ohio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rhode Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TN Franchise**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vermont	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Washington	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Battle Creek**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bowling Green**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Detroit**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flint**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Rapids**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas City**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lexington**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Louisville**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NY City**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Philadelphia**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
St. Louis**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	248,405	0
Foreign	0	0	0	0	84,328	0	0	0	0	0	0	0	0	0	0	0	0
Hash Total																	
Crossfooting Everywhere **																	

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ECHO CORP	Tang Pers Prop	Real Prop. (Gross Rentals)		Tangible Per. Prop. (Gross Rentals		Sub-Rental Exp - Real Prop		Sub-Rental Exp - Tang Pers Prop		State Totals ***		Officers' Compensation	Cost of Operations	Cost of Goods Sold	Partnership Payroll	401 K Wages
	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending					
Alabama	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Alaska	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Arizona	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Arkansas	0	0	0	0	0	0	0	0	0			0	0	0	0	0
California	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Colorado	100,233	0	0	0	0	0	0	0	0			0	0	0	0	0
Connecticut	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Delaware	0	0	0	0	0	0	0	0	0			0	0	0	0	0
D.C.	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Florida	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Georgia	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Hawaii	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Illinois	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Indiana	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Iowa	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Kansas	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0			0	0	0	0	0
LA Franchise**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Maine	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Maryland	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Massachusetts	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Michigan	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Minnesota	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Missouri	0	0	0	0	0	0	0	0	0			0	0	0	0	0
MO Franchise**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Nebraska	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Nevada	0	0	0	0	0	0	0	0	0			0	0	0	0	0
New Hampshire	0	0	0	0	0	0	0	0	0			0	0	0	0	0
New Jersey	0	0	0	0	0	0	0	0	0			0	0	0	0	0
New Mexico	0	0	0	0	0	0	0	0	0			0	0	0	0	0
New York	0	0	0	0	0	0	0	0	0			0	0	0	0	0
NY Surcharge**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
NY Alternate**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
North Carolina	0	0	0	0	0	0	0	0	0			0	0	0	0	0
North Dakota	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Ohio	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Oklahoma	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Oregon	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Pennsylvania	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Rhode Island	0	0	0	0	0	0	0	0	0			0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	2,148,159	726,289	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0			0	0	0	0	0
TN Franchise**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Texas	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Utah	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Vermont	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Virginia	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Washington	0	0	0	0	0	0	0	0	0			0	0	0	0	0
West Virginia	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Wisconsin	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Battle Creek**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Bowling Green**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Detroit**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Flint**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Grand Rapids**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Kansas City**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Lexington**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Louisville**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
NY City**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Philadelphia**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
St. Louis**	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Foreign	0	0	0	0	0	0	0	0	0			0	0	0	0	0
Hash Total																
Crossfooting Everywhere **																

ECHO CORP	Salesmen Salaries	Salesmen Commissions	Cost of Repairs	Other Deductions	Other Salaries and Wages	Miscellaneous Other	State Totals
Alabama	0	0	0	0	0	0	
Alaska	0	0	0	0	0	0	
Arizona	0	0	0	0	0	0	
Arkansas	0	0	0	0	0	0	
California	0	0	0	0	99,477	0	99,477
Colorado	0	0	0	0	53,243,294	0	53,243,294
Connecticut	0	0	0	0	0	0	
Delaware	0	0	0	0	0	0	
D.C.	0	0	0	0	0	0	
Florida	0	0	0	0	0	0	
Georgia	0	0	0	0	1,389,933	0	1,389,933
Hawaii	0	0	0	0	0	0	
Idaho	0	0	0	0	0	0	
Illinois	0	0	0	0	0	0	
Indiana	0	0	0	0	0	0	
Iowa	0	0	0	0	0	0	
Kansas	0	0	0	0	0	0	
Kentucky	0	0	0	0	0	0	
Louisiana	0	0	0	0	0	0	
LA Franchise**	0	0	0	0	0	0	
Maine	0	0	0	0	0	0	
Maryland	0	0	0	0	0	0	
Massachusetts	0	0	0	0	0	0	
Michigan	0	0	0	0	0	0	
Minnesota	0	0	0	0	0	0	
Mississippi	0	0	0	0	0	0	
Missouri	0	0	0	0	0	0	
MO Franchise**	0	0	0	0	0	0	
Montana	0	0	0	0	0	0	
Nebraska	0	0	0	0	0	0	
Nevada	0	0	0	0	0	0	
New Hampshire	0	0	0	0	0	0	
New Jersey	0	0	0	0	0	0	
New Mexico	0	0	0	0	0	0	
New York	0	0	0	0	0	0	
NY Surcharge**	0	0	0	0	0	0	
NY Alternate**	0	0	0	0	0	0	
North Carolina	0	0	0	0	0	0	
North Dakota	0	0	0	0	0	0	
Ohio	0	0	0	0	0	0	
Oklahoma	0	0	0	0	0	0	
Oregon	0	0	0	0	0	0	
Pennsylvania	0	0	0	0	0	0	
Rhode Island	0	0	0	0	0	0	
South Carolina	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	
Tennessee	0	0	0	0	0	0	
TN Franchise**	0	0	0	0	0	0	
Texas	0	0	0	0	0	0	
Utah	0	0	0	0	0	0	
Vermont	0	0	0	0	0	0	
Virginia	0	0	0	0	0	0	
Washington	0	0	0	0	0	0	
West Virginia	0	0	0	0	0	0	
Wisconsin	0	0	0	0	0	0	
Wyoming	0	0	0	0	0	0	
Battle Creek**	0	0	0	0	0	0	
Bowling Green**	0	0	0	0	0	0	
Detroit**	0	0	0	0	0	0	
Flint**	0	0	0	0	0	0	
Grand Rapids**	0	0	0	0	0	0	
Kansas City**	0	0	0	0	0	0	
Lexington**	0	0	0	0	0	0	
Louisville**	0	0	0	0	0	0	
NY City**	0	0	0	0	0	0	
Philadelphia**	0	0	0	0	0	0	
St. Louis**	0	0	0	0	0	0	
Foreign	0	0	0	0	3,659,324		
	0	0	0	0	0	0	
Hash Total							
Crossfooting Everywhere **	0	0	0	0	58,393,028	0	58,393,028

Sales Within State to Within	Sales Without State to Within	Sales Within State to US	Sales Within State to Non-tax	Receipts from Services	Returns and Allowances	Miscellaneous Other	Rents	Royalties on Patents,
0	0	0	0	0	0		0	0

ECHO CORP	Other Royalties	Interest from Subsidiaries	Other Interest	Dividends from Subsidiaries	Other Dividends	(Gross) Sales from Real &	Adjusted Basis	(Gross) Sales from Intang.	Adjusted Basis	Partnership Receipts	Other Receipts	Sales Totals
Alabama	0	0	0	0	0	0	0	0	0	0	0	0
Alaska	0	0	0	0	0	0	0	0	0	0	1,935,902	[illegible]
Arizona	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Arkansas	0	0	0	0	0	0	0	0	0	0	7,512,033	[illegible]
California	0	0	0	0	0	0	0	0	0	0	735,332,429	[illegible]
Colorado	0	2,184,500	12,958,602	0	101,951	0	0	0	0	229,034	0	[illegible]
Connecticut	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Delaware	0	0	0	0	0	0	0	0	0	0	0	[illegible]
D.C.	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Florida	0	0	0	0	0	0	0	0	0	0	2,090	[illegible]
Georgia	0	0	0	0	0	0	0	0	0	0	740,452,883	[illegible]
Hawaii	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Idaho	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Illinois	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Indiana	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Iowa	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Kansas	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Kentucky	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Louisiana	0	0	0	0	0	0	0	0	0	0	0	[illegible]
LA Franchise**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Maine	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Maryland	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Massachusetts	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Michigan	0	0	0	0	0	0	0	0	0	0	5,927	[illegible]
Minnesota	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Mississippi	0	0	0	0	0	0	0	0	0	0	932,416	[illegible]
Missouri	0	0	0	0	0	0	0	0	0	0	0	[illegible]
MO Franchise**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Montana	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Nebraska	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Nevada	0	0	0	0	0	0	0	0	0	0	0	[illegible]
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	[illegible]
New Jersey	0	0	0	0	0	0	0	0	0	0	0	[illegible]
New Mexico	0	0	0	0	0	0	0	0	0	0	499,683	[illegible]
New York	0	0	0	0	0	0	0	0	0	0	0	[illegible]
NY Surcharge**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
NY Alternate**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
North Carolina	0	0	0	0	0	0	0	0	0	0	0	[illegible]
North Dakota	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Ohio	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Oregon	0	0	0	0	0	0	0	0	0	0	(108,653)	[illegible]
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Rhode Island	0	0	0	0	0	0	0	0	0	0	29,639,391	[illegible]
South Carolina	0	0	0	0	0	0	0	0	0	0	0	[illegible]
South Dakota	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Tennessee	0	0	0	0	0	0	0	0	0	0	0	[illegible]
TN Franchise**	0	0	0	0	0	0	0	0	0	0	437,351	[illegible]
Texas	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Utah	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Vermont	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Virginia	0	0	0	0	0	0	0	0	0	0	6,402	[illegible]
Washington	0	0	0	0	0	0	0	0	0	0	0	[illegible]
West Virginia	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Wyoming	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Battle Creek**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Bowling Green**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Detroit**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Flint**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Grand Rapids**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Kansas City**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Lexington**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Louisville**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
NY City**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Philadelphia**	0	0	0	0	0	0	0	0	0	0	0	[illegible]
St. Louis**	0	0	0	0	0	0	0	0	0	0	211,351,769	[illegible]
Foreign	0	24,261	0	0	0	0	0	0	0	0	0	[illegible]
	0	0	0	0	0	0	0	0	0	0	0	[illegible]
Hash Total	[illegible]											
Crossfooting Everywhere **	0	2,210,761	12,958,602	0	101,951	0	0	0	0	229,034	1,727,933,411	1,743,433,759

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ECHO BROADCASTING	Inventories		Land		Land Reserve		Leasehold Improvements		L/H Improv. - Accum. Amort.		Buildings		Buildings - Accum. Depr.		Machinery &
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning
Alabama															2,781,757
Alaska															1,797,784
Arizona			1,494,490	1,494,490	33,377	43,607					13,009,874	13,390,050	2,005,243	2,358,578	159,788,383
Arkansas															875,171
California															6,572,204
Colorado															2,420,410
Connecticut															780,520
Delaware															
D.C.															5,802,890
Florida							213,292	342,586	57,545	178,203	2,317,318	2,317,318	96,426	154,359	5,307,539
Georgia															2,970,821
Hawaii															1,621,161
Idaho															28,534,813
Illinois			329,542	329,542	24,835	29,933					18,434,575	19,269,021	1,675,006	2,162,102	3,256,056
Indiana															2,122,939
Iowa															2,138,385
Kansas															1,697,050
Kentucky															2,452,686
Louisiana															
LA Franchise**															1,197,614
Maine															997,489
Maryland															1,350,041
Massachusetts							5,769	5,769	5,769	5,769					4,267,382
Michigan															1,195,029
Minnesota							6,111	306,926	4,567	156,480	288,350		12,015		6,021,899
Mississippi															4,688,552
Missouri			93,439	93,439	4,672	9,344	1,502,089	1,502,089	464,751	765,169	311,637	311,637	12,207	19,998	
MO Franchise**															2,486,948
Montana															1,365,654
Nebraska															1,037,895
Nevada															
New Hampshire								23,380		3,507	5,449,418	5,446,181	305,098	447,147	10,558,763
New Jersey			323,165	323,165	4,951	5,486									323,946
New Mexico							9,580	9,580	9,580	9,580					3,856,806
New York															
NY Surcharge**															
NY Alternate**											30,898	30,898	4,184	4,956	3,276,870
North Carolina															1,132,333
North Dakota															4,017,614
Ohio							1,400	1,400	1,400	1,400					1,737,151
Oklahoma															2,156,870
Oregon															2,432,765
Pennsylvania															615,423
Rhode Island											25,493	25,493	3,399	4,036	2,986,087
South Carolina															1,293,243
South Dakota			34,685	34,685							312,162	312,162	63,733	79,341	3,526,454
Tennessee															
TN Franchise**															36,766,878
Texas			569,829	695,344	9,283	20,244	14,518	14,518	6,775	9,679	15,257,851	16,168,109	1,270,324	1,665,675	271,475
Utah															698,775
Vermont															29,736,649
Virginia			979,395	979,395	12,792	17,026	13,944	13,944	13,944	13,944	16,409,731	17,227,283	1,472,181	1,922,247	25,485,475
Washington			480,910	480,910	17,401	22,727					15,611,600	16,629,609	1,435,977	1,869,682	1,288,094
West Virginia															2,887,430
Wisconsin									18,668	18,668	54,290,396	53,888,290	12,220,385	13,358,120	1,237,903,382
Wyoming			415,529	421,519	145,627	185,368									
Battle Creek**															
Bowling Green**															
Detroit**															
Flint**															
Grand Rapids**															
Kansas City**															
Lexington**															
Louisville**															
NY City**															
Philadelphia**															
St. Louis**															963,303
Foreign															
Hash Total															
Crossfooting Everywhere **	0	0	4,714,984	4,846,489	252,938	314,237	1,766,703	2,222,192	586,219	1,160,319	141,249,301	145,006,250	20,576,165	24,047,541	626,199,594

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ECHO BROADCASTING	Equipment	Machinery & Equip - Accum. Depr		Furniture & Fixtures		Furniture & Fixtures - Accum. Depr		Transportation Equipment		Transportation. Eq. - Accum. Depr		Other Depreciable Assets		Other Depr Assets - Accum. Depr	
	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending
Alabama	2,568,653	2,040,109	2,277,149									6,298	5,164	6,298	3,203
Alaska	1,609,784	1,052,197	1,771,169									182,957	166,882	182,957	166,882
Arizona	169,021,733	118,979,474	142,261,982	475,391	712,979	606,896	707,731					5,095,487	8,520,567	4,558,061	6,106,858
Arkansas	1,155,325	433,553	907,184									1,882	1,882	1,882	1,882
California	6,642,115	5,114,159	5,326,096									32,681	23,809	32,681	23,809
Colorado	2,334,178	1,869,486	2,024,848									23,658	192,336	23,658	30,113
Connecticut	758,291	592,125	663,340												
Delaware															
D.C.												31,901	21,884	31,901	21,884
Florida	5,834,869	3,939,551	5,019,008										110,429		81,291
Georgia	7,260,116	2,720,352	5,019,399									113,633	113,633	113,633	113,633
Hawaii	856,887	919,046	948,714									1,882	1,882	1,882	1,882
Idaho	1,659,295	1,063,245	1,320,038									774,763	743,563	693,475	554,131
Illinois	31,607,587	18,981,094	21,722,468	153,037	153,037	141,853	150,750					45,234	18,924	45,234	18,924
Indiana	3,240,155	2,123,948	2,579,952										2,838		2,838
Iowa	2,256,782	1,261,961	1,683,360									4,839	2,958	4,839	2,958
Kansas	2,125,915	1,572,709	1,793,347									3,925		3,925	
Kentucky	1,545,157	1,050,329	1,316,159												
Louisiana	2,763,917	1,239,069	1,873,814												
LA Franchise**												1,882	1,882	1,882	1,882
Maine	1,334,269	750,352	1,000,503									1,541	1,541	1,541	1,541
Maryland	1,016,707	680,017	865,568									72,895	3,763	72,895	3,763
Massachusetts	1,392,049	950,836	804,450									10,947	10,947	10,947	10,947
Michigan	3,851,152	3,089,440	3,376,735									6,882	4,730	6,882	4,730
Minnesota	1,607,762	991,797	1,367,870									175,706	272,856	98,911	56,626
Mississippi	5,773,313	2,400,281	3,868,610									135,455	136,422	64,261	107,360
Missouri	5,809,444	3,032,325	4,357,277												
MO Franchise**												19,905	9,019	18,429	8,650
Montana	2,415,910	1,782,067	1,967,290									2,849		2,849	
Nebraska	1,116,435	741,517	865,373									5,793	3,925	5,793	3,925
Nevada	1,000,202	696,355	798,147										2,849		
New Hampshire	8,100		2,250									483,076	402,806	423,089	368,976
New Jersey	8,982,421	7,996,991	7,465,042	39,575		39,575						3,106	3,106	3,106	3,106
New Mexico	328,212	242,788	296,788									1,076	1,076		
New York	3,840,098	2,335,043	2,791,619												
NY Surcharge**															
NY Alternate**												30,544	7,082	30,544	7,082
North Carolina	3,896,799	2,509,566	3,363,605												
North Dakota	1,156,230	742,495	916,924									41,074	8,958	40,904	8,958
Ohio	4,215,961	2,780,056	3,412,828									6,773	3,925	6,773	3,925
Oklahoma	1,690,527	1,412,364	1,538,878									2,849	1,730	2,849	1,730
Oregon	2,210,386	1,495,167	1,790,817									3,925	6,773	3,925	6,773
Pennsylvania	2,519,309	1,622,490	2,072,789									2,849	2,849	2,849	2,849
Rhode Island	616,850	443,104	647,024												
South Carolina	3,034,406	2,049,048	2,503,292									126,578	126,578	101,375	120,709
South Dakota	1,321,310	926,858	1,117,994									4,577	1,729	4,577	1,729
Tennessee	3,417,406	2,444,508	2,923,950												
TN Franchise**												1,054,404	1,016,752	554,991	721,815
Texas	39,037,794	24,480,908	27,463,937	34,043	34,043	25,533	32,341					8,790	8,841	6,790	6,041
Utah	1,302,384	1,172,741	282,910									4,284	1,435	4,284	1,435
Vermont	703,761	487,871	618,671									1,110,365	967,003	642,312	663,479
Virginia	35,247,332	18,146,424	23,494,426	35,672	35,672	25,999	33,053					729,566	696,103	437,033	494,257
Washington	32,981,432	17,493,498	21,088,870	43,800	43,800	32,850	41,610								
West Virginia	1,042,234	778,090	880,704									5,885	5,885	5,885	5,885
Wisconsin	2,983,827	1,774,291	2,437,546									34,602,027	37,308,206	26,504,692	28,885,629
Wyoming	231,864,256	208,456,058	206,820,790	965,460	1,009,491	602,691	976,872								
Battle Creek**															
Bowling Green**															
Detroit**															
Flint**															
Grand Rapids**															
Kansas City**															
Lexington**															
Louisville**															
NY City**															
Philadelphia**															
St. Louis**															
Foreign	625,602	787,932	609,624									5,500	5,500	5,500	5,500
Hash Total	650,993,553	482,231,637	532,199,397	1,886,968	3,036,932	1,676,057	1,840,807	0	0	0	0	45,779,260	50,659,042	36,509,370	38,645,227
Crossfooting Everywhere **	650,993,553	482,231,637	532,199,397	1,886,968	3,036,932	1,676,057	1,840,807	0	0	0	0	45,779,260	50,659,042	36,509,370	38,645,227

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ECHO BROADCASTING	Depletable Assets		Depl. Assets - Accum. Depletion		Prepaid Supplies		Other Tang. Pers. Property (Cost)		Construction-In-Progress		Partnership Property		Miscellaneous Other		Real P
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning
Alabama															
Alaska															
Arizona									1,110,735	15,252,511					
Arkansas															
California															
Colorado															
Connecticut															
Delaware															
D.C.															
Florida															
Georgia															
Hawaii															
Idaho															
Illinois									5,048,851						
Indiana															
Iowa															
Kansas															
Kentucky															
Louisiana															
LA Franchise**															
Maine															
Maryland															
Massachusetts															
Michigan															
Minnesota															
Mississippi															
Missouri															
MO Franchise**															
Montana															
Nebraska															
Nevada															
New Hampshire															
New Jersey															
New Mexico															
New York															
NY Surcharge**															
NY Alternate**															
North Carolina															
North Dakota															
Ohio															
Oklahoma															
Oregon															
Pennsylvania															
Rhode Island															
South Carolina															
South Dakota															
Tennessee															
TN Franchise**									5,392,503						
Texas															
Utah															
Vermont															
Virginia									6,004,849						
Washington									6,048,930						
West Virginia															
Wisconsin									908,358	7,132,617					
Wyoming															
Battle Creek**															
Bowling Green**															
Detroit**															
Flint**															
Grand Rapids**															
Kansas City**															
Lexington**															
Louisville**															
NY City**															
Philadelphia**															
St. Louis**															
Foreign															
Hash Total	0	0	0	0	0	0	0	0	24,356,326	22,385,128	0	0	0	0	0
Crossfooting Everywhere **	0	0	0	0	0	0	0	0	24,356,326	22,385,128	0	0	0	0	0

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ECHO BROADCASTING	roperty	Other Tang. Pers. Property (FMV)		Property Rental - Real Property		Property Rental - Tang Pers Prop		Real Prop. (Gross Rentals)		Tangible Per. Prop. (Gross Rentals		Sub-Rental Exp - Real Prop		Sub-Rental Exp - Tang Pers Prop	
	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending
Alabama															
Alaska															
Arizona							12,059								
Arkansas															
California															
Colorado															
Connecticut															
Delaware															
D.C.															
Florida															
Georgia					84,000										
Hawaii															
Idaho															
Illinois							4,880								
Indiana															
Iowa															
Kansas															
Kentucky															
Louisiana															
LA Franchise**															
Maine															
Maryland															
Massachusetts															
Michigan															
Minnesota															
Mississippi					549,089										
Missouri					144,000		1,419								
MO Franchise**															
Montana															
Nebraska															
Nevada															
New Hampshire															
New Jersey							4,585								
New Mexico															
New York															
NY Surcharge**															
NY Alternate**															
North Carolina															
North Dakota															
Ohio															
Oklahoma															
Oregon															
Pennsylvania															
Rhode Island															
South Carolina															
South Dakota					4,800		467								
Tennessee															
TN Franchise**															
Texas							14,331								
Utah															
Vermont															
Virginia							5,361								
Washington							11,026								
West Virginia															
Wisconsin															
Wyoming							146,747								
Battle Creek**															
Bowling Green**															
Detroit**															
Flint**															
Grand Rapids**															
Kansas City**															
Lexington**															
Louisville**															
NY City**															
Philadelphia**															
St. Louis**															
Foreign															
Hash Total	0	0	0	0	781,889	0	200,684	0	0	0	0	0	0	0	0
Crossfooting Everywhere **	0	0	0	0	781,889	0	200,684	0	0	0	0	0	0	0	0

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ECHO BROADCASTING	State Totals *** Beginning	State Totals *** Ending	Officers' Compensation	Cost of Operations	Cost of Goods Sold	Partnership Payroll	401 K Wages	Salesmen Salaries	Salesmen Commissions	Cost of Repairs	Other Deductions	Other Salaries and Wages	Miscellaneous Other	State Totals
Alabama	731,648	290,468	0									59,008		59,008
Alaska	145,541	72,595												0
Arizona	55,731,909	56,110,574										7,926,244		7,926,244
Arkansas	441,818	748,353										73,604		73,604
California	4,458,045	1,114,012										480,339		480,339
Colorado	230,922	371,563												0
Connecticut	185,308	64,981												0
Delaware	0	0												0
D.C.	0	0										86,690		86,690
Florida	1,953,339	815,788												0
Georgia	4,943,821	4,677,419												0
Hawaii	50,972	40,179												0
Idaho	561,918	339,258										1,103,340		1,103,340
Illinois	11,977,418	23,779,356												0
Indiana	1,132,109	650,205												0
Iowa	360,9763	273,429												0
Kansas	1,057,678	302,684												0
Kentucky	588,724	235,985												0
Louisiana	1,215,817	850,313												0
LA Franchise**	0	0												0
Maine	447,254	232,790												0
Maryland	347,467	383,149												0
Massachusetts	391,205	587,659												0
Michigan	1,170,233	974,410												0
Minnesota	270,233	258,890												0
Mississippi	2,695,781	2,475,978												0
Missouri	2,162,958	2,287,863												0
MO Franchise**	0	0												0
Montana	696,357	446,959												0
Nebraska	1,534,187	1,248,615												0
Nevada	241,540	107,059												0
New Hampshire	0	0												0
New Jersey	6,796,203	5,681,782										546,129		546,129
New Mexico	81,155	81,155												0
New York	1,621,793	849,462										71,740		71,740
NY Surcharge**	0	0												0
NY Alternate**	0	0												0
North Carolina	783,116	459,236												0
North Dakota	2,386,839	239,307												0
Ohio	2,211,719	961,137												0
Oklahoma	524,787	181,449												0
Oregon	656,776	419,579										54,331		54,331
Pennsylvania	910,278	446,620												0
Rhode Island	171,218	89,825												0
South Carolina	959,113	552,571												0
South Dakota	550,903	176,988												0
Tennessee	42,481,846	493,456										77,945		77,945
TN Franchise**	0	0												0
Texas	22,43,212	27,051,980										1,201,333		1,201,333
Utah	60,764	91,466												0
Vermont	210,004	95,000												0
Virginia	23,033,933	24,731,429										1,153,523		1,153,523
Washington	29,883,522	21,314,008										954,980		954,980
West Virginia	509,894	185,530												0
Wisconsin	21,119,139	21,241,3												0
Wyoming	27,584,191	11,930,522										18,195,881		18,195,881
Battle Creek**	0	0												0
Bowling Green**	0	0												0
Detroit**	0	0												0
Flint**	0	0												0
Grand Rapids**	0	0												0
Kansas City**	0	0												0
Lexington**	0	0												0
Louisville**	0	0										70,465		70,465
NY City**	0	0												0
Philadelphia**	0	0												0
St. Louis**	0	0												0
Foreign	99,971	14,578												0
Hash Total	304,426,041	279,902,456	0	0	0	0	0	0	0	0	0	30,039,552	0	30,039,552
Crossfooting Everywhere **	304,426,041	279,902,456	0	0	0	0	0	0	0	0	0	29,965,087	0	29,965,087

ECHO BROADCASTING	Sales Within State to Within	Sales Without State to Within	Sales Within State to US	Sales Within State to Non-tax	Receipts from Services	Returns and Allowances	Miscellaneous Other	Rents	Royalties on Patents,	Other Royalties	Interest from Subsidiaries	Other Interest	Dividends from Subsidiaries	Other Dividends	(Gross) Sales from Real &
Alabama	803,158														
Alaska	591,363							48,931							
Arizona	51,400,445														
Arkansas	303,422														
California	1,985,731														
Colorado	728,935														
Connecticut	230,359														
Delaware	0														
D.C.	0														
Florida	1,749,527														
Georgia	1,840,800														
Hawaii	323,967														
Idaho	491,340														
Illinois	9,260,326														
Indiana	981,897														
Iowa	855,352														
Kansas	639,362														
Kentucky	464,663														
Louisiana	779,542														
LA Franchise**	0														
Maine	378,965														
Maryland	301,810														
Massachusetts	421,917														
Michigan	1,219,682														
Minnesota	419,703														
Mississippi	1,635,039														
Missouri	1,607,681														
MO Franchise**	0														
Montana	738,324														
Nebraska	373,162														
Nevada	306,593														
New Hampshire	1,183														
New Jersey	3,062,787							107,392							
New Mexico	98,509														
New York	1,122,634														
NY Surcharge**	0														
NY Alternate**	0														
North Carolina	1,076,886														
North Dakota	342,393														
Ohio	1,239,031														
Oklahoma	514,723														
Oregon	654,810														
Pennsylvania	742,349														
Rhode Island	185,255														
South Carolina	900,779														
South Dakota	427,214														
Tennessee	1,040,478														
TN Franchise**	0														
Texas	11,645,978														
Utah	67,961														
Vermont	210,735														
Virginia	8,549,469														
Washington	8,936,140														
West Virginia	349,605														
Wisconsin	860,769														
Wyoming	61,092,708							7,200							
Battle Creek**	0														
Bowling Green**	0														
Detroit**	0														
Flint**	0														
Grand Rapids**	0														
Kansas City**	0														
Lexington**	0														
Louisville**	0														
NY City**	0														
Philadelphia**	0														
St. Louis**	0														
Foreign	225,307														
Hash Total	204,991,240	0	0	0	0	0	0	183,523	0	0	0	0	0	0	0
Crossfooting Everywhere **	204,991,240	0	0	0	0	0	0	183,523	0	0	0	0	0	0	0

ECHO BROADCASTING	Adjusted Basis	(Gross) Sales from Intang.	Adjusted Basis	Partnership Receipts	Other Receipts	Sales Totals
Alabama						1,803,158
Alaska						181,333
Arizona	45,677					41,403,689
Arkansas						303,422
California						1,985,781
Colorado						126,935
Connecticut						230,339
Delaware						0
D.C.						0
Florida						1,749,827
Georgia						11,340,680
Hawaii						822,967
Idaho						491,340
Illinois	18,218					9,241,109
Indiana						987,497
Iowa						565,362
Kansas						809,382
Kentucky						464,663
Louisiana						779,642
LA Franchise**						0
Maine						378,886
Maryland						301,910
Massachusetts						451,917
Michigan						1,219,682
Minnesota						1,419,793
Mississippi						1,635,039
Missouri						1,607,661
MO Franchise**						0
Montana						139,424
Nebraska						1,713,152
Nevada						1,305,355
New Hampshire						1,785
New Jersey	4,545					3,166,834
New Mexico						98,509
New York						1,922,834
NY Surcharge**						0
NY Alternate**						0
North Carolina						1,079,986
North Dakota						342,399
Ohio						1,336,031
Oklahoma						614,733
Oregon						661,810
Pennsylvania						742,349
Rhode Island						105,205
South Carolina						900,779
South Dakota						227,218
Tennessee						1,040,474
TN Franchise**						0
Texas	10,544					31,638,434
Utah						847,981
Vermont						1,110,739
Virginia	18,467					9,551,020
Washington	6,854					6,929,206
West Virginia						1,149,606
Wisconsin						2,890,758
Wyoming	(149,326)					61,218,229
Battle Creek**						0
Bowling Green**						0
Detroit**						0
Flint**						0
Grand Rapids**						0
Kansas City**						0
Lexington**						0
Louisville**						0
NY City**						0
Philadelphia**						0
St. Louis**						0
Foreign						426,307
Hash Total	(43,023)	0	0	0	0	205,197,765
Crossfooting Everywhere **	(43,023)	0	0	0	0	205,197,765

DISH Network Corporation Consolidated (DSH)
Statement of Operations - Detail MDA
Period Ending 12/31/2010
Submitted on 23-FEB-11 10:09:16
Company Confidential Information - (Unaudited)

COMPANY=DSH (DISH Network Consolidated)

	ADJ-10 YTD	ADJ-09 YTD
Revenue		
Subscriber-Related Revenue		
Recurring Programming Revenue		
Basic Revenue		
400000 America's Top 120	$1,134,591,726	$1,060,852,707
400025 DISH America	10,599,576	11,861,458
400100 America's Top 200	2,147,175,690	2,569,758,597
400125 DISH America Silver	5,737,906	6,761,445
400200 America's Top 250	2,281,959,687	1,930,091,413
400225 DISH America Gold	4,851,878	6,132,917
400350 DISH Picks Programming	433,260	638,687
400450 DishFAMILY	65,505,803	79,961,850
400475 DishMEXICO	10,521,197	7,345,170
400500 DISH Latino Dos Programming	148,035,825	168,168,555
400600 DISH Latino Max Programming	82,398,439	88,275,190
400700 DishLATINO Clasico	120,066,280	133,782,684
400800 Latino Bonus	11,769,733	12,250,335
400900 Other Basic Programming	10,416,961	11,353,019
3-Total Basic Revenue	6,034,063,963	6,087,234,024
Premium Revenue		
402000 Premium Programming	1,140,804,337	1,083,621,242
402177 Sat Trans Rev - TESC Premium Prog	8,199,555	8,741,063
406650 DISH Platinum	389,062,374	411,258,276
3-Total Premium Revenue	1,538,066,266	1,503,620,582
Pay Per View Revenue		
404000 PPV - Movies	126,623,401	96,609,644
404177 Sat Trans Rev - TESC PPV Prog	78,791,339	87,173,632
404300 PPV - Boxing Events	33,305,069	27,153,542
404350 PPV - Wrestling Events	17,327,779	19,506,109
404400 PPV - College & Pro Sports	17,214,048	15,915,451
404450 PPV - Other Events	48,742	3,324,026
404550 PPV - Mixed Martial Arts	56,058,145	48,029,093
404900 PPV - Processing Fees/Other	1,672,788	4,890,997
3-Total Pay Per View Revenue	331,041,312	302,602,494
Int'l Revenue		
406100 International Programming	285,268,967	283,488,977
406166 R/P - SATS - International Programming	0	81,953
3-Total Int'l Revenue	285,268,967	283,570,929
Locals Revenue		
406050 Local Programming	762,932,978	698,914,711
3-Total Locals Revenue	762,932,978	698,914,711
A La Carte Revenue		
406000 A La Carte Programming	5,210,353	5,811,952
406177 Sat Trans Rev - TESC Subscription	22,183,939	23,150,623
406200 Superstations	16,326,345	15,673,803
406300 Out of Market Sports	19,781,976	11,326,918
406550 Other A La Carte Programming	18,453,602	15,380,363
3-Total A La Carte Revenue	81,956,215	71,343,659
Commercial Services Revenue		
410000 Commercial Programming Services	211,049,584	195,007,286
410100 Commercial - Other Services	4,607,861	5,685,542
3-Total Commercial Services Revenue	215,657,445	200,692,828
Other Recurring Revenue		

408100 Subscriber Access Fees	14,753,559	18,615,449
408300 Network Site Management Fees	1,211,774	1,260,684
414500 Airline Revenue	4,576,405	4,348,886
420100 Internet Programming	93,318	(79)
420300 Interactive TV	7,715,996	8,355,870
422000 WildBlue Monthly Service Revenue	76,611,670	72,744,869
448200 CSC Fees Revenue - Co-Branded	2,196,503	2,657,250
3-Total Other Recurring Revenue	**107,159,226**	**107,982,929**
Programming Discounts		
400400 Basic Programming Coupons	(8,084)	(1,391,662)
400904 Basic Programming Disc/Adj/Price Protection	(566,239,900)	(468,444,858)
402100 Premium Programming Disc/Adj/Price Protecti	(217,048,129)	(231,136,688)
404050 PPV - Coupons	(11,240,283)	(370,307)
406051 Local Programming Disc/Adj/Price Protection	(475,850)	(3,029,505)
406800 A La Carte Disc/Adj/Price Protection	(1,776,600)	(3,757,492)
410800 Commercial Programming Disc/Adj/Protection	(8,533)	(26,632)
3-Total Programming Discounts	**(796,797,377)**	**(708,157,144)**
2-Total Recurring Programming Revenue	**8,559,348,993**	**8,547,805,013**
Recurring Hardware-Related Revenue		
Equipment Leasing/AO Revenue		
408000 Additional Outlets	210,198,748	174,993,246
412000 Equipment Leasing	1,851,882,763	1,043,660,770
3-Total Equipment Leasing/AO Revenue	**2,062,081,511**	**1,218,654,016**
DVR Service Fees		
408200 DISH DVR Service Fees	528,883,090	447,984,042
3-Total DVR Service Fees	**528,883,090**	**447,984,042**
Other Recurring Hardware Related Revenue		
414400 Warranty Revenue	468,521,149	370,815,964
414700 Phone Line Fees	103,938,717	249,814,674
420200 Personal TV	(139)	11,669
3-Total Other Recurring Hardware Related Revenue	**572,459,727**	**620,642,308**
2-Total Recurring Hardware Related Revenue	**3,163,424,329**	**2,287,280,365**
Other Subscriber Revenue		
Non-Recurring Programming Revenue		
414000 Other Programming	33,210,532	40,898,881
414050 Late Fees	99,456,062	90,907,802
414100 Cancellation Fees Billed	158,883,112	78,383,138
414150 Contra Cancellation Fees	(104,618,324)	(51,098,842)
414200 Deferred Cancellation Fees	(15,437,852)	(3,362,898)
3-Total Non-Recurring Programming Revenue	**171,493,529**	**155,728,081**
Non-Recurring Hardware Related Revenue		
Upgrades		
414600 Upgrade Fees	133,289,302	75,243,539
414605 Deferred Upgrade Fees	(8,990,392)	(6,491,366)
414610 Amortized Upgrade Fees	13,726,266	16,051,221
4-Total Upgrades	**138,025,177**	**84,803,393**
Service		
446550 Freight Revenue - Service	7,454,971	5,465,272
446560 Shipping Revenue	26,737,055	0
446570 Contra Shipping Revenue	(6,692,901)	0
446580 Deferred Shipping Revenue	(3,044,729)	0
446600 Sales Out of Warranty - Service	3,715,763	3,863,960
446700 Sales Spare Parts - Service	2,919,325	2,396,233
4-Total Service	**31,089,484**	**11,725,464**
Co-Branded		
448100 Development Fees Revenue - Co-Branded	3,271,124	6,429,345
448150 Equipment Sales Revenue - Co-Branded	5,912,428	27,132,618
448250 Installation Upgrade Fees Revenue - Co-Bran	1,309,382	1,970,667

448260 Service Calls Revenue - Co-Branded	1,713,655	2,653,141
448270 Equipment Refurbishment Revenue - Co-Brande	749,829	835,021
4-Total Co-Branded	**12,956,418**	**39,020,792**
DNS		
444000 Installations	3,616,866	8,390,799
444066 R/P - SATS - Installation Revenue	3,267	0
444200 Installations (Oracle Revenue)	381,581	140,495
4-Total DNS	**4,001,714**	**8,531,293**
3-Total Non-Recurring Hardware Related Revenue	**186,072,792**	**144,080,943**
Subscriber Access Revenue - Ad Sales		
425100 Programmer - Premium Channel Revenue	33,085,581	22,543,362
425200 Shopping Channels Subscription Revenue	128,955,412	124,549,501
425300 Int'l AD Sales	467,431	214,811
425400 Domestic General Market Sales	149,073,951	132,329,476
425500 Domestic Direct Response Sales	108,196,352	80,259,013
425600 Media Sales - Latino	11,576,109	10,403,276
425700 Media Sales - Per Inquiry	961,821	282,529
425800 Media Sales Billing Inserts	1,086,240	1,447,084
3-Total Subscriber Access Revenue - Ad Sales	**433,402,897**	**372,029,053**
Subscriber Access Revenue - Other		
414300 Product Commissions	25,960,904	26,402,345
426100 Programming Access Fees	1,947,432	3,062,811
442050 Public Interest Transmission Revenue	2,143,218	2,340,761
3-Total Subscriber Access Revenue - Other	**30,051,554**	**31,805,917**
2-Total Other Subscriber Revenue	**821,020,772**	**703,643,994**
1-Total Subscriber-Related Revenue	**12,543,794,095**	**11,538,729,373**
Equipment Sales and Other Revenue		
Equipment Sales		
460050 DBS Receivers Sales (Non-Subsidized)	524,061	9,288,581
460100 DBS Accessories	3,276,040	22,593,354
460150 DBS Antennas	3,059,365	3,951,888
460200 DBS LNBs	12,969,568	15,797,557
460250 DBS Remote Controls	5,284,280	5,693,177
460750 Peripheral Equipment	893,404	138,522
461000 HD Monitors	899	4,095
461050 Digital Conversion Receiver	(111,141)	13,857,631
461100 Sirius Equipment Sales	0	200
461200 Sirius Commission Revenue	0	0
461300 Portable Video Player (LCD Display) Sales	18,720	12,826
461600 Neulion Receiver Revenue	15,898	0
462050 Slingbox Revenue	82,681	49,591
462060 Sling Accessories	874,167	0
462350 Freight Revenue - Domestic	11,578,981	14,031,125
462908 Head End Revenue	3,165,286	0
467100 Sales Spare Parts - DBS	7,755,703	2,257,849
460410 Bell TV Accessories Sales	69,101	1,073,986
2-Total Equipment Sales	**49,457,013**	**88,750,383**
Fixed Satellite Services		
484000 Uplink Services	957,310	1,032,826
484900 Other Satellite Services	237,251	142,936
480000 Satellite Channel Transmission	2,514,634	2,284,500
480300 Transponder Lease Revenue	3,930,000	2,373,750
482000 Satellite Hourly Transmission	2,144,194	2,696,560
482300 Transponder Hourly Lease Revenue	23,598	29,260
2-Total Fixed Satellite Services	**9,806,987**	**8,559,831**
Other Revenue		
492100 DTA OTA Installation	(1,731)	4,122
493100 Rent Income	3,887	0
493400 Sales Other Revenue	1,492	5,675
493500 Other Revenue	151,632	23,434
493516 C-Band Revenue	340,539	509,556

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494000 Loan Participation/Credit Life Commissions	10,262	9,382
2-Total Other Revenue	**506,080**	**552,668**
1-Total Equipment Sales and Other Revenue	**59,770,080**	**97,862,883**
Equipment Sales - EchoStar		
450066 R/P - SATS - Receiver Equip Sales Rev	2,749,732	7,064,096
450166 R/P - SATS - Accessories Sales Rev	376,830	392,283
1-Total Equipment Sales - EchoStar	**3,126,562**	**7,456,378**
Other Revenue - EchoStar		
480066 R/P - SATS - Transponder Lease	18,830,357	0
493166 R/P - SATS - Rent Income	1,570,818	1,184,546
493266 R/P - SATS - Admin Services Rev	13,647,394	17,403,378
493966 R/P - SATS - Other	4,556	1,514,441
1-Total Other Revenue - EchoStar	**34,053,125**	**20,102,365**
Total Revenue	**12,640,743,862**	**11,664,150,999**
Operating Expenses		
Subscriber-Related Expense		
Subscriber-Related Subscription		
Recurring Programming COGS		
Basic COGS		
500000 America's Top 120	2,323,203,914	2,082,047,658
500050 America's Top 200	993,108,134	885,395,650
500100 America's Top 250	173,682,429	178,007,424
500200 DishLATINO	49,584,657	46,383,071
500250 Contra COS - Programmer	(91,225,247)	(87,765,914)
500300 Programmer Launch Support	(10,611,671)	(10,611,668)
509000 Copyright Fees	37,687,537	33,707,977
4-Total Basic COGS	**3,475,429,754**	**3,127,164,198**
Premium COGS		
502000 Premium Programming	611,594,692	569,705,626
502177 TESC 3rd Party Premium Expense	2,012,376	404,928
506650 DISH Platinum	74,338,491	41,058,083
4-Total Premium COGS	**687,945,559**	**611,168,637**
Pay Per View COGS		
504000 PPV - Movies	80,759,157	52,433,841
504177 TESC 3rd Party PPV Expense	7,014,004	4,763,410
504300 PPV - Boxing Events	18,380,073	13,918,205
504350 PPV - Wrestling Events	8,579,223	9,357,852
504400 PPV - College & Pro Sports	8,029,997	10,210,630
504450 PPV - Other Events	(19,259)	1,921,437
504550 PPV - Mixed Martial Arts	25,235,878	20,942,507
504600 PPV - Royalties/ASCAP	962,767	(210,509)
504650 PPV - Dubbing and Voiceovers	1,563,795	1,296,752
504800 PPV - Processing Fees	60,540	90,000
4-Total Pay Per View COGS	**150,566,174**	**114,724,125**
International Programming		
506100 International Programming	151,792,934	151,827,877
506166 R/P - SATS - International Programming	1,979,130	8,259,309
4-Total International Programming	**153,772,064**	**160,087,185**
Locals COGS		
506050 Local Programming	136,198,584	109,467,787
4-Total Locals COGS	**136,198,584**	**109,467,787**
A La Carte COGS		
506000 A La Carte Programming	3,256,955	3,690,724
506177 TESC 3rd Party Subscription Expense	2,093,212	1,788,006
506600 A La Carte Programming	1,252,072	2,801,940
506800 Contra COS - A La Carte	(1,516,322)	(2,356,619)

508177 TESC 3rd Party Contra COS Marketing	(631,721)	(136,008)
4-Total A La Carte COGS	4,454,195	5,788,043
Other Recurring Programming COGS		
510000 Other Enhanced Services Cost of Sales	5,174,819	4,185,755
510100 Internet COS	30,785	0
512000 WildBlue Fixed Fee Expense	33,698,708	32,461,860
512100 WildBlue ISP Fee Expense	274,324	109,430
4-Total Other Recurring Programming COGS	39,178,637	36,757,044
3-Total Recurring Programming COGS	4,647,544,967	4,165,157,021
Other Subscriber COGS		
Non-Recurring Hardware Related COGS		
548150 Equipment COS - Co-Branded	4,721,784	24,111,218
548250 Installation COS - Co-Branded	0	892,150
548260 Service Calls COS - Co-Branded	0	5,059,528
4-Total Non-Recurring Hardware Related COGS	4,721,784	30,062,896
Subscriber Access COGS - Ad Sales		
515000 Advertising - Local Agency	24,703,652	19,039,579
515100 Advertising - Rep Commissions	17,771,028	(3,726,836)
515900 Other Subscription Services COS	7,931,408	6,973,630
4-Total Ad Sales COGS	50,406,088	22,286,372
3-Total Other Subscriber COGS	55,127,872	52,349,269
2-Total Subscriber-Related Subscription COGS	4,702,672,839	4,217,506,289
Variable Expense		
DNS Variable Expense		
534000 DISH Network Service Corp - Variable Costs	171,211,956	233,930,210
3-Total DNS Variable Expense	171,211,956	233,930,210
Call Center Services		
538050 Telemarketing Services	9,689,378	8,153,120
538100 Outsourced Call Center Services	107,028,651	104,885,734
538150 Telemarketing Services Reimbursements	(178,248)	(379,740)
538299 A/I/C CSC Fees Reimbursed	(2,153,905)	(2,536,994)
538900 Non-Cash, Stock-Based Comp (Stk Opt - CSC)	809,790	730,268
538999 Call Center G&A Reclass	294,444,848	408,878,309
3-Total Call Center Services	409,640,514	519,730,697
Service		
536700 Freight Out - Service	87,194,857	76,405,570
536701 Freight Out - Cost Relief - Service	(309,917)	(409,653)
536710 Freight In COS - Service	2,249,799	3,312,252
536720 Freight - Inventory Transfers - Service	3,779,933	6,104,518
536730 Inventory Scrap - Service	32,797,052	57,735,586
536731 Inventory Scrap - Cost Relief - Service	(32,044,478)	(50,213,240)
536740 Cycle Count Adjustments - Service	(150,130)	61,998
536750 Packout Supplies - Service	2,718,520	2,592,980
536770 Purchase Price Variance - Service	(282)	0
536780 Invoice Price Variance - Service	(49,149)	(140,226)
536790 Other COS - Service	2,601,092	2,033,140
536800 Out of Warranty Materials COS - Service	17,759,362	14,542,869
536805 Out of Warranty Vendor COS - Service	44,665,206	42,301,066
536810 Out of Warranty COS - AT&T Reimbursement	(619,076)	(1,230,509)
536830 In Warranty COS - Service	14,743,165	14,987,564
536840 Spare Parts COS - Service	653,219	1,151,461
536900 Non-Cash, Stock-Based Comp (Stk Opt - Servi	349,842	336,924
536999 Service G&A Reclass	64,008,779	63,634,181
3-Total Service	240,347,797	233,206,480
Monthly Incentives		
540100 Monthly Incentive Dealer Commissions	112,253,186	125,368,504
540200 Commercial Monthly Incentives	36,707,435	32,065,214

540400 Other Monthly Retailer Incentives	732,970	828,713
3-Total Monthly Incentives	**149,693,591**	**158,262,431**
Bad Debt - Subscriber Related		
543000 Bad Debt - Subscriber Related	94,594,097	98,357,642
543100 Credit and Collection Agency Fees - Subscri	14,561,473	12,750,145
3-Total Bad Debt - Subscriber Related	**109,155,570**	**111,107,787**
Sub-Related Bad Debt Exp as a % of Sub-Related Revenue	**0.9%**	**1.0%**
Billing and Lockbox		
545100 Lockbox Bank Fees	619,956	1,506,938
545200 Lockbox Service Fees	3,698,323	3,769,804
545300 Outsourced Billing - Services	112,706,986	109,842,647
545400 Outsourced Billing - Postage	38,446,187	37,169,528
545500 Merchant Discount Fees	79,349,865	64,748,043
545999 Billing G&A Reclass	2,294,595	84,237
3-Total Billing and Lockbox	**237,115,911**	**217,121,197**
Other Variable Costs		
Customer Communications		
535100 Cust Comm - Direct Mail	8,723,339	5,817,531
535150 Cust Comm - Cross Channel Television	1,100,474	1,356,192
535200 Cust Comm - Statement Marketing	5,713,162	5,632,108
535350 Cust Comm - Product Marketing	5,225	0
535500 Cust Comm - Retention Reimbursement	(809,952)	(555,213)
535900 Cust Comm - Other	4,572,793	2,938,296
4-Total Customer Communications	**19,305,041**	**15,188,914**
Other Variable Expense		
539100 Retail Demo Equipment/Installation	201,465	(1,278,065)
539150 Smart Card Replacement Accrual	(173,185)	11,818,798
539175 Conditional Access Security Fee	79,546,723	19,890,581
539200 New Unit Replacement/Other	4,803,539	12,145,062
539299 A/I/C CSC Fees	2,153,905	2,536,994
539300 Credit Reports	7,608,113	8,856,777
539400 Other Customer Care Costs	178,330	947,189
539500 Service Plan Commission Expense	1,288,168	203,896
539550 Service Plan Admin Fees	1,462,807	1,007,765
539966 R/P - SATS - Other Variable Expense	632,346	0
539999 Other G&A Reclass	6,415,425	6,444,108
4-Total Other	**104,117,635**	**62,573,103**
3-Total Other Variable Costs	**123,422,675**	**77,762,017**
2-Total Variable Expense	**1,440,588,014**	**1,551,120,818**
Retention Expense		
DNS Retention Expenses		
Service Calls and Other		
Internal Costs		
530100 Installation Tools	7,443,553	15,325,905
530200 Installation Supplies Expensed	38,524,220	45,043,998
530300 Installation Communication Expense	2,609,570	2,937,635
530325 Installation Other Customer Satisfaction	3,431,781	5,128,745
531000 Installation Hourly Wages Reg	188,651,911	215,778,171
531100 Installation Hourly Wages O/T	33,996,033	51,426,168
531150 Installation Non-Exempt Salaries	6,918,325	8,929,377
531200 Installation Non-Exempt Salaries O/T	139,880	305,273
531250 Installation Exempt Salaries	33,801,264	40,331,723
531350 Installation Salaries - Non-Pro System	13,502	127
531850 Installation Bonus	11,564,243	17,707,448
531950 Installation Employer FICA	19,850,316	24,844,121
532050 Installation FUI/FUTA	3,930,539	3,225,850
532550 Installation Misc Payroll	350,890	600,278
532600 Installation Capitalized Salaries	(226,894)	(168,601)
532700 Installation Payroll Expense Accrued	(189,292)	432,026
532725 Installation Payroll Overtime Accrued	68,418	(136,132)
532730 Installation Bonuses/Commissions Accrued	(12,823)	318,411
532750 Installation Payroll Tax Accrued	37,091	96,238
532800 Installation Payroll Clearing (s/b 0.00)	0	(8,157)
532900 Non-Cash, Stock-Based Comp (Stk Opt - DNS C	377	1,345
533000 Installation Vehicle Expenses	18,662,108	20,269,473

533050 Installation Vehicle Repairs and Maintenanc	8,602,251	10,906,542
533100 Installation Vehicle Fuel	24,723,669	25,707,913
533200 Installation Vehicle Transfer Costs	0	993
533300 Installation Licenses and Fees	2,088,123	2,344,876
533500 Installation Airfare, Travel Agent and Dine	83,728	91,067
533650 Installation Meals 50% Deductible	382,064	991,044
533700 Installation Lodging	439,136	1,439,226
533750 Installation Entertainment	105	0
533800 Installation Car Rental and Taxis	29,972	51,910
533850 Installation Parking and Mileage	321,683	451,155
533900 Installation Other Travel	13,877	21,338
5-Total Internal Costs	406,249,618	494,395,481
External Costs		
530500 Installation External	(1,218,659)	(529,546)
530600 External Labor - RSP New Connect	153,211,490	158,216,661
530620 External Labor - RSP Upgrade/Change	167,562,619	149,626,368
530640 External Labor - RSP Trouble Calls	66,960,221	88,878,246
530700 External Labor - Subcontractor New Connect	86,815,541	105,877,022
530720 External Labor - Subcontractor Upgrade/Chan	75,188,221	79,863,679
530740 External Labor - Subcontractor Trouble Call	42,200,149	58,957,321
5-Total External Costs	590,719,581	640,889,750
4-Total Service Calls and Other	996,969,199	1,135,285,231
DNS Cost Allocation		
530050 SBC Installation Contra COS Internal	0	(5,951,678)
530400 Initial Installation - SAC Reclass	(396,115,360)	(419,173,055)
534050 DISH Network Service Corp - Contra Variable	(171,211,956)	(233,930,210)
4-Total DNS Cost Allocation	(567,327,316)	(659,054,943)
3-Total DNS Retention Expenses	429,641,883	476,230,288
Retention Equipment (P&L) and Other Expense		
537000 Equipment Upgrades	73,095,940	79,902,023
537005 Equipment Upgrades - Cap ECL Accessories	(10,891,741)	(6,305,879)
537025 Equipment Upgrade - Leased	47,829,490	43,937,090
537050 Receiver Subsidy - Existing Customer	0	(241,789)
537150 Customer/Retailer Incentives - Internet	4,329,923	9,533,879
537240 Indoor/Outdoor Unit WildBlue Revenue	(5,087,249)	(8,274,247)
537250 Indoor/Outdoor Unit WildBlue COS	9,798,794	16,195,086
537260 WildBlue Equipment Contra Capitalization	(16,006,147)	(20,274,058)
537270 HD Monitor COGS	117,261	0
537280 Google Equipment Revenue	(1,199,297)	0
537290 Google Equipment COS	1,254,943	0
3-Total Retention Equipment (P&L) and Other Expense	103,241,917	114,472,105
2-Total Retention Expense	532,883,800	590,702,394
1-Total Subscriber-Related Expense	6,676,144,654	6,359,329,501
% of Subscriber-Related Revenue	53.2%	55.1%
Satellite and Transmission Expenses		
Satellite and Transmission Expense - EchoStar		
558066 R/P - SATS - Transponder Lease	204,062,289	126,575,843
558166 R/P - SATS - TT&C and Space Programs Exp	3,680,311	8,783,457
558366 R/P - SATS - Uplink Service Expense	210,615,169	184,392,700
1-Total Satellite and Transmission Expenses - EchoStar	418,357,769	319,752,001
% of Subscriber-Related Revenue	3.3%	2.8%
Satellite and Transmission Expenses - Other		
550100 Conditional Access Service Fees	30,117	43,248
550200 Uplink Services	473,117	241,426
550300 Satellite License and Fees	38,836,601	32,539,778
550500 Tracking, Telemetry and Control	900,000	832,500
554999 Satellite and Transmission G&A Reclass	9,058	15,094
1-Total Satellite and Transmission Expenses - Other	40,248,893	33,672,046
% of Subscriber-Related Revenue	0.3%	0.3%
0-Total Satellite and Transmission Expenses	458,606,662	353,424,047

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S&T Expenses as a % of Subscriber-Related Revenue	**3.7%**	**3.1%**
Equipment, Transitional Services and Other COGS		
Equipment Cost of Sales		
Equipment - EchoStar		
550066 COGS - "R/P Receiver Equipment"	(3)	3,016,021
550166 COGS - "R/P Accessories"	360,796	214,217
3-Total Equipment - EchoStar	**360,793**	**3,230,238**
Equipment - Other		
560050 DBS Receivers (Non-Subsidized)	353,667	3,825,244
560100 DBS Accessories	2,457,043	17,476,458
560150 DBS Antennas	2,105,415	2,710,448
560200 DBS LNBs	8,510,265	10,522,827
560250 DBS Remote Controls	2,276,665	2,155,678
560410 Bell TV Accessories	31,882	484,071
560750 Peripheral Equipment	505,602	0
561050 Digital Conversion Receiver	(83,216)	14,203,159
561100 Sirius Equipment COS	0	148
561200 Sirius Monthly Incentive	15,642	20,185
561250 Sirius Activation Incentive	0	370
561300 Portable Video Player (LCD Display) COS	13,813	11,024
561600 Neulion Receiver COGS	110,575	0
562050 Slingbox COS	39,362	25,249
562060 Sling Accessories COS	857,811	0
562100 Capitalized Costs and Expenses	(1,109,946)	(1,567,504)
563957 Head End COGS	1,659,123	0
565050 Freight Out - Domestic	12,548,067	11,833,054
565100 Freight In COS	60,284	70,881
565150 Freight - Inventory Transfers	12,117,635	11,211,937
565200 Inventory Scrap	13,519	8,457
565250 Cycle Count Adjustments	50,248	53,446
565300 Packout Supplies	554,029	845,191
565400 WIP Variance	0	0
565450 Purchase Price Variance	(313,798)	(766,408)
565500 Invoice Price Variance	525,433	(141,364)
565600 Other COS - Equipment	12,308,613	24,400,594
567100 Spare Parts COS	5,984,847	1,312,665
567200 Out of Warranty COS - DBS	1,339	0
567300 Warranty Reimbursement COS	324,680	350,720
3-Total Equipment - Other	**61,918,596**	**99,046,532**
2-Total Equipment COGS	**62,279,389**	**102,276,770**
Fixed Satellite Services		
580900 Other Satellite Service Costs	181,564	125,166
2-Total Fixed Satellite Services Exp	**181,564**	**125,166**
Other Expense		
593966 COGS - R/P - SATS	828,916	2,282,257
598000 R/P - SATS - TSA Admin Services G&A Reclass	12,989,756	16,357,072
599958 C-Band COS	126,395	196,628
2-Total Other Expense	**13,945,066**	**18,835,957**
1-Total Equipment, Transitional Services and Other COS	**76,406,018**	**121,237,894**
General and Administrative - EchoStar		
654066 R/P - SATS - Payroll Expenses - EchoStar C	27,952	95,445
660066 R/P - SATS - Rental Expense/CAM	11,461,481	13,968,525
670066 R/P - SATS - Admin Services COS	5,939,356	5,667,755
670166 R/P - SATS - Engineering and Other Expense	30,028,615	25,623,883
1-Total General and Administrative - EchoStar	**47,457,405**	**45,355,609**
General and Administrative		
Personnel and Other Employee Related Expenses		
Personnel		
Wages		
651000 Hourly Wages	238,389,277	297,304,132
651100 Wages Hourly Overtime	15,959,070	23,149,366
651150 Non-Exempt Salaries	57,589,840	51,492,449
651200 Non-Exempt Overtime	1,120,443	1,190,780
651250 Exempt Salaries	182,678,874	186,359,895

651300 Salaries Foreign	196,263	104,471
651350 Salaries Non-Pro System	(196,044)	600,192
651850 Bonuses/Commissions	32,456,204	28,709,042
652700 Payroll Expense Accrued	1,580,223	586,472
652725 Payroll Overtime Accrued	(58,297)	(45,635)
652730 Bonuses/Commissions Accrued	(445,743)	1,524,699
4-Total Wages	529,270,110	590,975,863
Taxes		
651950 Employer FICA Taxes	36,493,827	43,183,953
652000 Payroll Taxes Foreign	21,063	10,870
652050 Payroll Taxes Unemployment	6,156,413	4,988,488
652650 Capitalized Payroll Taxes	(121,406)	(98,986)
652750 Payroll Tax Accrued	384,483	251,288
4-Total Taxes	42,934,381	48,335,613
Other Personnel		
651700 Salary Reimbursements	(1,858,710)	(1,882,139)
651750 Temporary Labor	1,598,558	1,852,248
652100 401(k) and Management Bonus	24,954,461	29,003,990
652150 401(k) Employer Match	1,598,325	6,116,178
652300 Workers' Compensation Insurance	18,865,307	17,067,892
652350 Employee Health Insurance	25,073,467	28,235,885
652375 Health Savings Account (HSA) Contribution	1,561,378	1,984,203
652400 Life Insurance	140,194	140,389
652450 Disability Insurance	31,283	36,588
652500 Dental & Vision Insurance	119,202	40,614
652550 Misc Payroll	646,255	1,040,460
652600 Capitalized Salaries	(8,196,256)	(8,962,759)
652800 Payroll Clearing (s/b 0.00)	0	8,157
652900 Non-Cash, Stock-Based Comp (Stk Opt - G&A)	13,807,408	10,214,692
652910 Non-Cash, Stock-Based Comp (Non-Stk Opt - G	419,939	943,197
652999 Personnel G&A Reclass	(359,423,154)	(414,583,820)
4-Total Other Personnel	(280,662,342)	(328,744,226)
3-Total Personnel	291,542,149	310,567,250
Other Employee Related Expenses - Other		
654000 Development and Training External	460,448	787,942
654020 Development and Training Internal	583,923	826,497
654040 Tax Development and Training	26,733	5,715
654080 Education Reimbursement	320,640	325,221
654200 Employee Awards	2,019,940	2,060,309
654250 Gifts and Flowers	54,015	76,860
654300 Employee Uniforms	2,148,081	3,374,216
654400 Recruiting	5,029,645	5,668,264
654410 Recruiting Agency Fees	138,900	10,604
654500 Relocation - Transport Household	218,066	228,937
654520 Relocation - Meals	11,834	4,367
654540 Relocation - Travel and Lodging	119,049	68,832
654560 Relocation - Other	141,801	178,073
654600 Employee Functions	241,547	267,283
654620 Corporate Events - Other	23,436	10,096
654640 Corporate Events - Picnic	0	1,000
654900 Other Employee Expenses	(807,074)	(993,842)
654999 Other Employee Related G&A Reclass	(2,581,310)	(2,863,669)
3-Total Other Employee Related Expenses	8,149,673	10,036,705
Travel, Meals and Entertainment		
656000 Airfare, Travel Agent and Diner's Club	3,318,804	3,037,141
656100 Lodging	3,016,578	2,971,492
656150 Parking and Mileage	3,320,897	3,279,477
656200 Meals 100% Deductible	87,114	41,135
656250 Meals 50% Deductible	1,062,675	1,061,800
656300 Entertainment	390,763	336,506
656350 Car Rental and Taxis	982,749	998,467
656900 Other Travel Expenses	468,909	447,107
656999 Travel, Meals and Entertainment G&A Reclass	(2,103,366)	(2,144,649)
3-Total Travel, Meals and Entertainment	10,545,122	10,028,476
2-Total Personnel and Other Employee Related Expenses	310,236,944	330,632,431

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Professional Fees		
670000 Legal Fees	61,230,527	62,803,330
670100 Auditing Fees	1,866,787	1,829,706
670200 Consulting Fees	42,236,713	31,404,266
670300 Tax Consulting Fees	1,292,126	1,469,545
670400 Payroll Processing Fees	1,175,903	1,287,838
670999 Professional Fees G&A Reclass	(290,045)	(86,503)
2-Total Professional Fees	**107,512,012**	**98,708,183**
Other General and Administrative		
Building and Maintenance		
660000 Building Rent	22,496,928	21,827,742
660100 Utilities	11,922,879	11,619,061
660150 Security Services	2,815,252	3,024,772
660200 Maintenance Services	3,760,108	3,859,082
660250 Maintenance Supplies	1,510,227	1,512,883
660300 Repairs and Maintenance Exterior	577,035	626,266
660310 Repairs and Maintenance HVAC	727,633	649,490
660320 Repairs and Maintenance Interior	729,070	745,000
660330 Repairs and Maintenance Equipment	849,209	735,080
660340 Repairs and Maintenance Phone	(34,323)	(30,820)
660350 Repairs and Maintenance Warehouse Equipment	299,073	220,295
660360 Repairs and Maintenance Vehicles	310,078	259,159
660450 CAM Expenses	3,780,245	4,747,715
660550 Capitalized Building Cost	(2,018,023)	(1,802,363)
660900 Building and Maintenance - Other	107,416	127,553
660999 Building and Maintenance G&A Reclass	(21,199,188)	(21,780,588)
3-Total Building and Maintenance	**26,633,619**	**26,340,326**
Office Administration		
662000 Hardware Maintenance Contracts	9,586,604	8,375,614
662050 Software Maintenance Contracts	19,896,050	24,226,197
662100 System WAN LAN Hardware	365,593	316,766
662200 Computer Hardware Purchases	2,160,564	2,353,234
662250 Computer Software Purchases	1,188,442	783,822
662300 Computer Replacements, Upgrades and Mainten	26,888	393,835
662350 Software Replacements, Upgrades and Mainten	11,760	68,300
662400 Outside Data Services	9,623,186	4,458,618
662450 Telephone Hardware Purchases	437,943	866,470
662500 Telephone Wiring Services	3,651	792
662550 Office Furniture and Equipment Purchases	749,765	1,058,318
662600 Office Supplies	2,397,345	3,474,926
662700 Business Forms	800,474	776,887
662750 Tax Resources	25,422	96,833
662800 Coffee, Tea and Beverages	322,454	369,013
662850 Dues and Subscriptions	1,705,987	1,343,148
662999 Office Administration G&A Reclass	(1,206,074)	(1,157,085)
3-Total Office Administration	**48,096,055**	**47,805,690**
Communications		
664000 Long Distance Usage	30,074,513	32,505,659
664050 Local Usage	45,360	76,538
664100 Telephone Calling Cards	36	810
664150 Monthly Recurring Charge (MRC)	6,367,027	5,746,722
664200 Data Charges (WAN)	9,019,194	12,374,442
664250 Cell Phones	1,707,208	1,548,005
664300 Pagers	19,543	29,431
664999 Communications G&A Reclass	(29,843,948)	(31,974,109)
3-Total Communications	**17,388,934**	**20,307,497**
Insurance		
668000 Insurance Expense	8,993,989	4,885,800
668100 Uninsured Loss	1,678,336	1,356,287
668999 Insurance G&A Reclass	(7,861)	(16,334)
3-Total Insurance	**10,664,464**	**6,225,753**
Bad Debt - Non-Subscriber Related		
672000 Bad Debt Expense - Non-Subscriber Related	6,319,871	908,399
672200 Credit and Collection Agency Fees - Non-Sub	3,083	8,927
672999 Bad Debt - Non-Subscriber Related G&A Recla	1,561	(5,221)
3-Total Bad Debt - Non-Subscriber Related	**6,324,514**	**912,105**

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Property and Other Taxes		
674000 Personal Property Taxes	21,332,277	20,947,340
674100 Sales/Use Taxes	9,774,223	(218,117)
674200 Real Estate Taxes	3,066,943	702,138
674400 Other State Taxes	1,882,025	2,865,308
674500 Other State Taxes - B&O	2,796,177	574,161
674600 Penalties - Excise/Sales/Property Tax	2,047	14,025
674999 Property and Other Taxes G&A Reclass	(8,675)	(299)
3-Total Property and Other Taxes	**38,845,018**	**24,884,555**
Postage and Delivery		
678000 Postage	759,679	403,530
678050 Express Mail	654,418	715,208
678100 Courier Services	10,967	10,630
678150 Shipping Expense	55,371	53,397
678999 Postage and Delivery G&A Reclass	(552,215)	(255,707)
3-Total Postage and Delivery	**928,220**	**927,057**
Equipment, Supplies and Transportation		
680000 Tools and Supplies	2,428,024	1,673,038
680050 Equipment Purchases (Non-Office)	1,031,990	1,031,635
680100 Equipment Rental	1,637,037	1,694,285
680150 Fuel - Semi/Van/Forklift	552,228	374,206
680200 Lease Transportation	542,600	824,285
680250 Expense Supplies/Equipment from Inventory	410,839	528,407
680300 Capitalized Equipment and Supplies	(399,460)	(337,233)
680999 Equipment, Supplies and Transportation G&A	(3,617,931)	(2,922,634)
3-Total Equipment, Supplies and Transportation	**2,585,327**	**2,865,989**
Service and Other Fees		
682000 Bank Service Charges	4,149,784	3,378,008
682200 Check Approval Fees	2,189,798	199
682300 Other Service Fees	1,286,031	1,424,910
682999 Service and Other Fees G&A Reclass	(2,643,104)	(1,219,147)
3-Total Service and Other Fees	**4,982,510**	**3,583,971**
Public Company Expenses		
684000 SEC/NASDAQ Fees	67,786	191,258
684100 Public Relations	313,920	254,158
684200 Public Company Expense - Annual	313	23,105
684300 Public Company Expense - Quarterly	183,465	17,280
684500 Trust Agent Fees	24,000	20,500
684600 Transfer Agent Fees	43,430	39,857
684700 Annual Shareholders' Meeting	180,012	138,733
684900 Other Public Company Expenses	92,440	101,379
3-Total Public Company Expenses	**905,366**	**786,271**
General and Administrative - Other		
690000 Project Development	1,187,065	181,235
690100 Licenses and Fees	764,918	253,577
690150 Litigation Settlement	15,011,603	9,864,621
690300 Other Litigation Expense	(4,500)	0
690450 Charitable Contributions	64,200	78,483
690500 Donations	66,841	48,240
690900 Other General and Administrative	27,434	157,212
690999 General and Administrative - Other G&A Recl	(20,481)	(46,162)
3-Total General and Administrative - Other	**17,097,079**	**10,537,206**
2-Total Other General and Administrative	**174,451,105**	**145,176,420**
0-Total General and Admin before EchoStar General and Ad	**592,200,061**	**574,517,034**
EchoStar General and Administrative Reclass		
698999 R/P G&A Reclass	(13,814,529)	(17,262,565)
2-Total EchoStar General and Administrative Reclass	**(13,814,529)**	**(17,262,565)**
1-Total General and Administrative	**578,385,532**	**557,254,469**
G&A Expenses as a % of Revenue	4.6%	4.8%

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0-Total G&A Incl. EchoStar	625,842,937	602,610,078
Total G&A Incl. EchoStar as a % of Revenue	5.0%	5.2%
Litigation Expense		
700100 Litigation Expense	225,456,032	361,024,217
1-Total Litigation Expense	225,456,032	361,024,217
Pre-SAC Income	4,803,743,591	4,227,549,479
Pre-SAC Income as a % of Revenue	38.0%	36.2%
Subscriber Acquisition Costs		
Cost of Sales - Subscriber Promotion Subsidies		
600050 Echo Receivers DBS	1,158,114,903	1,157,061,872
600120 Promotional - Co-Branded COS	(4,721,784)	(7,329,472)
600125 Promotional - Other COS - Non-Standard	(43,656,934)	(54,572,023)
600130 Promotional - Other COS - PTO	206,300,172	191,272,705
600135 Promotional - DNS Accessories - New Connect	82,332,824	80,742,995
600350 Other Cost of Sales - Promotional Equipment	(32,474,976)	(32,016,623)
600400 Depr Exp Equipment Tooling	65,941	1,696,806
600600 Lease Receivers Capitalized-Redeployed Bene	(139,752,039)	(182,927,678)
600650 Lease Receivers Capitalized - Existing Subs	(212,037,483)	(223,755,911)
600655 Lease Receivers Capitalized - Redeployed Be	(104,210,496)	(84,826,198)
600670 Lease Receiver Capitalized - Conn/Disc Same	(6,557,604)	(7,552,395)
600700 Lease Receivers Capitalized - NEW Subscribe	(587,091,804)	(513,189,459)
600750 Lease Accessories Capitalized - NEW Subscri	(129,109,754)	(120,655,597)
600755 Lease Accessories Capitalized - Redeployed	(11,424,116)	(15,271,797)
600900 HD Monitor COGS	0	393,622
600950 Lease Subsidies - HD Monitor Capitalization	0	(278,061)
1-Total Cost of Sales - Subscriber Promotion Subsidies	175,776,850	188,792,786
Other Subscriber Promotion Subsidies		
Net Revenue Hardware Sales & Lease Returns/Exchanges Eff		
602000 Hardware Subsidies - Revenue (Rev. '00 Fwd	(703,581,827)	(978,278,940)
602125 Promo Revenue - Other Revenue - Non-Standar	12,150	8,823,761
602130 Promo Revenue - Other Revenue - PTO	(123,101,546)	(130,151,099)
602150 DHA Dealer Buybacks	153,472,667	181,405,983
602350 Credit RSP Equipment Use	693,585,767	903,857,382
602550 Other Equipment Reimbursement	41,609,919	48,909,131
2-Total Net Revenue Hardware Sales & Lease Returns/Excha	61,997,130	34,566,217
Commissions and Direct Sales		
604000 Primary Incentive	563,670,144	597,172,792
604050 Contra Equipment Activation	0	(2,520,098)
604100 Commissions Check Fees	(60)	(35,500)
604300 Dealer FPI	(100)	0
604350 Dealer Flex Funds	10,554,257	12,340,679
604500 Conversion Commissions/Affiliate Payments	134,525	0
604999 Direct Sales Reclass	56,323,085	0
606000 Rebate Programs	3,165	13,655
606050 Other Programs	11,456,457	6,892,010
2-Total Commissions and Direct Sales	642,141,473	613,863,538
Installation - SAC		
606150 SAC Related Use Tax	4,405,763	4,072,684
608000 Installation Subsidies	396,108,745	419,152,925
2-Total Installation - SAC	400,514,507	423,225,609
1-Total Other Subscriber Promotion Subsidies	1,104,653,110	1,071,655,364
SAC Advertising		
Acquisition Marketing		
External Marketing		
611000 External Mktg - General Marketing	13,701,437	9,104,717
611010 External Mktg - Broadcast	176,944,537	153,708,723
611020 External Mktg - Print	51,224,662	23,229,047
611030 External Mktg - Target Direct Mail	21,184,719	9,862,851
611040 External Mktg - Database	1,449,716	970,196
3-Total External Marketing	264,505,070	196,875,535
Retail Marketing		
614000 Retail Mktg - Promotional Literature	118,957	158,566

614050 Retail Mktg - Retailer Incentive	(541,677)	816,425
614100 Retail Mktg - POP Materials/Sales Kits	3,592,393	2,037,068
614150 Retail Mktg - Merchandising Expense	33,024	27,068
614200 Retail Mktg - Retailer Communication	2,650,212	705,618
614650 Retail Mktg - Merchandising Revenue	(7,612)	(22,482)
3-Total Retail Marketing	5,845,297	3,722,264
Partnership Marketing		
616000 Partnership Mktg - Affinity Mktg	2,871,925	3,554,103
3-Total Partnership Marketing	2,871,925	3,554,103
Other Acquisition Marketing		
618000 Co-op Advertising	35,424,822	26,493,382
618050 Customer Referral - Direct Mail	2,369,036	6,203,782
618100 Mktg Development Funds	264,494	368,808
618200 Mktg Services	155,379	0
618250 E-Commerce	43,754,146	32,146,100
618300 Production	10,452,869	3,909,948
3-Total Other Acquisition Marketing	92,420,747	69,122,020
2-Total Acquisition Marketing	365,643,039	273,273,921
Other Marketing		
620000 Trade Shows - CES	430,373	394,389
620100 Trade Shows - Other	539,733	398,721
622000 Corporate Events - Team Summit	2,640,754	1,558,961
624000 Publicity	287,732	209,094
625000 Product Marketing	376,831	0
626000 Marketing and Advertising	3,095,464	3,209,211
628100 Customer Incentives	50,115	69,603
2-Total Other Marketing	7,421,002	5,839,980
1-Total Advertising-SAC	373,064,041	279,113,901
0-Total Subscriber Acquisition Costs	1,653,494,001	1,539,562,051
Depreciation and Amortization		
Buildings and Improvements		
761000 Depr Exp Building & Building Improvements	1,163,612	1,150,782
761100 Depr Exp Land Improvement	70,793	64,205
761200 Depr Exp Leasehold Improvements	3,717,867	3,715,562
2-Total Buildings and Improvements	4,952,273	4,930,549
Furniture, Fixtures and Equipment		
762000 Depr Exp Furniture, Fixtures and Office Equ	1,420,986	1,552,065
762100 Depr Exp Machinery and Equipment	3,767,413	4,408,426
762200 Depr Exp Computer Hardware	16,773,824	16,697,796
762300 Depr Exp Software	20,977,035	23,244,001
762600 Capitalized Depreciation	(388,391)	(509,172)
3-Total Furniture, Fixtures and Equipment	42,550,867	45,393,115
Vehicles		
763000 Depr Exp Vehicles & Aircraft	1,128,384	1,153,627
3-Total Vehicles	1,128,384	1,153,627
Tooling and Other		
764100 Depr Exp Product Tooling	16,761	52,645
764300 Gain on Sale of Assets	(703,190)	(400)
764400 Loss on Sale of Assets	431,381	197,252
3-Total Tooling and Other	(255,048)	249,496
2-Total FF&E, Vehicles, Tooling and Other	43,424,204	46,796,238
Equipment Leased to Customers		

765100 Depr Exp Lease Primary Equipment	706,194,061	720,890,668
765200 Depr Exp Lease Secondary Equipment	(32,879,092)	(30,411,807)
765300 Proceeds Received from Sale of DHA Units	(18,420,157)	(24,340,496)
765320 Promo Hardware Billed	(125,162,106)	(104,575,223)
765340 Contra Promo Hardware	106,939,382	100,899,508
765360 Deferred Promo Hardware	4,988,730	(4,998,374)
765400 Lease Acc/Other RETIRED - NBV	47,178,578	81,665,056
765410 DHA Scrap Expense - Service	32,044,478	50,213,240
765420 Leased Receiver Exchange	(112,589,759)	(44,539,514)
765440 Lease Rec Existing Subs - Returned - REDEPL	(87,269,928)	(68,555,900)
765450 Lease Rec Existing Subs - Returned - NON Re	23,002,764	14,739,853
765460 Lease Wildblue Equipment RETIRED-NBV	9,817,460	3,055,444
765470 Lease Wildblue Equipment Returned	(2,805,791)	(3,096,990)
765500 Lease Receiver RETIRED - NBV	474,403,112	342,726,249
765510 Lease Return - DHA Accessories Not Returned	0	(20,082,979)
765540 Lease Rec NEW Subs - Returned - REDEPLOYED	(115,023,249)	(143,771,657)
765550 Lease Rec NEW Subs - Returned - NON Redeplo	(65,708,424)	(39,758,667)
765600 Lease Accessories Returned - NON Redeployed	(10,346,604)	(20,766,636)
765650 Lease Accessories Returned - REDEPLOYED	(11,921,667)	(10,122,992)
2-Total Equipment Leased to Customers	**822,441,790**	**799,168,785**
Satellites		
767120 Depr Exp EchoStar 7	14,750,019	14,750,019
767180 Depr Exp EchoStar 10	14,766,010	14,766,010
767200 Depr Exp EchoStar 11	16,683,164	16,683,164
767240 Depr Exp EchoStar 14	14,067,473	0
767260 Depr Exp EchoStar 15	7,709,257	0
767520 Depr Exp Anik F3	14,894,833	14,894,833
767530 Depr Exp CIEL - 2	27,639,650	25,336,346
2-Total Satellites	**110,510,405**	**86,430,372**
Amortizable Intangibles		
770200 Amort Exp Patents and Other	150,000	37,500
770300 Amort Exp Acquisition Intangibles	2,486,514	2,669,830
2-Total Amortizable Intangibles	**2,636,514**	**2,707,330**
1-Total Depreciation and Amortization	983,965,186	940,033,274
Total Operating Expenses	10,699,915,490	10,277,221,062
Operating Income (Loss) Before O/H Allocation	**1,940,828,372**	**1,386,929,938**
Total Costs, Expenses and O/H Allocation	**10,699,915,490**	**10,277,221,062**
Operating Income (Loss) After O/H Allocation	**1,940,828,372**	**1,386,929,938**
Other Income (Expense)		
Interest Income		
810000 Interest Income Taxable	36,327,593	25,429,731
810100 Dividends Received - Investments	6,430	15,110
810300 Interest Income Other	724,106	1,168,624
810600 Amort/Accretion of Disc/Prem - Cash Equiv	159,323	6,070,185
810620 Amort/Accretion of Disc/Prem - Mkt Sec	(12,059,413)	(2,649,833)
1-Total Interest Income	**25,158,040**	**30,033,817**
Interest Expense, Net of Amounts Capitalized		
Interest Expense - Other		
820050 Int Exp - In Orbit Payments	(3,656,833)	(2,508,309)
820280 Int Exp - 6 3/8% Senior Notes due 2011	(63,750,000)	(63,750,000)
820300 Int Exp - 3% Convertible Subordinated Note	0	(570,833)
820320 Int Exp - 6 5/8% Senior Notes due 2014	(66,250,000)	(66,250,000)
820340 Int Exp - 7 1/8% Senior Notes due 2016	(106,875,000)	(106,875,000)
820360 Int Exp - 7% Senior Notes due 2013	(35,000,000)	(35,000,000)
820380 Int Exp - 7.75% Senior Notes due 2015	(58,125,000)	(58,125,000)
820400 Int Exp - 7 7/8% 10yr Notes due 2019	(110,250,000)	(36,837,500)
820530 Int Exp - Capital Lease - CIEL - 2	(11,302,605)	(10,115,547)
820650 Int Exp - Capital Lease - Anik F3	(12,898,951)	(13,550,952)
820750 Int Exp - Promo Cash Giveaway	(28,077)	(30,513)
820800 Capitalized Interest	17,138,970	19,684,626
820900 Int Exp - Other	1,879,623	(10,279,881)

2-Total Interest Expense - Other	(449,117,873)	(384,208,910)
Amort of Debt Discount and Deferred Financing Costs		
822280 Amort Exp - 6 3/8% Senior Notes due 2011	(625,000)	(625,000)
822320 Amort Exp - 6 5/8% Senior Notes due 2014	(315,945)	(315,945)
822340 Amort Exp - 7 1/8% Senior Notes due 2016	(750,000)	(750,000)
822360 Amort Exp - 7% Senior Notes due 2013	(958,571)	(958,571)
822380 Amort Exp - 7.75% Senior Notes due 2015	(710,349)	(710,349)
822400 Amort Exp - 7 7/8% 10yr Notes due 2019	(2,299,261)	(856,121)
2-Total Amort of Debt Discount and Deferred Financing Co	(5,659,126)	(4,215,986)
1-Total Interest Expense, Net of Amounts Capitalized	(454,776,999)	(388,424,896)
0-Interest Income (Expense), Net	(429,618,958)	(358,391,078)
Other		
Equity in Gains (Losses) of Affiliates		
860358 Equity in Earnings of Archos	0	(2,173,568)
860360 Equity in Earnings of Elephant Group	0	(1,975,081)
2-Total Equity in Gains (Losses) of Affiliates	0	(4,148,649)
Realized/Unrealized Gain (Loss) on Investments		
862100 Gain on Sale of Investments	35,853,961	30,294,949
862200 Loss on Sale of Investments	(225,900)	(35,410)
862250 Unrealized Gain (Loss) on Investments	8,370,787	597,915
862300 Loss on Impairment of Assets	(9,372,490)	(37,450,473)
862350 Non-Cash Gain (Loss) on Sale/Exchange of In	(928,951)	(7,217,761)
2-Total Realized/Unrealized Gain (Loss) on Investments	33,697,407	(13,810,781)
Other - Miscellaneous		
865160 Purchase Discounts	648,601	830,589
865200 Penalties - Income Tax	(49,536)	(685,867)
865240 International Exchange Gain/Loss	0	4,381
865300 Other Miscellaneous Income	2,233	1,386,870
865320 Other Miscellaneous Expense	(3,302,570)	716,345
2-Total Other - Miscellaneous	(2,701,272)	2,252,318
1-Total Other	30,996,135	(15,707,113)
0-Total Other Income (Expense)	(398,622,823)	(374,098,191)
Income (Loss) Before Income Taxes & Minority Interest	1,542,205,549	1,012,831,747
Income Tax Benefit (Provision), Net		
880000 Current Federal Income Tax	(356,073,464)	(372,719,887)
880200 Deferred Tax-FIT - LT	(201,399,900)	(4,630,476)
880500 International Income Tax	0	(78,684)
1-Total Income Tax Benefit (Provision), Net	(557,473,364)	(377,429,047)
Effective Tax Rate	36.2%	37.3%
Net Income (Loss)	984,732,185	635,402,700
Net Income (Loss) Attributable to Non-Controlling Intere		
890000 Non-Controlling Interest Income/Loss	3,169	(142,075)
Total Net Income (Loss) Attributable to Non-Controlling	3,169	(142,075)
Net Income (Loss) Attributable to DISH Shareholders	$984,729,016	$635,544,775
EBITDA - Internal	$2,924,790,389	$2,327,105,287
EBITDA - SEC	$2,955,786,524	$2,311,398,174

DSH1320

2009 SALES APPORTIONMENT

	ORIGINAL	
	WITHIN	EVERYWHERE
GUIDES	-	-
EQUIPMENT	-	-
LEASES	-	-
SERVICES	21,491,249	1,245,491,273
GAIN/(LOSS)	-	(196,850)
OTHER	30,277,894 [See below]	2,290,187,726 [See below]
PROGRAMMING	479,708,734	8,895,025,654
INTEREST	-	13,974,916
RENT	-	979,647
ROYALTY	-	-
ELIMS	-	-
TOTALS	531,477,877	12,445,462,366
SALES FACTOR	4.2705%	
OTHER:	4,222,311	286,791,061
	26,055,583	2,003,396,664
	30,277,894	2,290,187,724

DSH1253

PETITIONER'S EXHIBIT

2009 Cost of Performance Calculation
Company 111
South Carolina

2009 Programming Ratio

Location	Loc#	2009
Call Centers (Depts. 300-320)		
		-
Total Call Centers Everywhere		507,687,890
% Call Centers in South Carolina		0.0000%
Service / Repair Centers (Dept. 140)		
Spartanburg, SC	5020	90,292,764
		90,292,764
Total Service / Repair Ctrs Everywhere		262,137,993
% Service / Repair Ctrs in South Carolina		34.4447%
Dealer's Cost		
Total Subscriber Promotion Subsidies		1,259,553,257
% of South Carolina Subscribers		1.5205%
Dealer's Cost Allocated to South Carolina		19,151,507
Total Costs in South Carolina		109,444,271
Total Costs Everywhere		2,029,379,140
% of Costs in South Carolina		5.3930%

	WITHIN	EVERYWHERE
SC Programming Costs		109,444,271
Total Programming Costs		2,029,379,140
Income-Producing Ratio		5.393%
Total Programming Revenue		8,895,025,654
		5.393%
SC-sourced Programming		479,708,734

DSH1254

Dish DBS Corp
Company 137 (Incl LLCs)
Sales Apportionment Breakdown

	Sales Without State to Within State	Receipts from Services	Miscellaneous Other	Rents	Other Interest	(Gross) Sales from Real & Tang Pers Prop	Adjusted Basis	Other Receipts*	Sales Totals	Total for State
Alabama	199,246,392	29,130,700	10,415,145	-	-	-	-	39,385,574	278,177,810	278,177,810
Alaska	31,011,182	603,122	399,905	-	-	-	-	2,086,217	34,100,436	
Arizona	174,174,015	26,863,652	6,275,955	-	-	-	-	35,497,214	242,810,836	
Arkansas	166,068,114	22,739,113	4,915,633	-	-	-	-	32,284,053	226,006,913	226,006,913
California	953,485,785	136,940,161	28,438,808	-	-	-	3,333	322,073,209	1,440,934,731	
Colorado	182,864,474	22,830,766	5,244,683	-	13,974,916	3,757	13,757	21,233,133	246,137,972	
Connecticut	52,734,436	7,369,235	1,462,854	-	-	-	3,168	10,224,233	71,787,591	71,790,759
Delaware	11,387,791	1,715,479	393,047	-	-	-	-	2,050,310	15,546,628	
D.C.	4,284,764	615,724	120,650	-	-	-	-	778,298	5,799,435	1,514,672
Florida	361,240,000	59,650,801	15,894,803	-	-	-	-	94,149,474	530,935,079	
Georgia	352,162,983	51,782,863	14,983,642	-	-	-	6,022	83,717,003	502,650,469	502,656,491
Hawaii	12,084,488	1,003,773	471,388	-	-	-	-	1,753,030	15,312,678	
Idaho	88,439,026	10,926,134	2,900,826	-	-	-	-	18,462,764	120,728,750	
Illinois	428,263,216	55,395,244	11,371,552	-	-	-	-	87,475,596	582,505,608	
Indiana	250,493,451	34,874,594	7,190,794	-	-	-	-	54,384,033	346,742,872	96,249,421
Iowa	130,167,531	14,906,498	3,679,811	-	-	-	-	25,249,117	174,002,957	174,002,957
Kansas	104,550,707	13,665,847	2,715,797	-	-	-	-	21,727,270	142,659,621	
Kentucky	185,807,080	26,041,051	6,749,016	-	-	-	-	35,112,158	253,709,304	67,902,224
Louisiana	107,492,117	18,443,763	3,283,096	-	-	-	-	21,032,203	150,251,178	150,251,178
LA Franchise**	-	-	-	-	-	-	-	-	-	
Maine	37,585,830	5,720,383	857,634	-	-	-	-	7,799,335	51,963,183	
Maryland	62,638,341	9,937,219	2,384,718	-	-	-	-	12,126,383	87,086,660	87,086,660
Massachusetts	45,169,400	6,728,884	1,609,570	-	-	-	-	7,691,704	61,200,557	
Michigan	303,827,089	39,582,456	7,656,854	-	-	-	-	58,733,957	409,800,357	
Minnesota	164,167,737	20,711,676	3,509,830	-	-	-	-	43,102,383	231,491,625	
Mississippi	105,964,747	17,047,354	3,548,094	-	-	-	-	21,215,786	147,775,981	
Missouri	311,851,636	43,051,238	7,037,479	-	-	-	-	63,972,057	425,912,410	114,060,774
MO Franchise**	-	-	-	-	-	-	-	-	-	
Montana	68,751,166	7,305,310	1,477,399	-	-	-	-	13,044,051	90,577,926	
Nebraska	77,573,370	9,545,037	1,404,007	-	-	-	-	15,147,874	103,670,289	
Nevada	78,849,984	12,846,651	3,252,797	-	-	-	-	21,088,061	116,037,493	
New Hampshire	18,683,010	2,717,600	694,018	-	-	-	-	3,741,105	25,835,733	
New Jersey	101,510,569	15,055,180	3,375,075	-	-	-	12,513	12,090,115	132,018,426	132,018,426
New Mexico	96,779,052	12,435,553	2,283,911	-	-	-	-	18,247,740	129,746,257	
New York	250,672,912	34,131,933	8,657,561	979,647	-	-	-	44,357,488	338,799,541	
NY Surcharge**	-	-	-	-	-	-	-	-	-	
NY Alternate**	-	-	-	-	-	-	-	-	-	
North Carolina	289,795,656	47,387,140	9,844,126	-	-	-	-	67,857,333	414,884,255	
North Dakota	26,332,368	3,206,011	530,971	-	-	-	-	4,871,218	34,940,568	
Ohio	253,682,821	37,681,319	8,940,029	-	-	-	-	51,874,619	352,178,587	
Oklahoma	195,820,326	27,466,184	5,207,793	-	-	-	126,083	38,178,821	266,547,040	223,286,510
Oregon	125,314,539	16,225,415	2,968,862	-	-	-	-	24,314,629	168,823,446	
Pennsylvania	274,070,581	38,977,758	8,097,061	-	-	-	4,613	52,332,999	373,473,786	
Rhode Island	6,473,522	1,290,086	325,959	-	-	-	-	1,268,779	9,358,346	
South Carolina	134,687,517	21,491,249	4,222,311	-	-	-	-	26,055,583	186,456,660	
South Dakota	34,394,176	3,671,112	718,668	-	-	-	-	6,371,578	45,155,534	
Tennessee	198,521,825	31,728,880	6,922,851	-	-	-	373	57,789,351	294,962,535	96,441,082
TN Franchise**	-	-	-	-	-	-	-	-	-	
Texas	954,352,568	137,555,525	34,120,700	-	-	-	2,348	222,453,968	1,348,480,412	
Utah	97,410,921	12,588,607	2,209,644	-	-	-	-	22,208,742	134,417,914	
Vermont	36,514,165	3,799,703	796,396	-	-	-	-	6,787,572	47,897,836	
Virginia	192,188,865	27,523,949	5,827,595	-	-	-	1,274	36,968,834	262,507,989	70,320,378
Washington	178,046,743	23,292,185	4,133,233	-	-	-	-	32,928,089	238,400,250	
West Virginia	73,063,866	10,331,563	1,451,439	-	-	-	5,109	13,603,262	98,445,022	
Wisconsin	183,896,817	24,229,465	4,334,497	-	-	-	-	74,848,939	287,409,719	
Wyoming	37,579,158	4,837,613	563,649	-	-	-	22,014	6,511,335	49,469,741	
Battle Creek**	-	-	-	-	-	-	-	-		
Bowling Green**	-	-	660,727	-	-	-	-	-	660,727	
Detroit**	-	-	-	-	-	-	-	-	-	
Flint**	-	-	-	-	-	-	-	-	-	
Lapeer MI	-	-	261,445	-	-	-	-	-	261,445	
Kansas City**	-	-	-	-	-	-	-	-	-	
Campbell CTY KY	-	-	1,750,829	-	-	-	-	-	1,750,829	
Cumberland CTY	-	-	796,062	-	-	-	-	-	796,062	
NY City**	-	-	13,387,789	979,647	-	-	-	-	14,367,436	
Philadelphia**	-	-	-	-	-	-	-	-	-	
St. Louis**	-	-	-	-	-	-	-	-	-	
Foreign	82,897,012	81,517	10,918,825	-	-	-	-	5,038,085	98,935,439	
									-	
Hash Total	8,895,025,654	1,245,491,273	303,647,913	1,959,294	13,974,916	3,757	200,607	2,003,396,664	12,463,298,863	
			-	-	-				-	
Crossfooting	8,895,025,654	1,245,491,273	286,791,061	979,647	13,974,916	3,757	200,607	2,003,396,664	12,445,462,364	
Everywhere **						Calculated Loss	(196,850)			

*Other Receipts is determined by subtacting the sales totals from the remaining catagories.

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Dish Network
Company 111
Sales Apportionment Breakdown

	Sales Without State to Within State	Receipts from Service	Miscellaneous Other	Rents	Other Interest	(Gross) Sales from Real & Tang Pers Prop	Adjusted Basis	Other Receipts*	Sales Totals
Alabama	199,226,283	10,387,561	4,681,416					39,385,574	253,680,833
Alaska	31,010,924	310,619	258,715					2,086,217	33,666,475
Arizona	174,100,841	8,308,253	4,513,495					35,497,214	222,419,803
Arkansas	166,063,736	8,655,495	3,306,169					32,284,053	210,309,454
California	953,080,557	44,697,341	21,632,765					322,073,209	1,341,483,873
Colorado	182,847,894	7,937,997	2,980,905		141,998	3,357	9,099	21,221,522	215,124,574
Connecticut	52,720,086	2,087,528	1,332,105					10,224,233	66,363,952
Delaware	11,385,504	537,528	313,397					2,050,310	14,286,740
D.C.	4,283,786	187,282	123,009					778,298	5,372,374
Florida	361,074,218	18,566,571	9,825,004					94,149,474	483,615,268
Georgia	352,130,857	17,797,353	8,304,046					83,717,003	461,949,258
Hawaii	12,077,276	486,156	334,401					1,753,030	14,650,863
Idaho	88,434,080	4,731,383	1,141,204					18,462,764	112,769,431
Illinois	428,187,384	19,714,622	7,850,294					87,475,596	543,227,896
Indiana	250,209,194	13,131,231	4,142,514					54,384,033	321,866,971
Iowa	130,086,784	6,111,559	1,346,055					25,249,117	162,793,515
Kansas	104,536,083	5,236,707	1,719,226					21,727,270	133,219,286
Kentucky	185,768,358	9,348,724	3,491,261					35,112,158	233,720,501
Louisiana	107,464,164	6,101,705	3,134,214					21,032,203	137,732,285
LA Franchise**									-
Maine	37,583,720	2,229,615	727,138					7,799,335	48,339,809
Maryland	62,607,752	3,089,492	1,842,477					12,126,383	79,666,103
Massachusetts	45,169,020	2,003,167	1,382,608					7,691,704	56,246,499
Michigan	303,510,988	13,951,506	5,090,941					58,733,957	381,287,392
Minnesota	164,101,146	7,587,674	2,078,420					43,102,383	216,869,622
Mississippi	105,950,074	5,742,563	3,457,532					21,215,786	136,365,955
Missouri	311,810,142	14,909,468	4,982,043					63,972,057	395,673,709
MO Franchise**									-
Montana	68,715,341	3,345,240	778,829					13,044,051	85,883,460
Nebraska	77,565,815	3,706,209	914,983					15,147,874	97,334,881
Nevada	78,829,034	3,928,456	2,061,407					21,088,061	105,906,958
New Hampshire	18,680,766	839,229	332,710					3,741,105	23,593,810
New Jersey	101,489,485	4,414,984	2,971,461				12,513	12,090,115	120,953,532
New Mexico	96,771,862	4,779,546	1,875,445					18,247,740	121,674,593
New York	250,620,922	11,295,786	6,555,569	979,647				44,357,488	313,809,411
NY Surcharge**									-
NY Alternate**									-
North Carolina	289,771,140	16,007,600	7,361,040					67,857,333	380,997,113
North Dakota	26,159,009	1,198,381	325,874					4,871,218	32,554,482
Ohio	253,529,211	12,940,367	5,252,631					51,874,619	323,596,828
Oklahoma	195,815,384	9,797,298	4,405,079					38,178,821	248,196,582
Oregon	125,312,203	5,962,636	1,953,151					24,314,629	157,542,619
Pennsylvania	273,915,952	14,461,533	5,159,960				4,613	52,332,999	345,865,832
Rhode Island	6,473,522	342,283	279,756					1,268,779	8,364,340
South Carolina	134,653,205	7,302,481	3,729,418					25,055,583	171,740,687
South Dakota	34,393,238	1,608,186	415,171					6,371,578	42,788,183
Tennessee	198,503,892	10,282,920	4,605,838					57,789,351	271,182,002
TN Franchise**									-
Texas	954,019,770	47,013,017	23,984,888				2,348	222,453,968	1,247,469,296
Utah	97,397,743	5,042,107	1,586,289					22,208,742	126,234,881
Vermont	36,513,598	1,614,886	455,216					6,787,572	45,371,272
Virginia	192,044,275	9,486,264	3,674,887				1,274	36,968,834	242,172,986
Washington	178,009,046	8,326,895	3,062,868					32,928,089	222,326,898
West Virginia	73,060,012	3,739,256	1,406,784				3,570	13,603,262	91,805,744
Wisconsin	183,854,884	9,493,549	2,472,605					74,948,939	270,769,978
Wyoming	37,574,531	1,785,939	510,710				22,014	6,511,335	46,360,501
Battle Creek**									-
Bowling Green**			660,727						660,727
Detroit**									-
Flint**									-
Lapeer MI			261,445						261,445
Kansas City**									-
Campbell CTY KY			1,750,829						1,750,829
Cumberland CTY KY			784,400						784,400
NY City**			13,353,334	979,647					14,332,981
Philadelphia**									-
St. Louis**									-
Foreign	82,730,004	81,517	518,804					4,495,050	87,825,375
									-
									-
Hash Total	8,891,824,694	432,645,675	203,453,462	1,959,294	141,998	3,357	55,431	2,002,842,018	11,532,815,067
			-	-	-				-
Crossfooting	8,891,824,694	432,645,675	186,642,727	979,647	141,998	3,357	55,431	2,002,842,018	11,615,024,685
Everywhere **						Computed Loss	(52,074)		

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Dish Network
Company 113
Sales Apportionm

	Miscellaneous Other	(Gross) Sales from Real & Tang Pers Prop	Adjusted Basis	Sales Totals
Alabama	5,733,729			5,733,729
Alaska	141,190			141,190
Arizona	1,762,460			1,762,460
Arkansas	1,609,464			1,609,464
California	6,806,143		3,333	6,802,810
Colorado	2,263,778	400	3,485	2,260,693
Connecticut	130,749		3,168	127,581
Delaware	79,650			79,650
D.C.	(2,359)			(2,359)
Florida	6,069,799			6,069,799
Georgia	6,679,596		2,444	6,677,152
Hawaii	136,987			136,987
Idaho	1,759,622			1,759,622
Illinois	3,521,258			3,521,258
Indiana	3,048,280			3,048,280
Iowa	2,333,756			2,333,756
Kansas	996,571			996,571
Kentucky	3,257,755			3,257,755
Louisiana	148,882			148,882
LA Franchise**				-
Maine	130,496			130,496
Maryland	542,241			542,241
Massachusetts	226,962			226,962
Michigan	2,565,913			2,565,913
Minnesota	1,431,410			1,431,410
Mississippi	90,562			90,562
Missouri	2,055,436			2,055,436
MO Franchise**				-
Montana	698,570			698,570
Nebraska	489,024			489,024
Nevada	1,191,390			1,191,390
New Hampshire	361,308			361,308
New Jersey	403,614			403,614
New Mexico	408,466			408,466
New York	2,101,992			2,101,992
NY Surcharge**				-
NY Alternate**				-
North Carolina	2,483,086			2,483,086
North Dakota	205,097			205,097
Ohio	3,687,398			3,687,398
Oklahoma	802,714		126,083	676,631
Oregon	1,015,711			1,015,711
Pennsylvania	2,937,101			2,937,101
Rhode Island	46,203			46,203
South Carolina	492,893			492,893
South Dakota	303,497			303,497
Tennessee	2,317,013			2,317,013
TN Franchise**				-
Texas	10,135,812			10,135,812
Utah	623,355			623,355
Vermont	341,180			341,180
Virginia	2,152,708			2,152,708
Washington	1,070,365			1,070,365
West Virginia	44,655		1,390	43,265
Wisconsin	1,861,892			1,861,892
Wyoming	52,939			52,939
Battle Creek**				-
Bowling Green**				-
Detroit**				-
Flint**				-
Lapeer MI				-
Kansas City**				-
Campbell CTY KY				-
Cumberland CTY I	11,662			11,662
NY City**	34,455			34,455
Philadelphia**				-
St. Louis**				-
Foreign	312,265			312,265
				-
				-
Hash Total	90,106,695	400	139,903	89,967,192
	-			
Crossfooting	**90,060,578**	400	139,903	**89,921,075**
Everywhere **		Computed Loss	**(139,503)**	

Dish DBS Corp
Company 115
\pportionment Bree

	Receipts from Service	(Gross) Sales from Real & Tang Pers Prop	Adjusted Basis	Sales Totals
Alabama	18,743,139			18,743,139
Alaska	292,503			292,503
Arizona	18,555,399			18,555,399
Arkansas	14,083,618			14,083,618
California	92,242,820			92,242,820
Colorado	14,892,769		1,173	14,891,596
Connecticut	5,281,708			5,281,708
Delaware	1,177,952			1,177,952
D.C.	428,443			428,443
Florida	41,084,230			41,084,230
Georgia	33,995,510		3,578	33,991,932
Hawaii	517,617			517,617
Idaho	6,194,751			6,194,751
Illinois	35,680,622			35,680,622
Indiana	21,543,364			21,543,364
Iowa	8,794,939			8,794,939
Kansas	8,429,141			8,429,141
Kentucky	16,692,326			16,692,326
Louisiana	12,342,058			12,342,058
LA Franchise**				-
Maine	3,490,768			3,490,768
Maryland	6,847,727			6,847,727
Massachusetts	4,726,717			4,726,717
Michigan	25,630,950			25,630,950
Minnesota	13,124,002			13,124,002
Mississippi	11,304,791			11,304,791
Missouri	28,141,771			28,141,771
MO Franchise**				-
Montana	3,960,070			3,960,070
Nebraska	5,838,828			5,838,828
Nevada	8,918,195			8,918,195
New Hampshire	1,878,371			1,878,371
New Jersey	10,640,196			10,640,196
New Mexico	7,656,007			7,656,007
New York	22,836,148			22,836,148
NY Surcharge**				-
NY Alternate**				-
North Carolina	31,379,540			31,379,540
North Dakota	2,007,630			2,007,630
Ohio	24,740,951			24,740,951
Oklahoma	17,668,885			17,668,885
Oregon	10,262,779			10,262,779
Pennsylvania	24,516,225			24,516,225
Rhode Island	947,803			947,803
South Carolina	14,188,768			14,188,768
South Dakota	2,062,916			2,062,916
Tennessee	21,445,960		373	21,445,587
TN Franchise**				-
Texas	90,542,507			90,542,507
Utah	7,546,500			7,546,500
Vermont	2,184,816			2,184,816
Virginia	18,037,685			18,037,685
Washington	14,965,290			14,965,290
West Virginia	6,592,307		149	6,592,158
Wisconsin	14,735,916			14,735,916
Wyoming	3,051,675			3,051,675
Battle Creek**				-
Bowling Green**				-
Detroit**				-
Flint**				-
Lapeer MI				-
Kansas City**				-
Campbell CTY KY				-
Cumberland CTY KY				-
NY City**				-
Philadelphia**				-
St. Louis**				-
Foreign				-
				-
Hash Total	812,845,598	-	5,273	812,840,325
Crossfooting	812,845,598	-	**5,273**	**812,840,325**

DSH125

Dish Network
Company 137
Sales Apportionment Breakdown

	Sales Without State to Within State	Other Interest	Other Receipts*	Sales Totals
Alabama				-
Alaska				-
Arizona				-
Arkansas				-
California				-
Colorado		13,832,918	11,611	13,844,529
Connecticut				-
Delaware				-
D.C.				-
Florida				-
Georgia				-
Hawaii				-
Idaho				-
Illinois				-
Indiana				-
Iowa				-
Kansas				-
Kentucky				-
Louisiana				-
LA Franchise**				-
Maine				-
Maryland				-
Massachusetts				-
Michigan				-
Minnesota				-
Mississippi				-
Missouri				-
MO Franchise**				-
Montana				-
Nebraska				-
Nevada				-
New Hampshire				-
New Jersey				-
New Mexico				-
New York				-
NY Surcharge**				-
NY Alternate**				-
North Carolina				-
North Dakota				-
Ohio				-
Oklahoma				-
Oregon				-
Pennsylvania				-
Rhode Island				-
South Carolina				-
South Dakota				-
Tennessee				-
TN Franchise**				-
Texas				-
Utah				-
Vermont				-
Virginia				-
Washington				-
West Virginia				-
Wisconsin				-
Wyoming				-
Battle Creek**				
Bowling Green**				-
Detroit**				-
Flint**				-
Lapeer MI				-
Kansas City**				-
Campbell CTY KY				-
Cumberland CTY KY				-
NY City**				-
Philadelphia**				-
St. Louis**				-
Foreign				-
				-
Hash Total	-	13,832,918	11,611	13,844,529
		-		
Crossfooting	-	13,832,918	11,611	13,844,529

DSH1259

Dish Network
Company 177
Sales Apportionment Breakdown

	Sales Without State to Within State	Sales Totals
Alabama	13,031	13,031
Alaska	268	268
Arizona	48,078	48,078
Arkansas		-
California	405,228	405,228
Colorado		-
Connecticut	11,179	11,179
Delaware	2,287	2,287
D.C.		-
Florida	130,311	130,311
Georgia	93	93
Hawaii	3,360	3,360
Idaho	498	498
Illinois	75,833	75,833
Indiana	262,841	262,841
Iowa	69,486	69,486
Kansas	331	331
Kentucky	31,131	31,131
Louisiana	12,772	12,772
LA Franchise**		-
Maine		-
Maryland	7,828	7,828
Massachusetts	380	380
Michigan	316,101	316,101
Minnesota	51,389	51,389
Mississippi	10,366	10,366
Missouri	21,638	21,638
MO Franchise**		-
Montana	35,825	35,825
Nebraska		-
Nevada	5,369	5,369
New Hampshire	2,244	2,244
New Jersey	21,084	21,084
New Mexico		-
New York	51,990	51,990
NY Surcharge**		-
NY Alternate**		-
North Carolina	1,224	1,224
North Dakota	173,360	173,360
Ohio	120,830	120,830
Oklahoma	4,942	4,942
Oregon	2,337	2,337
Pennsylvania	143,140	143,140
Rhode Island		-
South Carolina	25,355	25,355
South Dakota	177	177
Tennessee	2,063	2,063
TN Franchise**		-
Texas	268,421	268,421
Utah	3,756	3,756
Vermont		-
Virginia	144,590	144,590
Washington	13,214	13,214
West Virginia	1,954	1,954
Wisconsin	23,465	23,465
Wyoming	4,627	4,627
Battle Creek**		-
Bowling Green**		-
Detroit**		-
Flint**		-
Lapeer MI		-
Kansas City**		-
Campbell CTY KY		-
Cumberland CTY KY		-
NY City**		-
Philadelphia**		-
St. Louis**		-
Foreign	167,008	167,008
		-
		-
Hash Total	2,691,404	2,691,404
Crossfooting	2,691,404	2,691,404
Everywhere **		

DSH1260

Dish Network
Company 189
Sales Apportionment Breakdown

	Sales Without State to Within State	Sales Within State to US Government	Sales Totals
Alabama	7,078		7,078
Alaska			-
Arizona	25,097		25,097
Arkansas	4,378		4,378
California			-
Colorado	16,579		16,579
Connecticut	3,171		3,171
Delaware			-
D.C.	977		977
Florida	35,471		35,471
Georgia	32,033		32,033
Hawaii	3,851		3,851
Idaho	4,448		4,448
Illinois			-
Indiana	21,416		21,416
Iowa	11,262		11,262
Kansas	14,293		14,293
Kentucky	7,590		7,590
Louisiana	15,181		15,181
LA Franchise**			-
Maine	2,110		2,110
Maryland	22,762		22,762
Massachusetts			-
Michigan			-
Minnesota	15,202		15,202
Mississippi	4,307		4,307
Missouri	19,857		19,857
MO Franchise**			-
Montana			-
Nebraska	7,555		7,555
Nevada	15,581		15,581
New Hampshire			-
New Jersey			-
New Mexico	7,191		7,191
New York			-
NY Surcharge**			-
NY Alternate**			-
North Carolina	23,293		23,293
North Dakota			-
Ohio	32,580		32,580
Oklahoma			-
Oregon			-
Pennsylvania	11,489		11,489
Rhode Island			-
South Carolina	8,957		8,957
South Dakota	761		761
Tennessee	15,870		15,870
TN Franchise**			-
Texas	64,376		64,376
Utah	9,422		9,422
Vermont	567		567
Virginia			-
Washington	24,483		24,483
West Virginia	1,900		1,900
Wisconsin	18,468		18,468
Wyoming			-
Battle Creek**			-
Bowling Green**			-
Detroit**			-
Flint**			-
Lapeer MI			-
Kansas City**			-
Campbell CTY KY			-
Cumberland CTY KY			-
NY City**			-
Philadelphia**			-
St. Louis**			-
Foreign			-
			-
Hash Total	509,556	-	509,556
Crossfooting	509,556	-	509,556
Everywhere **	DSH1261		

Dish Network
Company 191
Sales Apportionment Breakdown

	Other Receipts	Sales Totals
Alabama		-
Alaska		-
Arizona		-
Arkansas		-
California		-
Colorado		-
Connecticut		-
Delaware		-
D.C.		-
Florida		-
Georgia		-
Hawaii		-
Idaho		-
Illinois		-
Indiana		-
Iowa		-
Kansas		-
Kentucky		-
Louisiana		-
LA Franchise**		-
Maine		-
Maryland		-
Massachusetts		-
Michigan		-
Minnesota		-
Mississippi		-
Missouri		-
MO Franchise**		-
Montana		-
Nebraska		-
Nevada		-
New Hampshire		-
New Jersey		-
New Mexico		-
New York		-
NY Surcharge**		-
NY Alternate**		-
North Carolina		-
North Dakota		-
Ohio		-
Oklahoma		-
Oregon		-
Pennsylvania		-
Rhode Island		-
South Carolina		-
South Dakota		-
Tennessee		-
TN Franchise**		-
Texas		-
Utah		-
Vermont		-
Virginia		-
Washington		-
West Virginia		-
Wisconsin		-
Wyoming		-
Battle Creek**		
Bowling Green**		-
Detroit**		-
Flint**		-
Lapeer MI		-
Kansas City**		-
Campbell CTY KY		-
Cumberland CTY KY		-
NY City**		-
Philadelphia**		-
St. Louis**		-
Foreign	542,001	542,001
		-
Hash Total	542,001	542,001
Crossfooting	542,001	542,001
Everywhere **		

DSH1262

Dish Network
Company 213
Sales Apportionment Breakdown

	Sales Without State to Within State	Miscellaneous Other	Other Receipts	Sales Totals
Alabama				-
Alaska				-
Arizona				-
Arkansas				-
California				-
Colorado				-
Connecticut				-
Delaware				-
D.C.				-
Florida				-
Georgia				-
Hawaii				-
Idaho				-
Illinois				-
Indiana				-
Iowa				-
Kansas				-
Kentucky				-
Louisiana				-
LA Franchise**				-
Maine				-
Maryland				-
Massachusetts				-
Michigan				-
Minnesota				-
Mississippi				-
Missouri				-
MO Franchise**				-
Montana				-
Nebraska				-
Nevada				-
New Hampshire				-
New Jersey				-
New Mexico				-
New York				-
NY Surcharge**				-
NY Alternate**				-
North Carolina				-
North Dakota				-
Ohio				-
Oklahoma				-
Oregon				-
Pennsylvania				-
Rhode Island				-
South Carolina				-
South Dakota				-
Tennessee				-
TN Franchise**				-
Texas				-
Utah				-
Vermont				-
Virginia				-
Washington				-
West Virginia				-
Wisconsin				-
Wyoming				-
Battle Creek**				
Bowling Green**				-
Detroit**				-
Flint**				-
Lapeer MI				-
Kansas City**				-
Campbell CTY KY				-
Cumberland CTY KY				-
NY City**				-
Philadelphia**				-
St. Louis**				-
Foreign		10,087,756	1,034	10,088,790
				-
				-
Hash Total	-	10,087,756	1,034	10,088,790
		-		
Crossfooting	-	10,087,756	1,034	10,088,790
Everywhere **				

DSH1263

CALL CENTER EXPENSE

Co	Dept	Facil	Acct	Activity	Oth	Period Key Per Num	Fiscal Yea	YTD-Actual
		1320 Total						21434553.98
		1405 Total						45993.88
		1575 Total						3548.83
		1600 Total						25776973.58
		1610 Total						60040115.85
		1630 Total						37,685,159
		4010 Total						22,708,285
		4250 Total						8,542,548
		4505 Total						17601074.77
		4610 Total						28974917.34
		4800 Total						17757431.41
		5305 Total						50,414,610
		5365 Total						25,883,530.33
		5366 Total						24135079.17
		5600 Total						29,226,694.87
		5800 Total						17,218,857.28
		7030 Total						35211439.8
		9510 Total						2,303,477.09
		9515 Total						15,459,887.99
		9520 Total						35072727.07
		9521 Total						239,426.64
		9525 Total						4668.73
		9535 Total						4,467,914.33
		9540 Total						17260763.72
		9541 Total						217700.88
		9542 Total						117341
		9543 Total						282156.93
		9544 Total						7,162.66
		9555 Total						9,593,850.62
		Grand Total						**507,687,890.44**

DSH1264

DISH Network Corporation
Statement of Operations - Detail
Period Ending ADJ-09 2009
Generated 08-Jun-15 06:34 PM MDT
Company Confidential Information (Unaudited)

Company=DISH Network L.L.C.. Department= Department Facility= All Facilities

	Current YTD
Revenue	
Subscriber-Related Revenue	
Subscriber-Related Revenue - PayTV	
Recurring Programming Revenue	
Basic Revenue	
400000 America's Top 120 Rev	1,058,712,435.73
400025 DISH America	11,818,552.54
400100 America's Top 200 Rev	2,569,102,270.87
400125 DISH America Silver	6,761,134.61
400200 America's Top 250 Rev	1,929,395,211.71
400225 DISH America Gold	6,090,456.67
400350 DISH Picks Programming	638,672.82
400450 Smart Pack	79,887,798.19
400475 DishLATINO Basico	7,291,234.26
400500 DISH Latino Dos Programming	167,310,011.57
400600 DISH Latino Max Programming	87,689,787.37
400700 DishLATINO Clasico	133,120,684.94
400800 Latino Bonus	12,175,916.07
400900 Welcome Pack Programming	11,318,265.12
4-Total Basic Revenue	**6,081,312,432.47**
Premium Revenue	
402000 Premium Programming Rev	1,081,523,334.42
402177 Sat Trans Rev - TESC Premium Prog	8,738,245.03
406650 DISH Movie Pack Revenue	411,220,785.53
4-Total Premium Revenue	**1,501,482,364.98**
Pay Per View Revenue	
404000 PPV - Movies Rev	96,586,602.82
404177 Sat Trans Rev - TESC PPV Prog	87,130,099.38
404300 PPV - Boxing Events Rev	27,141,779.29
404350 PPV - Wrestling Events Rev	19,479,968.53
404400 PPV - College & Pro Sports Rev	15,878,551.11
404450 PPV - Other Events Rev	3,323,971.27
404550 PPV - Mixed Martial Arts Rev	48,016,895.62
404900 PPV - Processing Fees/Other	4,885,428.36
4-Total Pay Per View Revenue	**302,443,296.38**
Int'l Revenue	
406100 International Programming Rev	283,476,038.13
406166 R/P - SATS - International Programming Rev	81,952.50
4-Total Int'l Revenue	**283,557,990.63**
Local Revenue	
406050 Local Programming Rev	698,121,329.58
4-Total Locals Revenue	**698,121,329.58**
A La Carte Revenue	
406000 A La Carte Programming Rev	5,811,470.09
406177 Sat Trans Rev - TESC Subscription	23,129,775.35
406200 Superstations	15,660,833.61

406300 Out of Market Sports	11,320,988.67
406550 Other A La Carte Programming Rev	15,376,308.71
4-Total A La Carte Revenue	**71,299,376.43**
Commercial Services Revenue	
410000 Commercial Programming Services	194,913,623.81
410100 Commercial - Other Services	2,994,138.16
4-Total Commercial Services Revenue	**197,907,761.97**
Other Recurring Revenue	
408100 Subscriber Access Fees	18,604,997.68
408300 Network Site Management Fees (old)	1,260,653.67
414088 I/C Transponder Lease Rev - TESC	(12,421,225.13)
414500 Airline Revenue	4,348,885.72
420100 IPTV Programming	(79.00)
420300 Interactive TV	8,352,682.94
448200 CSC Fees Revenue - Co-Branded	2,657,250.33
4-Total Other Recurring Revenue	**22,803,166.21**
Programming Discounts	
400400 Basic Programming Coupons	(1,391,662.06)
400904 Basic Programming Disc/Adj/Price Protection	(467,766,419.70)
402100 Premium Programming Disc/Adj/Price Protection	(230,991,730.88)
404050 PPV - Coupons	(370,306.77)
406051 Local Programming Disc/Adj/Price Protection	(3,027,930.00)
406800 A La Carte Disc/Adj/Price Protection	(3,757,491.57)
410800 Commercial Programming Disc/Adj/Protection	(26,632.00)
4-Total Programming Discounts	**(707,332,172.98)**
3-Total Recurring Programming Revenue	**8,451,595,545.67**
Recurring Hardware-Related Revenue	
Equipment Leasing/AO Revenue	
408000 Non-Lease Equipment Revenue	174,240,422.30
412000 Equipment Leasing	1,043,652,834.92
4-Total Equipment Leasing/AO Revenue	**1,217,893,257.22**
DVR Service Fees	
408200 DISH DVR Service Fees	447,802,931.86
4-Total DVR Service Fees	**447,802,931.86**
Other Recurring Hardware Related Revenue	
414400 Warranty Revenue	370,815,393.16
414700 Phone Line Fees	249,651,744.08
420200 Personal TV	11,669.29
4-Total Other Recurring Hardware Related Revenue	**620,478,806.53**
3-Total Recurring Hardware Related Revenue	**2,286,174,995.61**
Other Subscriber Revenue	
Non-Recurring Programming Revenue	
414000 Other Programming	40,876,691.99
414050 Late Fees	90,754,577.03
414100 Cancellation Fees Billed	78,382,377.59
414150 Contra Cancellation Fees	(51,098,841.73)
414200 Deferred Cancellation Fees	(3,362,897.59)
4-Total Non-Recurring Programming Revenue	**155,551,907.29**
Non-Recurring Hardware Related Revenue	
Upgrades	
414600 Upgrade Fees	74,898,974.50

414605 Deferred Upgrade Fees	(6,491,366.25)
414610 Amortized Upgrade Fees	16,051,220.51
5-Upgrades	**84,458,828.76**
Service	
446550 Freight Revenue - Manufacturing	5,441,560.50
446600 Sales Out of Warranty - Manufacturing	3,853,503.70
446700 Sales Spare Parts - Manufacturing	2,393,479.41
5-Total Service	**11,688,543.61**
Co-Branded	
448100 Development Fees Revenue - Co-Branded	6,429,345.00
448150 Equipment Sales Revenue - Co-Branded	27,132,618.07
448250 Installation Upgrade Fees Revenue - Co-Branded	1,970,666.72
448260 Service Calls Revenue - Co-Branded	2,653,141.37
448270 Equipment Refurbishment Revenue - Co-Branded	835,020.60
5-Total Co-Branded	**39,020,791.76**
IHS	
444000 Installations	8,391,425.66
5-Total IHS	**8,391,425.66**
4-Total Non-Recurring Hardware Related Revenue	**143,559,589.79**
Subscriber Access Revenue - Ad Sales	
425100 Programmer - Premium Channel Revenue	22,543,362.09
425200 Shopping Channels Subscription Revenue	124,549,500.84
425300 Int'l AD Sales	214,811.07
425400 Domestic General Market Sales	132,316,935.84
425500 Domestic Direct Response Sales	79,245,436.66
425600 Media Sales - Latino	10,403,276.43
425700 Media Sales - Per Inquiry	282,529.49
425800 Media Sales Billing Inserts	1,447,083.97
4-Total Subscriber Access Revenue - Ad Sales	**371,002,936.39**
Subscriber Access Revenue - Other	
414300 Product Commissions Rev	26,402,345.17
426100 Programming Access Fees	3,062,811.33
442050 Public Interest Transmission Revenue	2,340,760.62
4-Subscriber Access Revenue - Other	**31,805,917.12**
3-Total Other Subscriber Revenue	**701,920,350.59**
2-Total Subscriber Related Revenue - PayTV	**11,439,690,891.87**
Subscriber-Related Revenue - Broadband	
Internet and Telecom	
430000 BB Monthly Service Revenue	72,744,869.26
3-Total Internet and Telecom	**72,744,869.26**
2-Total Subscriber Related Revenue - Broadband	**72,744,869.26**
1-Total Subscriber-Related Revenue	**11,512,435,761.13**
Equip & Merchandise Sales, Rental and Other Revenue	
Equipment Sales	
460050 DBS Receivers Sales (Non-Subsidized)	9,253,457.24
460100 DBS Accessories Rev	857,181.83
460150 DBS Antennas Rev	243,142.59
460200 DBS LNBs Rev	56,019.78
460250 DBS Remote Controls Rev	4,547,689.71

460410 Bell TV Accessories Sales		1,073,985.94
460750 Peripheral Equipment Rev		138,522.35
461000 HD Monitors Rev		4,094.91
461050 Digital Conversion Receiver Rev		1,643,734.43
461100 Sirius Equipment Sales		199.99
462050 Slingbox Revenue		13,248.00
462350 Freight Rev - Domestic Rev		995,091.08
2-Total Equipment Sales		**18,826,367.85**
Fixed Satellite Services		
480000 Satellite Channel Transmission		2,284,500.00
480300 Transponder Lease Revenue		2,373,750.00
482000 Satellite Hourly Transmission		2,696,559.75
482300 Transponder Hourly Lease Revenue		29,260.00
484000 Uplink Services Rev		1,032,825.55
484900 Other Satellite Services		142,936.07
2-Total Fixed Satellite Services		**8,559,831.37**
Other Revenue		
492100 DTA OTA Installation		4,121.55
2-Total Other Revenue		**4,121.55**
1-Total Equip & Merchandise Sales, Rental and Other Revenue		**27,390,320.77**
Equip Sales, Services and Other Revenue - EchoStar		
Equipment Sales - EchoStar		
450066 R/P - SATS - Receiver Equip Sales Rev		7,064,095.87
450166 R/P - SATS - Accessories Sales Rev		392,282.57
2- Total Equipment Sales EchoStar		**7,456,378.44**
Other Revenue - EchoStar		
493166 R/P - SATS - Rent Income		979,647.40
2- Total Other Revenue EchoStar		**979,647.40**
1-Total Equip Sales, Services and Other Revenue - EchoStar		**8,436,025.84**
Total Revenue		**11,548,262,107.74**
Operating Expenses		
Subscriber-Related Expense		
Subscriber-Related Expense Subscription		
Subscriber-Related Expense Subscription - PayTV		
Recurring Programming COGS		
Basic COGS		
500000 America's Top 120 COGS		2,078,511,980.20
500050 America's Top 200 COGS		884,293,686.33
500100 America's Top 250 COGS		177,819,974.71
500200 DishLATINO		46,335,632.16
500250 Contra COS - Programmer		(87,765,913.83)
500300 Programmer Launch Support		(10,611,667.80)
509000 Copyright Fees		33,698,876.19
5-Total Basic COGS		**3,122,282,567.96**
Premium COGS		
502000 Premium Programming COGS		568,737,507.17
506650 DISH Movie Pack COGS		41,009,853.46
5-Total Premium COGS		**609,747,360.63**
Pay Per View COGS		
504000 PPV - Movies COGS		52,421,332.21
504300 PPV - Boxing Events COGS		13,912,576.96

504350 PPV - Wrestling Events COGS	9,344,781.39
504400 PPV - College & Pro Sports COGS	10,190,209.86
504450 PPV - Other Events	1,921,414.64
504550 PPV - Mixed Martial Arts	20,936,408.63
504600 PPV - Royalties/ASCAP	(210,508.65)
504650 PPV - Dubbing and Voiceovers	1,296,752.10
504800 PPV - Processing Fees	90,000.00
5-Total Pay Per View COGS	**109,902,967.14**
International Programming	
506100 International Programming COGS	151,821,293.71
506166 R/P - SATS - International Programming COGS	8,259,308.67
5-Total International Programming	**160,080,602.38**
Local COGS	
506050 Local Programming COGS	109,351,312.12
506088 I/C Local Programming	569,416.37
5-Total Local COGS	**109,920,728.49**
A La Carte COGS	
506000 A La Carte Programming COGS	3,690,724.15
506600 A La Carte Programming	2,799,005.36
506800 Contra COS - A La Carte	(2,356,619.31)
5-Total A LA Carte COGS	**4,133,110.20**
Other Recurring Programming COGS	
510000 Other Enhanced Services Cost of Sales	4,185,754.56
5-Total Other Recurring Programming COGS	**4,185,754.56**
4-Total Recurring Programming COGS	**4,120,253,091.36**
Other Subscriber COGS	
Non-Recurring Hardware-Related COGS	
548150 Equipment COS - Co-Branded	24,111,218.22
548250 Installation COS - Co-Branded	892,150.15
548260 Service Calls COS - Co-Branded	5,059,527.88
5-Total Non-Recurring Hardware-Related COGS	**30,062,896.25**
Subscriber Access COGS - Ad Sales	
515000 Advertising - Local Agency	19,039,579.15
515100 Advertising - Rep Commissions	(3,909,675.28)
515900 Other Subscription Services COS	6,973,629.64
5-Total Subscriber Access COGS - Ad Sales	**22,103,533.51**
4-Total Other Subscriber COGS	**52,166,429.76**
3-Total Subscriber-Related Subscription - PayTv	**4,172,419,521.12**
Subscriber-Related Subscription COGS - Broadband	
Internet and Telecom COGS	
512000 BB Sat Fixed Fee Expense	32,461,859.53
512100 BB Sat ISP Fee Expense	109,430.02
4-Total Internet and Telecom COGS	**32,571,289.55**
3-Total Subscriber-Related Subscription COGS - Broadband	**32,571,289.55**
2-Total Subscriber-Related Subscription COGS	**4,204,990,810.67**
Variable Expense	
Call Center Services	
538050 Telemarketing Services	8,153,120.39

538100 Outsourced Call Center Services	104,885,733.70
538150 Telemarketing Services Reimbursements	(379,740.10)
538299 A/I/C CSC Fees Reimbursed	(2,536,994.00)
538900 Non-Cash, Stock-Based Comp (Stk Opt - CSC)	730,267.63
3-Total Call Center Services	**110,852,387.62**
Service	
536700 Manufacturing Freight Outbound	76,405,570.28
536701 Freight Out - Cost Relief - Manufacturing	(409,652.90)
536710 Freight In COS - Manufacturing	3,312,251.97
536720 Freight - Inventory Transfers - Manufacturing	6,104,518.38
536730 Inventory Scrap - Manufacturing	57,735,585.52
536731 Inventory Scrap - Cost Relief - Manufacturing	(50,213,240.44)
536740 Cycle Count Adjustments - Manufacturing	61,997.98
536750 Packout Supplies - Manufacturing	2,592,980.26
536780 Invoice Price Variance - Manufacturing	(140,226.15)
536790 Other COS - Manufacturing	2,033,139.64
536800 Out of Warranty Materials COS - Manufacturing	14,542,868.57
536805 Out of Warranty COS - Mfg	42,301,066.35
536810 Out of Warranty COS - AT&T Reimbursement	(1,230,508.76)
536830 In Warranty COS - Manufacturing	14,987,563.83
536840 Spare Parts COS - Manufacturing	1,151,460.85
536900 Non-Cash, Stock-Based Comp (Stk Opt - Manufacturing)	336,924.18
3-Total Service	**169,572,299.56**
Monthly Incentives	
540100 Monthly Incentive Dealer Commissions	125,303,462.36
540200 Commercial Monthly Incentives	32,063,647.67
540400 Other Monthly Retailer Incentives	828,713.00
3-Total Monthly Incentives	**158,195,823.03**
Bad Debt - Subscriber Related	
543000 Bad Debt - Subscriber Related	98,217,388.32
543100 Credit and Collection Agency Fees - Subscriber Related	12,750,036.07
3-Total Bad Debt - Subscriber Related	**110,967,424.39**
Billing and LockBox	
545100 LockBox Bank Fees	1,506,938.20
545200 LockBox Service Fees	3,760,640.93
545300 Outsourced Billing - Services	109,825,862.40
545400 Outsourced Billing - Postage	37,166,869.06
545500 Merchant Discount Fees	64,745,990.63
3-Billing and LockBox	**217,006,301.22**
Other Variable Costs	
Customer Communications	
535100 Cust Comm - Direct Mail	5,817,530.91
535150 Cust Comm - Cross Channel Television	1,356,192.31
535200 Cust Comm - Statement Marketing	5,632,107.57
535500 Cust Comm - Retention Reimbursement	(555,213.15)
535900 Cust Comm - Other	2,938,295.96
4-Total Customer Communications	**15,188,913.60**
Other Variable Expense	
539150 Smart Card Replacement Accrual	11,818,797.60
539175 Conditional Access Security Fee	19,890,580.95
539188 I/C Retail Demo Equipment/Installation	201,571.37
539200 New Unit Replacement/Other	12,145,061.74
539213 PR Variable Expense Allocation	(1,078,231.77)
539299 A/I/C CSC Fees	2,536,994.00
539300 Credit Reports (Old)	8,823,748.15
539400 Other Customer Care Costs	947,189.09

539500 Service Plan Commission Expense	203,896.00
539550 Service Plan Admin Fees	1,007,764.57
4-Total Other Variable Expense	**56,497,371.70**
3-Total Other Variable Costs	**71,686,285.30**
2-Total Variable Expense	**838,280,521.12**
Retention Expense	
IHS Retention Expense	
Service Calls and Other	
Internal Costs	
Other Internal Costs	
530088 I/C Installation COS - DNS L.L.C.	936,271,074.44
530100 Installation Tools	0.00
6 - Total Other Internal Costs	**936,271,074.44**
5 -Total Internal Costs	**936,271,074.44**
External Costs	
530500 Installation External	181,622.92
5-Total External Costs	**181,622.92**
4-Total Service Calls and Other	**936,452,697.36**
3-Total IHS Retention Expense	**936,452,697.36**
Retention Equipment (P&L and Other Expense	
537000 Equipment Upgrades	79,898,983.02
537005 Equipment Upgrades - Cap ECL Accessories	(6,305,878.96)
537025 Equipment Upgrade - Leased	43,937,089.55
537050 Receiver Subsidy - Existing Customer	(241,788.63)
537150 Customer/Retailer Incentives - Internet	9,533,878.87
537240 Indoor/Outdoor Unit ViaSat Revenue	(8,274,246.65)
537250 Indoor/Outdoor Unit ViaSat COS	16,195,085.69
537260 ViaSat Equipment Contra Capitalization	(20,274,057.57)
3-Total Retention Equipment (P&L) and Other Expense	**114,469,065.32**
2-Total Retention Expense	**1,050,921,762.68**
1-Total Subscriber-Related Expense	**6,094,193,094.47**
Satellite and Transmission Expenses	
Satellite and Transmission Expense - EchoStar	
558066 R/P - SATS - Transponder Lease COGS	126,575,843.00
558166 R/P - SATS - TT&C and Space Programs Exp	3,783,453.20
558366 R/P - SATS - Uplink Service Expense	183,852,020.16
1-Total Satellite and Transmission Expense - EchoStar	**314,211,316.36**
Satellite and Transmission Expense - Other	
550200 Uplink Services COGS	44,360.95
550213 PR Sat & Trans Allocation	(111,850.82)
550300 Satellite License and Fees	28,623,423.68
550388 I/C Satellite Leasing Expense	660,352,905.00
1-Total Satellite and Transmission Expense - Other	**688,908,838.81**
0-Total Satellite and Transmission Expenses	**1,003,120,155.17**
COS - Equip, Merchandise, Services, Rental & Other	
Equipment Cost of Sales	
Equipment - EchoStar	

550066 COGS - R/P Receiver Equipment	3,016,021.02
550166 COGS - R/P Accessories	214,217.00
3-Total Equipment - EchoStar	**3,230,238.02**
Equipment - Other	
560050 DBS Receivers (Non-Subsidized)	3,813,058.38
560100 DBS Accessories COGS	266,866.51
560150 DBS Antennas COGS	55,874.97
560200 DBS LNBs COGS	40,892.90
560250 DBS Remote Controls COGS	1,380,007.23
560410 Bell TV Accessories	484,071.28
561050 Digital Conversion Receiver COGS	1,349,562.44
561100 Sirius Equipment COS	148.21
561300 Portable Video Player (LCD Display) COS	450.00
562050 Slingbox COS	6,267.18
565050 Freight Out - Domestic	1,778,083.23
565100 Freight In COS	18.03
565600 Other COS - Equipment	21,153,707.54
3-Toal Equipment - Other	**30,329,007.90**
2-Total Equipment Cost of Sales	**33,559,245.92**
Fixed Satellite Services Exp	
580900 Other Satellite Service Costs	150,588.95
2-Total Fixed Satellite Services Exp	**150,588.95**
Other Expense	
593966 COGS - R/P - SATS	905,492.88
2-Total Other Expense	**905,492.88**
1-Total COS - Equip, Merchandise, Services, Rental and Other	**34,615,327.75**
Subscriber Acquisition Costs	
Cost of Sales - Subscriber Promotion Subsidies	
Cost of Sales - Subscriber Promotion Subsidies - PayTV	
600050 Echo Receivers DBS	1,156,762,169.62
600120 Promotional - Co-Branded COS	(7,329,472.17)
600125 Promotional - Other COS - Non-Standard	(54,572,022.51)
600130 Promotional - Other COS - PTO	191,272,705.00
600135 Promotional - IHS Accessories - New Connects	80,742,995.25
600350 Other Cost of Sales - Promotional Equipment	(32,016,623.10)
600400 Depr Exp Equipment Tooling	1,696,805.78
600600 Lease Receivers Capitalized-Redeployed Benefit-NEW Subscribers	(182,927,677.58)
600650 Lease Receivers Capitalized - Existing Subscribers	(223,755,911.45)
600655 Lease Receivers Capitalized - Redeployed Benefit - Existing Subs	(84,826,198.17)
600670 Lease Receiver Capitalized - Conn/Disc Same Month	(7,552,394.74)
600700 Lease Receivers Capitalized - NEW Subscribers	(513,189,458.71)
600750 Lease Accessories Capitalized - NEW Subscribers	(120,655,597.43)
600755 Lease Accessories Capitalized - Redeployed Benefit NEW - Subscribers	(15,271,796.89)
600900 HD Monitor COGS (old)	393,622.00
600950 Lease Subsidies - HD Monitor Capitalization	(278,060.80)
2-Total Cost of Sales - Subscriber Promotions Subsidies - PayTV	**188,493,084.10**
1-Total Cost of Sales - Subscriber Promotion Subsidies	**188,493,084**
Other Subscriber Acquisition Costs	
Other Subscriber Promotion Subsidies	
Other Subscriber Promotion Subsidies - PayTV	
Net Revenue Hardware Sales & Lease Returns/Exchanges	
602000 Hardware Subsidies - Revenue (Rev. '00 Fwd Only)	(977,945,423.35)
602125 Promo Revenue - Other Revenue - Non-Standard	8,823,760.87
602130 Promo Revenue - Other Revenue - PTO	(130,151,099.17)

602150 DHA Dealer Buybacks		181,405,883.81
602350 Credit RSP Equipment Use		903,857,381.87
602550 Other Equipment Reimbursement		48,439,024.36
4-Total Net Revenue Hardware Sales & Lease Returns/Exchanges		**34,429,528**
Commission and Direct Sales		
604000 Primary Incentive		596,780,204.74
604050 Contra Equipment Activation		(2,520,098.41)
604100 Commissions Check Fees		(35,500.00)
604350 Dealer Flex Funds		12,274,753.75
606000 Rebate Programs		13,654.54
606050 Other Programs		6,891,780.18
4-Total Commission and Direct Sales		**613,404,795**
Installation - SAC		
606150 SAC Related Use Tax		4,072,683.97
608000 Installation Subsidies		419,153,165.43
4-Total Installation - SAC		**423,225,849**
3-Total Other Subscriber Subsidies - PayTV		**1,071,060,172.59**
2-Total Other Subscriber Promotion Subsidies		**1,071,060,172.59**
SAC Advertising		
SAC Advertising - PayTV	Dealer's Cost	1,259,553,256.69
Acquisition Marketing		
External Marketing		
611000 External Mktg - General Marketing		8,560,797.06
611010 External Mktg - Broadcast		153,708,723.03
611020 External Mktg - Print		23,223,765.25
611030 External Mktg - Target Direct Mail		9,862,851.08
611040 External Mktg - Database		804,983.73
5-Total External Marketing		**196,161,120.15**
Retail Marketing		
614000 Retail Mktg - Promotional Literature		144,361.14
614100 Retail Mktg - POP Materials/Sales Kits		2,037,068.26
614150 Retail Mktg - Merchandising Expense		27,067.98
614200 Retail Mktg - Retailer Communication		705,618.10
614650 Retail Mktg - Merchandising Revenue		(22,481.73)
5-Total Retail Marketing		**2,891,633.75**
Partnership Marketing		
616000 Partnership Mktg - Affinity Mktg		3,481,618.26
5-Total Retail Cost of Sales - Used Product		**3,481,618.26**
Other Acquisition Marketing		
618000 Co-op Advertising		26,417,478.21
618050 Customer Referral - Direct Mail		6,203,782.15
618250 E-Commerce		32,146,100.01
618300 Production		3,909,947.60
5-Total Other Acquisition Marketing		**68,677,307.97**
4-Total Acquisition Marketing		**271,211,680.13**
Other Marketing		
620100 Trade Shows - Other (Old)		36,558.13
622000 Corporate Events - Team Summit		3,382.85
624000 Publicity		209,093.91
626000 Marketing and Advertising		361,156.10
628100 Customer Incentives		69,603.00

629213 PR Acq Advertising Allocation	(15,414.00)
4-Total Other Marketing	664,379.99
3-Total SAC Advertising - PayTV	271,876,060.12
2-Total SAC Advertising	271,876,060.12
1-Total Other Subscriber Acquisition Costs	1,342,936,232.71
0-Total Subscriber Acquisition Costs	1,531,429,316.81
0-Total Subscriber Acquisition Costs - PayTV	1,531,429,316.81
General and Administration	
General and Administrative - EchoStar	
654066 R/P - SATS - Payroll Expenses - EchoStar Corp	95,444.79
660066 R/P - SATS - Rental Expense/CAM	4,175,956.11
670066 R/P - SATS - Admin Services COS	5,749,655.77
670166 R/P - SATS - Engineering and Other Expense	25,623,883.49
1-Total General and Administrative EchoStar	35,644,940.16
Sales, General and Administrative	
General and Administrative	
Personnel and Other Employee Related Expenses	
Personnel	
Wages	
651000 Hourly Wages	257,861,378.04
651100 Wages Hourly Overtime	18,928,953.77
651150 Non-Exempt Salaries	29,243,704.19
651200 Non-Exempt Overtime	562,654.34
651250 Exempt Salaries	70,635,009.93
651850 Bonuses/Commissions	25,115,044.83
652550 Misc Payroll	658,109.36
652700 Payroll Expense Accrued	89,105.51
652725 Payroll Overtime Accrued	(56,785.44)
652730 Bonuses/Commissions Accrued	1,712,198.60
5-Total Wages	404,749,373.13
Taxes	
651950 Employer FICA Taxes	29,756,760.40
652050 Payroll Taxes Unemployment	3,864,007.14
652750 Payroll Tax Accrued	165,484.44
5-Total Taxes	33,786,251.98
Total Payroll	438,535,625.11
Other Personnel	
651350 Salaries Non-Pro System	2,576.94
651750 Temporary Labor	51,196.84
652300 Workers' Compensation Insurance	2,021,313.00
652800 Payroll Clearing (s/b 0.00)	(1,622.02)
652900 Non-Cash, Stock-Based Comp (Stk Opt - G&A)	1,776,906.64
5-Total Other Personnel	3,850,371.40
4-Total Personnel	442,385,996.51
Other Employee Related Expenses - Other	
654000 Development and Training External	94,286.85
654020 Development and Training Internal	32,737.07
654080 Education Reimbursement	149,168.09

654088 I/C Payroll Expense	90,926.15
654200 Employee Awards	573,515.24
654250 Gifts and Flowers	30,229.21
654300 Employee Uniforms	27,858.27
654400 Recruiting	3,149,125.62
654500 Relocation - Transport Household	109,347.08
654520 Relocation - Meals	3,158.05
654540 Relocation - Travel and Lodging	42,631.59
654560 Relocation - Other	58,135.29
654600 Employee Functions	133,505.60
654620 Corporate Events - Other	76.47
654640 Corporate Events - Picnic	1,000.00
654900 Other Employee Expenses	(1,237,384.63)
4-Total Other Employee Related Expenses - Other	**3,258,315.95**
Travel, Meals and Entertainment	
656000 Airfare, Travel Agent and Diner's Club	1,201,718.85
656100 Lodging	1,220,144.96
656150 Parking and Mileage	138,328.94
656200 Meals 100% Deductible	14,324.24
656250 Meals 50% Deductible	340,511.00
656300 Entertainment	152,724.36
656350 Car Rental and Taxis	377,537.75
656900 Other Travel Expenses	332,336.13
4-Total Travel, Meals and Entertainment	**3,777,626.23**
3-Total Personnel and Other Employee Related Expenses	**449,421,938.69**
Professional Fees	
670000 Legal Fees	15,093.62
670200 Consulting Fees	97,882.68
670300 Tax Consulting Fees	2,459.99
3-Total Professional Fees	**115,436.29**
Occupancy	
660000 Building Rent	7,630,235.46
660088 I/C Rent Expense	2,390,151.00
660100 Utilities	4,789,494.16
660150 Security Services	1,956,879.14
660200 Maintenance Services	1,385,579.99
660250 Maintenance Supplies	1,023,646.36
660300 Repairs and Maintenance Exterior	461,296.81
660310 Repairs and Maintenance HVAC	532,600.46
660320 Repairs and Maintenance Interior	292,300.67
660330 Repairs and Maintenance Equipment	635,442.02
660340 Repairs and Maintenance Phone	(30,820.34)
660360 Repairs and Maintenance Vehicles	30,453.69
660450 CAM Expenses	1,103,739.64
660900 Building and Maintenance - Other	18,335.96
674000 Personal Property Taxes	20,029,918.29
674100 Sales/Use Taxes	3,299,769.22
674200 Real Estate Taxes	434,762.62
3-Total Occupancy	**45,983,785.15**
Other General and Administrative	
Office Administration	
662000 Hardware Maintenance Contracts	118.26
662050 Software Maintenance Contracts	611,458.32
662100 System WAN LAN Hardware	2,745.82
662200 Computer Hardware Purchases	163,030.03
662250 Computer Software Purchases	171,931.11
662300 Computer Replacements, Upgrades and Maintenance	63.87

662400 Outside Data Services	959,770.12
662450 Telephone Hardware Purchases	(88,441.26)
662550 Office Furniture and Equipment Purchases	233,862.22
662600 Office Supplies	814,791.05
662700 Business Forms	41,028.17
662800 Coffee, Tea and Beverages	39,422.40
662850 Dues and Subscriptions	1,007,562.51
4-Total Office Administration	**3,957,342.62**
Communications	
664000 Long Distance Usage	31,735,997.08
664050 Local Usage	33,615.16
664100 Telephone Calling Cards	324.81
664150 Contract Discounts	7,182.11
664200 Data Charges (WAN)	6,825.51
664250 Cell Phones	357,673.04
664300 Pagers	6,109.61
4-Total Communications	**32,147,727.32**
Insurance	
668100 Uninsured Loss	16,333.80
4-Total Insurance	**16,333.80**
Bad Debt - Non Subscriber Related	
672000 Bad Debt Expense - Non-Subscriber Related	639,458.57
672200 Credit and Collection Agency Fees - Non-Subscriber Related	8,476.98
4-Total Bad Debt - Non Subscriber Related	**647,935.55**
Property and Other Taxes	
674400 Other State Taxes	1,943,736.61
674500 Other State Taxes - B&O	509,962.47
674600 Penalties - Excise/Sales/Property Tax	6,033.73
4-Total Property and Other Taxes	**2,459,732.81**
Postage and Delivery	
678000 Postage	185,731.68
678050 Express Mail	192,352.77
678100 Courier Services	6,951.38
678150 Shipping Expense	3,114.60
4-Total Postage and Delivery	**388,150.43**
Equipment, Supplies and Transportation	
680000 Tools and Supplies	1,529,171.55
680050 Equipment Purchases (Non-Office)	104,311.57
680100 Equipment Rental	445,360.94
680150 Fuel - Semi/Van/Forklift	59,635.88
680200 Lease Transportation	560,026.17
680250 Expense Supplies/Equipment from Inventory	466,005.39
4-Total Equipment, Supplies and Transportation	**3,164,511.50**
Service and Other Fees	
682000 Bank Service Charges	18,962.46
682200 Check Approval Fees	199.00
682300 Other Service Fees	1,204,236.67
4-Total Service and Other Fees	**1,223,398.13**
General and Administrative - Other	
690000 Project Development	134,295.25
690100 Licenses and Fees	144,305.71
690150 Litigation Settlement	13,191,055.00
690213 PR G&A Expense Allocation	57,453.20

690300 Other Litigation Expense	0.00
690388 I/C Management Fees	13,692.31
690450 Charitable Contributions	11,222.75
4-Total General and Administrative - Other	**13,552,024.22**
3-Total Other General and Administrative	**57,557,156.38**
0-Total General and Admin before EchoStar General and Admin	**553,078,316.51**
EchoStar General and Administrative Reclass	
698999 R/P G&A Reclass	(905,492.88)
3-Total EchoStar General and Administrative Reclass	**(905,492.88)**
2-Total Other General and Administrative	**552,172,823.63**
1-Total Selling, General and Administrative	**552,172,823.63**
0-Total Selling, G&A Incl. EchoStar	**587,817,763.79**
Litigation Expense	
700100 Litigation Expense	361,024,216.50
Litigation Expense	**361,024,216.50**
Depreciation and Amortization	
Buildings and Improvements	
761000 Depr Exp Building & Building Improvements	801,637.96
761100 Depr Exp Land Improvement	51,123.06
761200 Depr Exp Leasehold Improvements	3,363,184.72
2-Total Buildings and Improvements	**4,215,945.74**
Furniture, Fixtures and Equipment	
762000 Depr Exp Furniture, Fixtures and Office Equipment	1,250,759.89
762100 Depr Exp Machinery and Equipment	3,057,673.04
762200 Depr Exp Computer Hardware	2,088,619.10
762300 Depr Exp Software	717,560.46
2-Total Furniture, Fixtures and Equipment	**7,114,612.49**
Vehicles	
763000 Depr Exp Vehicles & Aircraft	15,802.06
2-Total Vehicles	**15,802.06**
Tooling and Other	
764100 Depr Exp Product Tooling	52,644.56
764400 Loss on Sale of Assets	52,074.09
2-Total Tooling and Other	**104,718.65**
2-Total FF&E, Vehicles, Tooling and Other	**7,235,133.20**
Equipment Leased to Customer	
765100 Depr Exp Lease Primary Equipment	720,890,667.98
765200 Depr Exp Lease Secondary Equipment	(30,411,806.79)
765300 Proceeds Received from Sale of DHA Units	(24,340,496.00)
765320 Promo Hardware Billed	(104,589,398.14)
765340 Contra Promo Hardware	100,899,508.32
765360 Deferred Promo Hardware	(4,998,374.46)
765400 Lease Acc/Other RETIRED - NBV	81,665,055.55
765410 DHA Scrap Expense - Manufacturing	50,213,240.44
765420 Leased Receiver Exchange	(44,539,513.66)
765440 Lease Rec Existing Subs - Returned - REDEPLOYED	(68,555,899.77)

765450 Lease Rec Existing Subs - Returned - NON Redeployed	14,739,853.06
765460 Lease BB Sat Equip RETIRED-NBV	3,055,444.35
765470 Lease BB Equip Existing Subs - Returned - REDEPLOYED	(3,096,990.39)
765500 Lease Receiver RETIRED - NBV	342,726,249.46
765510 Lease Return - DHA Accessories Not Returned	(20,082,978.85)
765540 Lease Rec NEW Subs - Returned - REDEPLOYED	(143,771,656.71)
765550 Lease Rec NEW Subs - Returned - NON Redeployed	(39,758,666.55)
765600 Lease Accessories Returned - NON Redeployed	(20,766,635.99)
765650 Lease Accessories Returned - REDEPLOYED	(10,122,991.55)
2-Total Equipment Leased to Customer	**799,154,610.30**
Satellites	
767213 PR Depr Exp Allocation	(64,554.85)
767520 Depr Exp Anik F3	14,894,833.33
2-Total Total Satellites	**14,830,278.48**
Amortizable Intangibles	
770200 Amort Exp Patents and Other	37,500.00
770300 Amort Exp Acquisition Intangibles	2,390,067.97
2-Total Amortizable Intangibles	**2,427,567.97**
1-Total Depreciation and Amortization	**827,863,535.69**
Total Operating Expense	**10,440,063,410.18**
Operating Income (Loss) Before O/H Allocation	**1,108,198,697.56**
Overhead Allocation	
790088 I/C Management Overhead Allocation	367,731,667.36
2-Total Overhead Allocation	**367,731,667.36**
Total Costs, Expenses and O/H Allocation	**10,807,795,077.54**
Operating Income (Loss) After O/H Allocation	**740,467,030.20**
Other Income (Expense)	
Interest Income	
810000 Interest Income Taxable	0.00
810300 Interest Income Other	141,997.93
1-Total Interest Income	**141,997.93**
Interest Expense, Net of Amounts Capitalized	
Interest Expense - Other	
820213 PR Interest Exp Allocation	8,636.75
820650 Int Exp - Capital Lease - Anik F3	(13,550,952.48)
820750 Int Exp - Promo Cash Giveaway	(30,512.76)
820900 Int Exp - Other	(4,448,672.20)
2-Total Interest Expense - Other	**(18,021,500.69)**
1-Total Interest Expense, Net of Amounts Capitalized	**(18,021,500.69)**
0-Interest Income (Expense), Net	**(17,879,502.76)**
Equity in Earnings of Subsidiaries	
830184 Equity in Earnings of DISH Operating L.L.C.	287,134,833.28
830189 Equity in Earnings of DISH Acquisition L.L.C.	67,321.32
830191 Equity in Earnings of DISH Puerto Rico L.L.C.	4,732.20
830193 Equity in Earnings of Evergreen L.L.C.	1,619,311.20
830194 Equity in Earnings of EchoStar XI Operating L.L.C.	50,703,324.43
830213 Equity in Earnings of DISH Network Puerto Rico LLC	2,785,005.47
2-Total Equity in Earnings of Subsidiaries	**(342,314,527.90)**

Other	
Equity in Gains (Losses) of Affiliates	
860360 Equity in Earnings of Elephant Group	(1,975,081.00)
2-Total Equity in Gains (Losses) of Affiliates	**(1,975,081.00)**
Realized/Unrealized Gain (Loss) on Investments	
862300 Loss on Impairment of Assets	(18,933,412.91)
2-Total Realized/Unrealized Gain (Loss) on Investments	**(18,933,412.91)**
Other - Miscellaneous	
865160 Purchase Discounts	254,385.43
865200 Penalties - Income Tax	(17,559.61)
865300 Other Miscellaneous Income	3,220.97
2-Total Other - Miscellaneous	**240,046.79**
1-Total Other	**(20,668,447.12)**
0-Total Other Income (Expense)	**303,766,578.02**
Income (Loss) Before Income Taxes and Minority Interest	**1,044,233,608.22**
Income Tax Benefit (Provision), Net	
880000 Current Federal Income Tax	(277,466,689.02)
880005 Current Federal Income Tax - NOL Benefit	0.00
880050 Current State Income Tax	0.00
880100 Current Deferred Tax - FIT	0.00
880150 Current Deferred Tax - SIT	0.00
880200 Deferred Tax-FIT - LT	8,253,385.22
880250 Deferred Tax-SIT - LT	0.00
1-Total Income Tax Benefit (Provision), Net	**(269,213,303.80)**
Effective Tax Rate	**25.8%**
Income (Loss) From Continuing Operations	**775,020,304.42**
Net Income (Loss)	**775,020,304.42**
Net Income (Loss) Attributable to DISH Shareholders	**775,020,304.42**
EBITDA - SEC	**1,547,662,118.77**

SERVICE CENTERS

Co	Dept	Facil	Acct	Activity	Oth	Period Key Per Num	Fiscal Yea	YTD-Actual
		0 Total						1,148,728
		1615 Total						85,742,125
		5020 Total						**90,292,764**
		5305 Total						84,954,376
		Grand Total						**262,137,993**

2008 SALES APPORTIONMENT

	ORIGINAL		3rd Amended	
	WITHIN	EVERYWHERE	WITHIN	EVERYWHERE
GUIDES	85,394	7,132,767	85,394	7,132,767
EQUIPMENT	198,719	138,749,435 [See below]	198,719	138,749,435 [See below]
LEASES	-	-	-	-
SERVICES	12,926,310	962,352,292	13,871,409	962,352,292
GAIN/(LOSS)	-	-	-	-
OTHER	27,250,292 [See below]	342,126,010 [See below]	4,941,100	342,126,010 [See below]
PROGRAMMING	-	10,152,386,619 [See below]	130,183,033 [See below]	10,152,386,619 [See below]
INTEREST	-	51,716,576	-	51,716,576
RENT	-	352,678	-	352,678
ROYALTY	-	602	-	602
ELIMS	(12,926,310)	-	-	-
TOTALS	27,534,405	11,654,816,979	149,279,655	11,654,816,979
SALES FACTOR	0.2362%		1.2808%	
EQUIPMENT:		13,786,498		13,786,498
		124,127,183		124,127,183
		248,700		248,700
		586,905		586,905
		149		149
		138,749,435		138,749,435
OTHER:	19,096,623	342,565,830		342,565,830
	8,142,397	1,719,851		1,719,851
	11,272	(1,578)		(1,578)
		305		305
	27,250,292	(2,158,398)		(2,158,398)
		342,126,010		342,126,010
PROGRAMMING:		10,146,278,301	120,831,031	10,146,278,301
		4,697,757	9,352,002	4,697,757
		1,410,561		1,410,561
			130,183,033	
		10,152,386,619		10,152,386,619

DSH1242



Dish DBS Corporation
SC analysis
COP Analysis

	2008
Total Programming Costs	
Recurring Programming Cost/Other Subscr. TV Services	3,903,878,037
Satellitte & Transmission Expense	337,729,053
STAT-Engineering & Other Expenses	32,156,967
Satellites	89,435,004
Total (a)	4,363,199,061
Source 2009 & 2010: PBC File - Dish_DBS_2010_P&L: Source 2008: PBC File - P&L Final	
Total Cost Instate	
Recurring Programming Cost	3,903,878,037
SC Subscriber Sales Percentage	0.0142318
Total Cost Instate-COP (b)	55,559,181
% subscription revenue attributable to SC (b/a)	**0.0127336**
SC Subscriber Percentage	
Total Subsciber Revenue in SC	144,399,725
Total Subscriber Revenue	10,146,278,301
SC Percentage	0.014232
Local Broadcasting Revenue Instate	
Local Broadcasting Revenue	657,120,458
Subscriber Sales Percentage	0.0142318
Local Revenue instate	9,352,002

Gross Receipts Factor Computation

	2008 Sales	Instate%	Instate
Subscription Revenue	10,146,278,301		
Less Local Broadcasting Revenue	657,120,458		
Subscription Revenue	9,489,157,843	0.0127336	120,831,031
Local Broadcasting Revenue	657,120,458	0.014232	9,352,002
Services/Guides, DHA equip, digital leases	983,271,557	na	14,155,522
Other	342,565,830	na	4,941,100
Other Receipts		na	
Rents	352,678	na	
Interest		na	
Gross Receipts		na	
Adjustment to agree to sales	182,348,613		
Total Receipts	**11,654,816,979**	**0**	**149,279,655**
Sales Factor Apportionment			**0.0128084**

SALES FACTOR
DISH Network, LLC - TOTAL
2008 RETURN

	2008 Sales	Percent of sales per state 2008	(a)	(b)	(d)	(c)	Adjustment for COP States	(C) Interest, Line 5, Form 1120	(b) Rents, Line 6, Form 1120	(i) Royalties, Line 7, Form 1120	Net Gain (Loss) - DHA Line 9, Form 1120	(j) Net Gain (Loss), Line 9, Form 1120	(k) Vendor Comp. - Acct #461700	(l) Other Income, Line 10, Form 1120	(m) Total Other Income	Logic	Total Sales & Other Income	Total %	Leased Equipment Gross Proceeds	Gross Proceeds
	Sales by State	$	Programming	Guides	DHA Equipment & Tech Sales - TPP	Digital Dynamite Leases	(Negative Programming)													
AK	34,474,475	0.309729098%	$ 30,963,773	$ 41,291	$ 7,600	$ 930,498	$ (30,963,772.97)		-	-	(56,268)			1,059,525	1,003,257	COP	1,582,646	0.0139%	238,691	-
AL	220,204,870	1.975590998%	$ 197,780,634	$ 107,024	$ 319,563	$ 22,306,756			-	-	(2,363,983)			6,767,699	4,403,716	Subscribers	224,915,692	1.9781%	10,836,637	-
AR	202,788,952	1.819343742%	$ 182,138,240	$ 103,905	$ 240,230	$ 16,769,041			-	-	(1,779,621)			6,232,445	4,453,823	Subscribers	203,705,241	1.7915%	7,545,014	-
AZ	219,607,207	1.970434357%	$ 193,651,168	$ 162,543	$ 296,329	$ 20,484,841	$ (193,651,167.78)		-	-	(2,193,922)			6,636,396	4,432,475	COP	25,575,892	0.2249%	9,306,742	-
CA	1,291,926,425	11.58257778%	$ 1,139,556,668	$ 855,831	$ 1,667,995	$ 119,432,651			-	-	(12,349,519)			39,677,954	27,328,435	Subscribers	1,305,841,580	11.4845%	52,387,368	-
CO	231,460,897	2.076665423%	$ 341,697,903	$ 296,869	$ 303,284	$ 21,170,425		142,398	352,678	-	(2,245,457)			7,113,915	5,363,533	Subscribers	368,702,814	3.2426%	9,525,359	-
CT	68,911,746	0.618274899%	$ 61,954,221	$ 33,968	$ 52,345	$ 3,653,904			-	-	(387,554)			2,117,909	1,730,355	Subscribers	67,364,794	0.5925%	1,644,027	-
DC	6,354,846	0.057007575%	$ 5,447,343	$ 13,807	$ 6,442	$ 449,662	$ (5,447,342.88)		-	-	(47,694)			201,454	153,761	COP	623,672	0.0055%	202,320	-
DE	15,258,738	0.136859545%	$ 13,704,887	$ 11,999	$ 17,830	$ 1,244,622			-	-	(132,012)			468,987	336,975	Subscribers	15,316,292	0.1347%	560,001	-
FL	471,316,643	4.227952121%	$ 423,769,897	$ 431,627	$ 536,201	$ 37,428,930			-	-	(3,969,928)			14,550,647	10,580,719	Subscribers	472,757,373	4.1574%	16,840,664	-
GA	427,400,393	3.833467194%	$ 383,876,709	$ 244,348	$ 487,055	$ 34,001,157			-	-	(3,606,359)	(22,015)		13,135,574	9,507,200	Subscribers	428,156,408	3.7655%	15,279,381	-
HI	15,572,480	0.139729187%	$ 14,345,944	$ 19,077	$ 15,796	$ 1,102,639			-	-	(116,952)			490,893	373,940	Subscribers	15,857,499	0.1395%	456,118	-
IA	154,066,134	1.382222036%	$ 138,377,038	$ 88,486	$ 212,168	$ 14,810,136			-	-	(1,570,848)			4,735,015	3,164,166	Subscribers	156,458,994	1.3377%	6,663,629	-
ID	114,711,165	1.029143156%	$ 103,029,724	$ 70,701	$ 166,451	$ 11,015,049			-	-	(1,180,451)			3,525,493	2,345,042	Subscribers	118,446,964	1.0417%	5,855,953	-
IL	546,260,246	4.900830606%	$ 490,632,645	$ 351,130	$ 667,210	$ 46,573,901	$ (490,632,645.40)		-	-	(4,939,957)	(9,472)		16,788,571	11,839,202	COP	59,431,443	0.5227%	20,955,325	-
IN	321,877,074	2.887753636%	$ 289,099,200	$ 166,968	$ 427,167	$ 29,817,947	$ (289,099,200.44)		-	-	(3,162,664)			9,922,457	6,759,794	COP	37,141,896	0.3268%	13,496,280	-
KS	127,634,158	1.145085151%	$ 114,636,723	$ 60,938	$ 154,708	$ 10,799,240	$ (114,636,722.95)		-	-	(1,145,430)			3,922,668	2,777,234	COP	13,897,120	0.1234%	4,858,979	-
KY	224,013,302	2.009755494%	$ 201,201,221	$ 98,732	$ 253,054	$ 17,664,140	$ (201,201,221.25)		-	-	(1,873,561)			6,884,749	5,011,188	COP	23,037,115	0.2025%	7,947,752	-
LA	119,226,444	1.069976609%	$ 103,492,530	$ 74,397	$ 169,425	$ 11,198,326			-	-	(1,187,759)			3,541,329	2,353,570	Subscribers	117,279,249	1.0314%	5,038,542	-
MA	62,464,311	0.560405151%	$ 56,103,350	$ 60,236	$ 74,509	$ 5,201,044	$ (56,103,350.46)		-	-	(551,653)			1,919,756	1,368,104	COP	6,703,893	0.0590%	2,340,142	-
MD	88,509,787	0.794613509%	$ 79,550,414	$ 76,175	$ 117,965	$ 8,234,428			-	-	(873,391)			2,722,073	1,846,682	Subscribers	89,827,643	0.7900%	3,704,974	-
ME	46,359,235	0.412040159%	$ 42,087,394	$ 24,148	$ 73,287	$ 5,115,725	$ (42,087,394.29)		-	-	(542,603)			1,440,155	897,552	COP	43,681,170	0.3666%	14,715,236	-
MI	383,875,644	3.426037079%	$ 342,947,905	$ 248,005	$ 468,528	$ 32,705,096	$ (342,947,905.28)		-	-	(3,404,891)			11,736,432	8,267,541	COP	389,809,585	3.2707%	7,782,128	-
MN	195,920,465	1.739772086%	$ 175,969,195	$ 109,757	$ 247,780	$ 17,294,917			-	-	(1,834,515)			6,021,351	4,186,835	Subscribers	197,809,585	1.7597%	7,782,128	-
MO	372,356,991	3.340659595%	$ 334,438,570	$ 223,819	$ 433,699	$ 30,273,943	$ (334,438,570.17)		-	-	(3,211,029)			11,443,889	8,232,860	COP	59,164,322	0.3444%	13,621,370	-
MS	123,452,854	1.109364414%	$ 111,060,849	$ 59,657	$ 177,359	$ 12,383,134	$ (111,060,849.43)		-	-	(1,313,427)			3,800,303	2,486,877	COP	15,107,087	0.1329%	5,571,631	-
MT	76,531,836	0.686661339%	$ 68,734,330	$ 60,360	$ 103,882	$ 7,251,361			-	-	(769,121)			2,352,103	1,582,981	Subscribers	77,736,914	0.6837%	3,262,656	-
NC	352,322,149	3.160894948%	$ 316,443,947	$ 173,870	$ 368,096	$ 25,694,360			-	-	(2,725,313)			10,028,145	8,102,832	Subscribers	350,783,395	3.0850%	11,560,935	-
ND	26,594,214	0.238592278%	$ 23,886,032	$ 14,152	$ 41,054	$ 2,865,744			-	-	(303,957)			817,337	513,380	Subscribers	8,996,735	0.0791%	3,064,655	-
NE	89,666,175	0.804148945%	$ 80,535,154	$ 57,578	$ 97,578	$ 6,811,297	$ (80,535,153.58)		-	-	(722,449)			2,755,769	2,033,323	COP	22,663,056	0.1993%	837,912	-
NH	22,557,366	0.202375816%	$ 20,260,270	$ 18,115	$ 26,079	$ 1,862,286			-	-	(197,525)			695,270	495,745	Subscribers	129,748,203	1.1411%	4,846,237	-
NJ	129,047,169	1.157756619%	$ 115,905,843	$ 93,473	$ 154,302	$ 10,770,921			-	-	(1,142,426)			3,966,050	2,823,664	Subscribers	121,937,899	1.0724%	4,873,116	-
NM	120,604,809	1.082018606%	$ 108,323,198	$ 71,018	$ 155,158	$ 10,830,661			-	-	(1,148,762)			3,706,626	2,557,863	Subscribers	101,913,818	0.8963%	3,633,607	-
NV	101,752,549	0.912983636%	$ 91,360,729	$ 58,925	$ 115,603	$ 8,075,611			-	-	(856,567)			2,427,227	2,270,660	N/A	103,120,572	0.9069%	10,423,140	-
NY	320,562,892	2.876862059%	$ 288,008,663	$ 216,222	$ 331,869	$ 23,165,772			-	-	(2,457,096)			9,956,415	7,160,309	Subscribers	325,872,175	2.8589%	11,861,241	-
OH	323,958,099	2.906423238%	$ 290,968,307	$ 203,903	$ 377,658	$ 26,361,998			-	-	(2,092,163)			7,200,468	5,108,305	COP	35,239,017	0.2220%	8,875,076	-
OK	234,286,131	2.101819224%	$ 210,427,951	$ 122,983	$ 282,939	$ 19,725,149	$ (210,427,951.06)		-	-	(1,721,372)			5,426,139	3,706,768	Subscribers	178,948,324	1.5738%	7,302,157	-
OR	176,618,774	1.584755377%	$ 158,633,063	$ 146,710	$ 232,498	$ 16,229,284			-	-	(1,721,372)			5,426,139	3,706,768	Subscribers	178,948,324	1.5738%	7,302,157	-
PA	335,583,566	3.010722878%	$ 301,409,912	$ 181,727	$ 436,802	$ 30,490,310	$ (301,409,912.23)		-	-	(3,233,999)			10,313,708	7,079,708	COP	38,188,747	0.3359%	13,718,811	-
RI	9,836,039	0.088269364%	$ 8,879,309	$ 7,686	$ 11,737	$ 819,304			-	-	(86,900)			303,824	216,934	Subscribers	9,934,978	0.0874%	368,035	-
SC	160,771,669	1.442337917%	$ 145,299,725	$ 85,391	$ 194,719	$ 13,471,498	$ (111,325,724.47)		-	-	(1,571,283)			4,981,100	3,499,811	COP	37,626,241	0.3310%	6,241,261	-
SD	39,973,535	0.358602677%	$ 35,502,899	$ 25,701	$ 58,554	$ 4,087,276			-	-	(433,520)			1,228,533	795,013	Subscribers	40,869,435	0.3594%	1,839,017	-
TN	230,236,649	2.065959214%	$ 206,390,878	$ 126,269	$ 291,505	$ 20,348,182	$ (206,390,877.85)		-	-	(2,158,246)			7,076,014	4,917,768	COP	25,603,724	0.2253%	9,153,402	-
TX	1,219,619,408	10.94194231%	$ 1,093,421,278	$ 768,545	$ 1,591,103	$ 111,114,190	$ (1,093,421,277.93)		-	-	(11,785,412)			37,483,355	25,697,043	COP	139,172,482	1.2246%	49,994,395	-
UT	132,845,778	1.191839756%	$ 119,317,626	$ 77,044	$ 227,159	$ 15,856,615	$ (119,317,626.02)		-	-	(1,681,844)			4,082,836	2,400,991	COP	18,561,918	0.1632%	7,134,479	-
VA	253,727,259	2.276348576%	$ (227,489,320)	$ 171,867	$ 302,710	$ 21,130,333	$ (227,489,320.26)		-	-	(2,241,205)			7,797,565	5,516,760	COP	37,141,669	0.2387%	9,507,320	-
VT	45,157,844	0.405138336%	$ 40,559,262	$ 29,622	$ 57,434	$ 4,009,140	$ (40,559,261.93)		-	-	(425,233)			1,387,865	962,633	COP	5,858,829	0.0445%	1,803,861	-
WA	237,737,683	2.132798986%	$ 213,519,038	$ 178,665	$ 300,227	$ 20,957,811			-	-	(2,222,832)			7,306,239	5,083,418	N/A	249,038,359	2.1111%	9,429,337	-
WI	217,830,592	1.954374209%	$ 195,693,405	$ 131,366	$ 263,491	$ 18,392,690			-	-	(1,950,835)			6,696,278	4,745,443	COP	219,226,535	1.9280%	8,275,553	-
WV	84,066,779	0.754213158%	$ 75,505,963	$ 58,185	$ 101,275	$ 7,069,366	$ (75,505,963.45)		-	-	(749,818)			2,583,679	1,833,861	COP	9,842,487	0.0795%	3,180,770	-
WY	43,562,354	0.390874274%	$ 39,126,247	$ 32,092	$ 52,687	$ 3,677,741	$ 4,715,007,312.53		-	-	(390,082)			2,571,358	2,569,060	ALL COP STATES	4,758,844,627	41.8529%	1,654,752	-
4N	83,562,633	0.749768410%	$ 75,047,711	$ 17,937	$ 297	$ 20,724			-	-	(2,198)			2,571,358	2,569,060	Subscribers	79,655,629	0.6953%	9,325	-
	11,146,278,910	100.000000%	$ 10,146,274,301	$ 7,132,767	$ 13,786,498	$ 962,352,292	$ -	142,398	352,678	-	(102,072,638.00)	(31,487)	-	342,565,830	240,956,781		11,370,506,639	100.0000%	432,997,985	0
			Acct # Range	Acct # 406000	Acct # Range	Acct # 412000		Acct #810000 & 810300	Accts # 493166	Acct # 463000		Total Gain/Loss (102,104,125)								Total Gross Proceeds 432,997,985

W/O C(L)	11,370,538,124
GS + OTHER INC	11,472,115,084
TOTAL	11,370,506,639
TOTAL W/O C(L)	11,472,410,762
W/O INT, + GP	11,370,395,728
GS, RENTS, OTHER INC	11,472,468,366
TOTAL W/O C(L)+GP	11,370,538,126
TOTAL W/O C(L)W/O INT	11,370,395,728
Total W/ CR	11,370,506,639
COGS LINE 3	0
TOTAL INCOME LINE 11	240,956,781

Sources:

* COP refers to UDIPTA sales using cost of performance.

Total WY service sales
$ 4,754,133,559.24 $ 4,715,007,312.53

Other Income - DISH Network, LLC
2008 RETURN

	2008 Sales Sales by State	Percent of sales per state 2008	
AK	34,474,425	0.3092909%	1,059,525
AL	220,204,870	1.9755909%	6,767,699
AR	202,788,952	1.8193422%	6,232,445
AZ	215,607,207	1.9343425%	6,626,396
CA	1,291,026,425	11.5825778%	39,677,954
CO	231,469,897	2.0766562%	7,113,915
CT	68,911,746	0.6182489%	2,117,909
DC	6,554,846	0.0588075%	201,454
DE	15,258,738	0.1368954%	468,957
FL	471,816,643	4.2329521%	14,500,647
GA	427,400,393	3.8344671%	13,135,574
HI	15,972,480	0.1432988%	490,893
IA	154,066,134	1.3822203%	4,735,015
ID	114,711,165	1.0291431%	3,525,493
IL	546,260,246	4.9008306%	16,788,571
IN	321,877,074	2.8877536%	9,892,457
KS	127,634,158	1.1450831%	3,922,663
KY	224,013,392	2.0097594%	6,884,749
LA	115,226,444	1.0337660%	3,541,329
MA	62,464,311	0.5604051%	1,919,756
MD	88,569,787	0.7946130%	2,722,073
ME	46,859,235	0.4204025%	1,440,155
MI	381,875,644	3.4260370%	11,736,432
MN	195,920,465	1.7577208%	6,021,351
MO	372,356,991	3.3406395%	11,443,889
MS	123,652,854	1.1093644%	3,800,303
MT	76,531,836	0.6866133%	2,352,103
NC	352,322,149	3.1608948%	10,828,145
ND	26,594,214	0.2385928%	817,337
NE	89,666,175	0.8044494%	2,755,769
NH	22,557,366	0.2023758%	693,270
NJ	129,047,169	1.1577601%	3,966,090
NM	120,604,809	1.0820186%	3,706,626
NV	101,752,549	0.9128836%	3,127,227
NY	320,662,892	2.8768605%	9,855,141
OH	323,958,099	2.9064238%	9,956,415
OK	234,286,131	2.1019224%	7,200,468
OR	176,618,774	1.5845537%	5,428,139
PA	335,583,566	3.0107228%	10,313,708
RI	9,886,039	0.0886936%	303,834
SC	160,771,669	1.4423797%	4,941,100
SD	39,973,535	0.3586267%	1,228,533
TN	230,236,689	2.0655924%	7,076,014
TX	1,219,619,408	10.9419423%	37,483,355
UT	132,845,778	1.1918397%	4,082,836
VA	253,727,259	2.2763405%	7,797,965
VT	45,157,844	0.4051383%	1,387,865
WA	237,727,683	2.1327986%	7,306,239
WI	217,880,992	1.9547420%	6,696,278
WV	84,066,779	0.7542138%	2,583,679
WY	43,562,354	0.3908242%	1,338,830
4N	83,662,633	0.7505880%	2,571,258
	11,146,278,910	100.0000000%	342,565,830

Late Fees - 414050	101,693,244
Product Commissions - 414300	31,185,471
Premium Channel Revenue - 425100	14,800,130
Int'l AD Sales - 425300	18,441
Domestic General Market Sales - 425400	111,659,902
Domestic Direct Response Sales - 425500	69,340,788
Media Sales - Latino - 425600	9,075,950
Media Sales - Per Inquiry - 425700	2,300,742
Media Sales - Billing Inserts - 425800	2,357,907
DTA OTA Installation - 492100	(3,574)
R/P - SATS - Admin Services Rev - 493266	6,829
Sales Other Revenue - 493400	130,000
TOTAL	**342,565,830**

Sources:

difference

* COP refers to UDIPTA rules using cost of performance.

2008 Guides

State	Guides	Percentage	Allocated Guides
AK	2,731	0.00579	41,291
AL	7,079	0.01500	107,024
AR	6,873	0.01457	103,905
AZ	10,751	0.02279	162,543
CA	56,609	0.11999	855,831
CO	13,683	0.02900	206,869
CT	2,247	0.00476	33,968
DC	913	0.00194	13,807
DE	794	0.00168	11,999
FL	29,873	0.06332	451,627
GA	18,802	0.03985	284,248
HI	1,262	0.00267	19,077
IA	5,853	0.01241	88,486
ID	4,677	0.00991	70,701
IL	23,226	0.04923	351,130
IN	12,368	0.02622	186,988
KS	4,626	0.00981	69,938
KY	6,531	0.01384	98,732
LA	4,921	0.01043	74,397
MA	3,984	0.00845	60,236
MD	5,039	0.01068	76,175
ME	1,597	0.00339	24,148
MI	15,875	0.03365	240,005
MN	7,260	0.01539	109,757
MO	14,805	0.03138	223,819
MS	3,946	0.00836	59,657
MT	3,993	0.00846	60,360
NC	11,501	0.02438	173,870
ND	936	0.00198	14,152
NE	3,607	0.00765	54,537
NH	1,198	0.00254	18,115
NJ	6,183	0.01310	93,473
NM	4,698	0.00996	71,018
NV	3,898	0.00826	58,925
NY	14,302	0.03031	216,222
OH	13,487	0.02859	203,903
OK	8,135	0.01724	122,983
OR	9,704	0.02057	146,710
PA	12,020	0.02548	181,727
RI	508	0.00108	7,686
SC	5,648	0.01197	85,394
SD	1,700	0.00360	25,701
TN	8,352	0.01770	126,269
TX	50,836	0.10775	768,545
UT	5,096	0.01080	77,044
VA	11,368	0.02410	171,867
VT	1,959	0.00415	29,622
WA	11,818	0.02505	178,665
WI	8,699	0.01844	131,506
WV	2,526	0.00535	38,185
WY	2,123	0.00450	32,092
4N	1,180	0.00250	17,837
	471,797	1.00000	**7,132,767**
		Acct 406000	7,132,767

DSH1246

Property Tax Report
Data As Of December 2008

			Acct# 412000 - Equipment Leasing	Accts #460050 - 462350 - DHA Equipment & Tech Sales		
			$ 962,352,292	$ 13,786,498	$ (102,072,638)	$ 432,997,985
State Name	Total Cost	% of Cost	Equipment Leasing Rev	DHA Equipment & Tech Sales	DHA Net Gain/Loss - Fed Adopted	DHA Proceeds - Fed Adopted
AK	1,119,550	0.0551%	530,498	7,600	(56,268)	238,691
AL	47,075,604	2.3179%	22,306,756	319,563	(2,365,983)	10,036,637
AR	35,388,954	1.7425%	16,769,041	240,230	(1,778,621)	7,545,014
AZ	43,652,124	2.1494%	20,684,541	296,323	(2,193,922)	9,306,742
CA	245,716,476	12.0988%	116,432,651	1,667,995	(12,349,519)	52,387,368
CO	44,677,521	2.1999%	21,170,425	303,284	(2,245,457)	9,525,359
CT	7,711,106	0.3797%	3,653,904	52,345	(387,554)	1,644,027
DC	948,956	0.0467%	449,662	6,442	(47,694)	202,320
DE	2,626,617	0.1293%	1,244,622	17,830	(132,012)	560,001
FL	78,989,053	3.8893%	37,428,930	536,201	(3,969,928)	16,840,664
GA	71,755,168	3.5331%	34,001,157	487,095	(3,606,359)	15,298,381
HI	2,326,982	0.1146%	1,102,639	15,796	(116,952)	496,118
IA	31,254,930	1.5390%	14,810,136	212,168	(1,570,848)	6,663,629
ID	27,466,625	1.3524%	13,015,049	186,451	(1,380,451)	5,855,953
IL	98,288,365	4.8396%	46,573,901	667,210	(4,939,897)	20,955,325
IN	62,927,030	3.0984%	29,817,947	427,167	(3,162,664)	13,416,200
KS	22,790,439	1.1222%	10,799,240	154,708	(1,145,430)	4,858,979
KY	37,277,948	1.8355%	17,664,140	253,054	(1,873,561)	7,947,752
LA	23,632,660	1.1636%	11,198,326	160,425	(1,187,759)	5,038,542
MA	10,976,149	0.5405%	5,201,044	74,509	(551,653)	2,340,142
MD	17,377,725	0.8557%	8,234,428	117,965	(873,391)	3,704,974
ME	10,796,094	0.5316%	5,115,725	73,287	(542,603)	2,301,754
MI	69,019,995	3.3985%	32,705,096	468,528	(3,468,891)	14,715,236
MN	36,501,071	1.7973%	17,296,017	247,780	(1,834,515)	7,782,120
MO	63,889,352	3.1458%	30,273,943	433,699	(3,211,029)	13,621,370
MS	26,133,049	1.2868%	12,383,134	177,399	(1,313,427)	5,571,631
MT	15,303,086	0.7535%	7,251,361	103,882	(769,121)	3,262,656
NC	54,225,139	2.6700%	25,694,560	368,096	(2,725,313)	11,560,935
ND	6,047,792	0.2978%	2,865,744	41,054	(303,957)	1,289,404
NE	14,374,387	0.7076%	6,811,297	97,578	(722,445)	3,064,655
NH	3,930,121	0.1935%	1,862,286	26,679	(197,525)	837,912
NJ	22,730,675	1.1192%	10,770,921	154,302	(1,142,426)	4,846,237
NM	22,856,750	1.1254%	10,830,661	155,158	(1,148,762)	4,873,116
NV	17,042,985	0.8392%	8,075,811	115,693	(856,567)	3,633,607
NY	48,888,451	2.4072%	23,165,772	331,869	(2,457,096)	10,423,140
OH	55,633,683	2.7393%	26,361,998	377,658	(2,796,106)	11,861,241
OK	41,627,449	2.0497%	19,725,149	282,579	(2,092,163)	8,875,076
OR	34,249,864	1.6864%	16,229,284	232,498	(1,721,372)	7,302,157
PA	64,346,389	3.1683%	30,490,510	436,802	(3,233,999)	13,718,811
RI	1,729,038	0.0851%	819,304	11,737	(86,900)	368,635
SC	29,273,864	1.4414%	13,871,409	198,719	(1,471,282)	6,241,261
SD	8,625,683	0.4247%	4,087,276	58,554	(433,520)	1,839,017
TN	42,942,280	2.1144%	20,348,182	291,505	(2,158,246)	9,155,402
TX	234,492,532	11.5461%	111,114,190	1,591,803	(11,785,412)	49,994,395
UT	33,463,394	1.6477%	15,856,615	227,159	(1,681,844)	7,134,479
VA	44,592,912	2.1957%	21,130,333	302,710	(2,241,205)	9,507,320
VT	8,460,787	0.4166%	4,009,140	57,434	(425,233)	1,803,861
WA	44,227,139	2.1777%	20,957,011	300,227	(2,222,822)	9,429,337
WI	38,815,461	1.9112%	18,392,690	263,491	(1,950,835)	8,275,553
WV	14,919,008	0.7346%	7,069,366	101,275	(749,818)	3,180,770
WY	7,761,411	0.3822%	3,677,741	52,687	(390,082)	1,654,752
4N	43,736	0.0022%	20,724	297	(2,198)	9,325
	2,030,923,559	100.0000%	962,352,292	13,786,498	(102,072,638)	432,997,985

Echosphere - 113
Apportionment Schedule - Sales Factor
2008 Return

	From Custom Tax Periodic Sales Report	From #1 Detail			Gross Receipts (Line 1a)	Miscellaneous Income						
						Acct 810000,8103 00	Held less than 1 year, CO113	Acct 462000	Acct #651700	Acct 865300		
	(1)	(2)	(3)	(4.)	(5)	(6b)	(6c)	(6d)		(6e)	(10)	
State	Sales Amount	Less RSPs	Total Sales by State Allocation	% of TS by state	Gross Receipts apportioned by TS % by state	Interest	Net G(L), Line 9, Form 1120	Royalties	Vendor Compensation	Misc Other Income	Total Receipts	Gross Proceeds from 4797
					124,127,183					(1,578)	(5) + (6-9) = (10)	
AK	1,663,094	107,223.46	1,555,871	0.341%	423,795				487	(5)	424,276	
AL	6,048,370	3,936,964.54	2,111,405	0.463%	575,113				21,394	(7)	596,500	
AR	(53,039,327)	(57,781,541.56)	4,742,214	1.041%	1,291,704				21,258	(16)	1,312,946	
AZ	11,931,790	-	11,931,790	2.618%	3,250,031				12,254	(41)	3,262,244	
CA	25,909,764	(14,696,715.58)	40,606,480	8.911%	11,060,565				2,113	(141)	11,062,537	
CO	15,882,333	-	15,882,333	3.485%	4,326,097		(23,950,339)	602	107,055	(55)	(19,516,640)	25
CT	2,476,276	-	2,476,276	0.543%	674,498				(3)	(9)	674,487	
DC	37,899	-	37,899	0.008%	10,323				0	(0)	10,323	
DE	808,936	-	808,936	0.178%	220,341				(4)	(3)	220,335	
FL	24,742,181	(43,149,716.50)	67,891,898	14.898%	18,492,682				363,767	(255)	18,856,214	
GA	96,809,910	399,736.88	96,410,173	21.156%	26,260,611				23,131	(334)	26,283,408	
HI	1,365,944	682,334.39	683,610	0.150%	186,205				(2)	(2)	186,201	
IA	24,893,195	12,421,625.51	12,471,569	2.737%	3,397,059				1	(43)	3,397,016	
ID	23,089,764	12,141,566.61	10,948,197	2.402%	2,982,116				0	(38)	2,982,078	
IL	13,522,949	(2,438,744.73)	15,961,694	3.503%	4,347,714				25,502	(55)	4,373,161	
IN	40,904,404	6,009.12	40,898,395	8.975%	11,140,078				61,277	(142)	11,201,213	
KS	(14,808,647)	(14,150,129.61)	(658,517)	-0.145%	(179,370)				1	2	(179,366)	
KY	4,122,912	2,153,397.96	1,969,514	0.432%	536,464				33,224	(7)	569,682	
LA	(957,793)	441,500.20	(1,399,293)	-0.307%	(381,145)				19,114	5	(362,026)	
MA	538,368	-	538,368	0.118%	146,643				0	(2)	146,641	
MD	2,650,428	-	2,650,428	0.582%	721,935		(4,074)		6,916	(9)	724,767	
ME	1,389,192	-	1,389,192	0.305%	378,394				17	(5)	378,406	
MI	(1,900,454)	20,774,212.33	(22,674,666)	-4.976%	(6,176,222)				(6,169)	79	(6,182,313)	
MN	733,478	(3,376,988.55)	4,110,467	0.902%	1,119,626				(2)	(14)	1,119,610	
MO	20,984,619	8,399,682.25	12,584,937	2.762%	3,427,938				61,285	(44)	3,489,180	
MS	4,786,290	-	4,786,290	1.050%	1,303,710				1,234	(17)	1,304,928	
MT	(10,899,548)	(14,666,723.17)	3,767,175	0.827%	1,026,119				0	(13)	1,026,106	
NC	8,357,653	38,708.00	8,318,945	1.826%	2,265,949				3	(29)	2,265,923	
ND	1,761,251	-	1,761,251	0.386%	479,737				1,342	(6)	481,073	
NE	4,916,497	-	4,916,497	1.079%	1,339,176				1,483	(17)	1,340,642	
NH	1,691,628	(2,381.00)	1,694,009	0.372%	461,421				0	(6)	461,416	
NJ	2,581,332	-	2,581,332	0.566%	703,114				(0)	(9)	703,105	
NM	(1,909,325)	-	(1,909,325)	-0.419%	(520,070)				0	7	(520,063)	
NV	15,460,070	9,417,872.50	6,042,197	1.326%	1,645,799				3,865	(21)	1,649,643	
NY	10,299,153	2,071,046.49	8,228,106	1.806%	2,241,206		(5,650)		2,852	(28)	2,238,371	
OH	4,124,137	1,253,661.05	2,870,476	0.630%	781,873				134,871	(10)	916,734	
OK	9,711,520	3,080,235.60	6,631,284	1.455%	1,806,257				40,226	(23)	1,846,460	
OR	14,254,078	9,267,776.50	4,986,301	1.094%	1,358,190				0	(17)	1,358,173	
PA	12,683,764	3,190,978.50	9,492,786	2.083%	2,585,685		(6,170)		201,529	(33)	2,781,011	
RI	204,417	-	204,417	0.045%	55,680				0	(1)	55,679	
SC	5,044,473	1,591,553.20	3,452,920	0.758%	940,521				11,284	(12)	951,793	
SD	4,972,794	3,656,897.13	1,315,897	0.289%	358,430				0	(5)	358,425	
TN	6,140,337	840,834.50	5,299,503	1.163%	1,443,501				(146)	(18)	1,443,336	
TX	100,338,218	59,289,555.28	41,048,662	9.008%	11,181,008		(7,280)		392,471	(142)	11,566,057	
UT	(2,464,533)	-	(2,464,533)	-0.541%	(671,300)				18,791	9	(652,501)	
VA	(874,916)	(1,368,631.80)	493,715	0.108%	134,480				16,666	(2)	151,144	
VT	(2,805,090)	(3,280,506.44)	475,417	0.104%	129,496				1	(2)	129,495	
WA	14,663,072	4,104,576.64	10,558,496	2.317%	2,875,968				(0)	(37)	2,875,931	
WI	(14,943,319)	(18,187,417.19)	3,244,098	0.712%	883,641				53,455	(11)	937,084	
WV	693,103	-	693,103	0.152%	188,790				0	(2)	188,788	
WY	25,480	-	25,480	0.006%	6,940				3	(0)	6,943	
4N	3,262,533	-	3,262,533	0.716%	888,663				87,306	(11)	975,957	
	$ 441,874,652	$ (13,831,547)	$ 455,706,199	100%	$ 124,127,183	0	(23,973,522)	602	1,719,851	(1,578)	101,872,536	25
											101,872,536	

1225

DISH DBS Corporation - 137
SALES FACTOR
Tax Year 2008
Source of Sales - 2008 Financials

	Gross Receipts Line 1, Form 1120	Dividends, Line 4, Form 1120	Interest, Line 5, Form 1120	Rents, Line 6, Form 1120	Sch D, Line 8, Form 1120	Net G(L), Line 9, Form 1120	Other Income, Line 10, Form 1120	Total Receipts
AK	0		0	0		0	0	0
AL	0		0	0		0	0	0
AR	0		0	0		0	0	0
AZ	0		0	0		0	0	0
CA	0		0	0		0	0	0
CO	248,700		51,568,828	0		0	305	51,817,833
CT	0		0	0		0	0	0
DC	0		0	0		0	0	0
DE	0		0	0		0	0	0
FL	0		0	0		0	0	0
GA	0		0	0		0	0	0
HI	0		0	0		0	0	0
IA	0		0	0		0	0	0
ID	0		0	0		0	0	0
IL	0		0	0		0	0	0
IN	0		0	0		0	0	0
KS	0		0	0		0	0	0
KY	0		0	0		0	0	0
LA	0		0	0		0	0	0
MA	0		0	0		0	0	0
MD	0		0	0		0	0	0
ME	0		0	0		0	0	0
MI	0		0	0		0	0	0
MN	0		0	0		0	0	0
MO	0		0	0		0	0	0
MS	0		0	0		0	0	0
MT	0		0	0		0	0	0
NC	0		0	0		0	0	0
ND	0		0	0		0	0	0
NE	0		0	0		0	0	0
NH	0		0	0		0	0	0
NJ	0		0	0		0	0	0
NM	0		0	0		0	0	0
NV	0		0	0		0	0	0
NY	0		0	0		0	0	0
OH	0		0	0		0	0	0
OK	0		0	0		0	0	0
OR	0		0	0		0	0	0
PA	0		0	0		0	0	0
RI	0		0	0		0	0	0
SC	0		0	0		0	0	0
SD	0		0	0		0	0	0
TN	0		0	0		0	0	0
TX	0		0	0		0	0	0
UT	0		0	0		0	0	0
VA	0		0	0		0	0	0
VT	0		0	0		0	0	0
WA	0		0	0		0	0	0
WI	0		0	0		0	0	0
WV	0		0	0		0	0	0
WY	0		0	0		0	0	0
PR/VI	0		0	0		0	0	0
	248,700	0	51,568,828	0		0	305	51,817,833

Colorado Other Income includes everything else except GR

51,569,133
51,817,833

Dish Network Services, LLC - 115
2008 Income from F/S Detail - For Return
Sales Apportionment Schedule

State	(a) #444098 DNSC Installation to ESC	(b) #444000 Other Installations	('c) #444200 Installations (Oracle Revenue)	A (d) = a+b+c Subtotal Installation Services	B (e) #461000 HD Monitors	C (f) Total Sales Revenue	(g) Percentage Sales Revenue by State	D (h) Gross Receipts per 1120 by State $761,931,630	A/C * D Services portion of Gross Receipts	B/C * D #461000 Tangible Sales portion of Gross Receipts	#810000 #810300 Interest Income	Net G(L), Line 9, Form 1120	#651700 Vendor Compensation	#865300 Other Income (Line 10)	Total Receipts	%	4797 Proceeds
AK	$64,011	-	-	64,011	-	64,011	0.0084%	64,011	64,011	-			-		64,011	0.0084%	
AL	$16,700,222	-	-	16,700,222	-	16,700,222	2.1918%	16,700,222	16,700,222	-			-		16,700,222	2.1919%	
AR	$12,568,533	-	-	12,568,533	-	12,568,533	1.6496%	12,568,533	12,568,533	-			-		12,568,533	1.6496%	
AZ	$14,696,239	-	15,784	14,712,022	-	14,712,022	1.9309%	14,712,022	14,712,022	-			-		14,712,022	1.9310%	
CA	$92,417,110	-	-	92,417,110	-	92,417,110	12.1293%	92,417,110	92,417,110	-			-		92,417,110	12.1299%	
CO	$12,756,950	-	2,636	12,759,586	-	12,759,586	1.6746%	12,759,586	12,759,586	-	125	50	-		12,759,761	1.6747%	50
CT	$6,302,004	-	-	6,302,004	-	6,302,004	0.8271%	6,302,004	6,302,004	-			-		6,302,004	0.8271%	
DC	$386,705	-	-	386,705	-	386,705	0.0508%	386,705	386,705	-			-		386,705	0.0508%	
DE	$1,011,765	-	-	1,011,765	-	1,011,765	0.1328%	1,011,765	1,011,765	-			-		1,011,765	0.1328%	
FL	$38,953,276	-	-	38,953,276	-	38,953,276	5.1124%	38,953,276	38,953,276	-			-		38,953,276	5.1127%	
GA	$31,983,799	-	-	31,983,799	-	31,983,799	4.1977%	31,983,799	31,983,799	-			-		31,983,799	4.1979%	
HI	$249,789	-	-	249,789	-	249,789	0.0328%	249,789	249,789	-			-		249,789	0.0328%	
IA	$7,716,207	-	-	7,716,207	-	7,716,207	1.0127%	7,716,207	7,716,207	-			-		7,716,207	1.0128%	
ID	$5,770,859	-	-	5,770,859	-	5,770,859	0.7574%	5,770,859	5,770,859	-			-		5,770,859	0.7574%	
IL	$35,964,109	-	-	35,964,109	-	35,964,109	4.7201%	35,964,109	35,964,109	-			-		35,964,109	4.7203%	
IN	$21,812,208	-	-	21,812,208	-	21,812,208	2.8628%	21,812,208	21,812,208	-			-		21,812,208	2.8629%	
KS	$7,793,411	-	-	7,793,411	-	7,793,411	1.0228%	7,793,411	7,793,411	-			-		7,793,411	1.0229%	
KY	$14,912,606	-	-	14,912,606	-	14,912,606	1.9572%	14,912,606	14,912,606	-			-		14,912,606	1.9573%	
LA	$11,109,376	-	-	11,109,376	-	11,109,376	1.4581%	11,109,376	11,109,376	-			-		11,109,376	1.4581%	
MA	$4,350,988	-	-	4,350,988	-	4,350,988	0.5710%	4,350,988	4,350,988	-			-		4,350,988	0.5711%	
MD	$5,971,492	-	-	5,971,492	-	5,971,492	0.7837%	5,971,492	5,971,492	-			-		5,971,492	0.7838%	
ME	$3,096,764	-	-	3,096,764	-	3,096,764	0.4064%	3,096,764	3,096,764	-			-		3,096,764	0.4065%	
MI	$23,847,465	-	-	23,847,465	-	23,847,465	3.1299%	23,847,465	23,847,465	-			-		23,847,465	3.1300%	
MN	$11,046,244	-	-	11,046,244	-	11,046,244	1.4498%	11,046,244	11,046,244	-			-		11,046,244	1.4498%	
MO	$25,709,060	-	-	25,709,060	-	25,709,060	3.3742%	25,709,060	25,709,060	-			-		25,709,060	3.3743%	
MS	$10,162,404	-	-	10,162,404	-	10,162,404	1.3338%	10,162,404	10,162,404	-			-		10,162,404	1.3338%	
MT	$3,337,171	-	-	3,337,171	-	3,337,171	0.4380%	3,337,171	3,337,171	-			-		3,337,171	0.4380%	
NC	$28,465,540	-	-	28,465,540	-	28,465,540	3.7360%	28,465,540	28,465,540	-			-		28,465,540	3.7361%	
ND	$1,421,435	-	-	1,421,435	-	1,421,435	0.1866%	1,421,435	1,421,435	-			-		1,421,435	0.1866%	
NE	$5,015,236	-	-	5,015,236	-	5,015,236	0.6582%	5,015,236	5,015,236	-			-		5,015,236	0.6583%	
NH	$1,419,285	-	-	1,419,285	-	1,419,285	0.1863%	1,419,285	1,419,285	-			-		1,419,285	0.1863%	
NJ	$9,418,117	-	-	9,418,117	-	9,418,117	1.2361%	9,418,117	9,418,117	-			-		9,418,117	1.2361%	
NM	$6,896,964	-	-	6,896,964	-	6,896,964	0.9052%	6,896,964	6,896,964	-			-		6,896,964	0.9052%	
NV	$7,495,638	-	-	7,495,638	-	7,495,638	0.9838%	7,495,638	7,495,638	-			-		7,495,638	0.9838%	
NY	$20,070,621	-	-	20,070,621	-	20,070,621	2.6342%	20,070,621	20,070,621	-		(35,061)	-		20,035,560	2.6297%	
OH	$25,219,352	-	-	25,219,352	-	25,219,352	3.3099%	25,219,352	25,219,352	-			-		25,219,352	3.3101%	
OK	$16,386,324	-	-	16,386,324	-	16,386,324	2.1506%	16,386,324	16,386,324	-			-		16,386,324	2.1507%	
OR	$9,847,138	-	-	9,847,138	-	9,847,138	1.2924%	9,847,138	9,847,138	-			-		9,847,138	1.2925%	
PA	$20,049,903	-	-	20,049,903	-	20,049,903	2.6315%	20,049,903	20,049,903	-			-		20,049,903	2.6316%	
RI	$1,007,074	-	-	1,007,074	-	1,007,074	0.1322%	1,007,074	1,007,074	-			-		1,007,074	0.1322%	
SC	$12,926,310	-	-	12,926,310	-	12,926,310	1.6965%	12,926,310	12,926,310	-			-		12,926,310	1.6966%	
SD	$1,744,226	-	-	1,744,226	-	1,744,226	0.2289%	1,744,226	1,744,226	-			-		1,744,226	0.2289%	
TN	$18,494,289	-	-	18,494,289	-	18,494,289	2.4273%	18,494,289	18,494,289	-			-		18,494,289	2.4274%	
TX	$93,090,447	-	-	93,090,447	-	93,090,447	12.2177%	93,090,447	93,090,447	-			-		93,090,447	12.2182%	
UT	$7,099,942	-	-	7,099,942	-	7,099,942	0.9318%	7,099,942	7,099,942	-			-		7,099,942	0.9319%	
VA	$15,800,941	-	-	15,800,941	-	15,800,941	2.0738%	15,800,941	15,800,941	-			-		15,800,941	2.0739%	
VT	$1,987,566	-	-	1,987,566	-	1,987,566	0.2609%	1,987,566	1,987,566	-			-		1,987,566	0.2609%	
WA	$13,382,694	-	-	13,382,694	-	13,382,694	1.7564%	13,382,694	13,382,694	-			-		13,382,694	1.7565%	
WI	$14,759,957	-	-	14,759,957	-	14,759,957	1.9372%	14,759,957	14,759,957	-			-		14,759,957	1.9373%	
WV	$6,527,557	-	-	6,527,557	-	6,527,557	0.8567%	6,527,557	6,527,557	-			-		6,527,557	0.8568%	
WY	$2,694,716	-	-	2,694,716	-	2,694,716	0.3537%	2,694,716	2,694,716	-			-		2,694,716	0.3537%	
4N	$1,173	-	-	1,173	-	1,173	0.0002%	1,173	1,173	-			-		1,173	0.0002%	
Total	$761,913,210	$0	$18,420	$761,931,630	$0	$761,931,630	$1	$761,931,630	$761,931,630	$0	$125	-$35,011	$0	$0	$761,896,744	$1	$50

	761,896,744
Gross Revenue w/o G/L	761,931,755
Gross Revenue w/o G/L and Other Income	761,931,755
	Line 1c 1120

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WS Acquistion, LLC - 177
SALES FACTOR
Tax Year 2008
Source of Sales - 2008 Financials

	2008		Programming Gross Receipts Line 1, Form 1120	Programming COP Adjustment	Interest, Line 5, Form 1120	Rents, Line 6, Form 1120	Sch D, Line 8, Form 1120	Net G(L), Line 9, Form 1120	Vendor Compensation - Acct #651700	Other Income, Line 10, Form 1120	Total Receipts
AK	-	0.000000%	0.00	$ -	-	-	-	-	-	-	0
AL	43,202.15	0.912649%	42,874.04	$ -	-	-	-	-	-	-	42,874
AR	-	0.000000%	0.00	$ -	-	-	-	-	-	-	0
AZ	66,418.36	1.403094%	65,913.93	$ (65,913.93)	-	-	-	-	-	-	0
CA	557,422.40	11.775598%	553,188.96	$ -	-	-	-	-	-	-	553,189
CO	-	0.000000%	0.00	$ -	-	-	-	-	-	-	0
CT	48,752.39	1.029899%	48,382.13	$ -	-	-	-	-	-	-	48,382
DE	4,532.70	0.095754%	4,498.28	$ -	-	-	-	-	-	-	4,498
FL	259,139.00	5.474334%	257,170.93	$ -	-	-	-	-	-	-	257,171
GA	565.20	0.011940%	560.91	$ -	-	-	-	-	-	-	561
HI	-	0.000000%	0.00	$ -	-	-	-	-	-	-	0
IA	81,002.72	1.711190%	80,387.53	$ -	-	-	-	-	-	-	80,388
ID	64.31	0.001359%	63.82	$ -	-	-	-	-	-	-	64
IL	112,516.24	2.376916%	111,661.72	$ (111,661.72)	-	-	-	-	-	-	0
IN	414,026.72	8.746351%	410,882.33	$ (410,882.33)	-	-	-	-	-	-	0
KS	739.75	0.015627%	734.13	$ (734.13)	-	-	-	-	-	-	0
KY	39,158.14	0.827219%	38,860.75	$ (38,860.75)	-	-	-	-	-	-	0
LA	14,377.32	0.303722%	14,268.13	$ -	-	-	-	-	-	-	14,268
MA	3,620.10	0.076475%	3,592.61	$ (3,592.61)	-	-	-	-	-	-	0
MD	10,084.20	0.213030%	10,007.61	$ -	-	-	-	-	-	-	10,008
ME	-	0.000000%	0.00	$ -	-	-	-	-	-	-	0
MI	431,458.27	9.114594%	428,181.49	$ (428,181.49)	-	-	-	-	-	-	0
MN	66,568.80	1.406272%	66,063.23	$ -	-	-	-	-	-	-	66,063
MO	56,016.98	1.183364%	55,591.55	$ (55,591.55)	-	-	-	-	-	-	0
MS	15,269.53	0.322570%	15,153.56	$ (15,153.56)	-	-	-	-	-	-	0
MT	48,477.96	1.024101%	48,109.79	$ -	-	-	-	-	-	-	48,110
NC	2,127.95	0.044953%	2,111.79	$ -	-	-	-	-	-	-	2,112
ND	206,308.09	4.358277%	204,741.25	$ -	-	-	-	-	-	-	204,741
NH	2,765.25	0.058416%	2,744.25	$ -	-	-	-	-	-	-	2,744
NJ	32,842.65	0.693804%	32,593.22	$ -	-	-	-	-	-	-	32,593
NM	-	0.000000%	0.00	$ -	-	-	-	-	-	-	0
NV	10,620.28	0.224354%	10,539.62	$ -	-	-	-	-	-	-	10,540
NY	203,093.97	4.290378%	201,551.54	$ -	-	-	-	-	-	-	201,552
OH	169,954.55	3.590305%	168,663.80	$ -	-	-	-	-	-	-	168,664
OK	8,503.00	0.179627%	8,438.42	$ (8,438.42)	-	-	-	-	-	-	0
OR	998.27	0.021089%	990.69	$ -	-	-	-	-	-	-	991
PA	175,416.93	3.705698%	174,084.70	$ (174,084.70)	-	-	-	-	-	-	0
PR	1,200.00	0.025350%	1,190.89	$ -	-	-	-	-	-	-	1,191
SC	33,577.76	0.709333%	33,322.75	$ (33,322.75)	-	-	-	-	-	-	0
SD	-	0.000000%	0.00	$ -	-	-	-	-	-	-	0
TN	19,491.04	0.411750%	19,343.01	$ (19,343.01)	-	-	-	-	-	-	0
TX	851,806.57	17.994489%	845,337.38	$ (845,337.38)	-	-	-	-	-	-	0
UT	4,250.83	0.089799%	4,218.55	$ (4,218.55)	-	-	-	-	-	-	0
VA	257,014.44	5.429453%	255,062.50	$ (255,062.50)	-	-	-	-	-	-	0
VI	423,632.70	8.949278%	420,415.35	$ -	-	-	-	-	-	-	420,415
WA	15,154.34	0.320137%	15,039.25	$ -	-	-	-	-	-	-	15,039
WI	29,354.45	0.620115%	29,131.51	$ -	-	-	-	-	-	-	29,132
WV	6,414.54	0.135508%	6,365.82	$ (6,365.82)	-	-	-	-	-	-	0
WY	5,767.08	0.121830%	5,723.28	$ 2,476,745.20	-	-	-	-	-	-	2,482,468
	4,733,708	100.000000%	4,697,757	-	0	0	0	0	0	0	4,697,757
			4,697,757								0

EchoStar Acquisition LLC - 189
SALES FACTOR
Tax Year 2008
Source of Sales - 2008 Financials

	2008		Gross Receipts Line 1, Form 1120	Programming COP Adjustment	Interest, Line 5, Form 1120	Rents, Line 6, Form 1120	Sch D, Line 8, Form 1120	Net G(L), Line 9, Form 1120	Vendor Comp.- Acct #651700	Other Income, Line 10, Form 1120	Total Receipts	Programming Proceeds
AK	19,283	1.4711%	20,751.17	$ (20,751.17)	-	-		-	-	-	-	
AL	17,837	1.3608%	19,194.84	$ -	-	-		-	-	-	19,195	
AR	11,570	0.8827%	12,450.70	$ -	-	-		-	-	-	12,451	
AZ	30,371	2.3170%	32,683.10	$ (32,683.10)	-	-		-	-	-	-	
CA	158,603	12.1000%	170,678.40	$ -	-	-		-	-	-	170,678	
CO	17,355	1.3240%	18,676.06	$ -	-	-		-	-	-	18,676	
CT	7,231	0.5517%	7,781.69	$ -	-	-		-	-	-	7,782	
DC	2,892	0.2207%	3,112.68	$ (3,112.68)	-	-		-	-	-	-	
DE	5,303	0.4046%	5,706.57	$ -	-	-		-	-	-	5,707	
FL	71,347	5.4432%	76,779.34	$ -	-	-		-	-	-	76,779	
GA	33,745	2.5745%	36,314.55	$ -	-	-		-	-	-	36,315	
HI	2,892	0.2207%	3,112.68	$ -	-	-		-	-	-	3,113	
IA	18,801	1.4344%	20,232.39	$ -	-	-		-	-	-	20,232	
ID	10,124	0.7723%	10,894.37	$ -	-	-		-	-	-	10,894	
IL	44,833	3.4204%	48,246.48	$ (48,246.48)	-	-		-	-	-	-	
IN	47,243	3.6043%	50,840.37	$ (50,840.37)	-	-		-	-	-	-	
KS	16,391	1.2505%	17,638.50	$ (17,638.50)	-	-		-	-	-	-	
KY	16,391	1.2505%	17,638.50	$ (17,638.50)	-	-		-	-	-	-	
LA	15,908	1.2137%	17,119.72	$ -	-	-		-	-	-	17,120	
MA	5,303	0.4046%	5,706.57	$ (5,706.57)	-	-		-	-	-	-	
MD	20,247	1.5447%	21,788.73	$ -	-	-		-	-	-	21,789	
ME	3,375	0.2574%	3,631.46	$ (3,631.46)	-	-		-	-	-	-	
MI	48,690	3.7146%	52,396.71	$ (52,396.71)	-	-		-	-	-	-	
MN	21,211	1.6182%	22,826.29	$ -	-	-		-	-	-	22,826	
MO	29,889	2.2803%	32,164.32	$ (32,164.32)	-	-		-	-	-	-	
MS	12,534	0.9562%	13,488.26	$ (13,488.26)	-	-		-	-	-	-	
MT	9,642	0.7356%	10,375.59	$ -	-	-		-	-	-	10,376	
NC	44,351	3.3836%	47,727.70	$ -	-	-		-	-	-	47,728	
ND	1,446	0.1103%	1,556.34	$ -	-	-		-	-	-	1,556	
NE	15,426	1.1769%	16,600.94	$ (16,600.94)	-	-		-	-	-	-	
NH	4,339	0.3310%	4,669.01	$ -	-	-		-	-	-	4,669	
NJ	8,677	0.6620%	9,338.03	$ -	-	-		-	-	-	9,338	
NM	8,195	0.6252%	8,819.25	$ -	-	-		-	-	-	8,819	
NV	14,462	1.1033%	15,563.38	$ -	-	-		-	-	-	15,563	
NY	50,618	3.8617%	54,471.83	$ -	-	-		-	-	-	54,472	
OH	47,725	3.6410%	51,359.15	$ -	-	-		-	-	-	51,359	
OK	14,462	1.1033%	15,563.38	$ 577,401.39	-	-		(1,443,667)	-	-	(850,702)	
OR	26,514	2.0228%	28,532.86	$ -	-	-		-	-	-	28,533	
PA	29,407	2.2435%	31,645.54	$ (31,645.54)	-	-		-	-	-	-	
PR	55,439	4.2295%	59,659.62	$ -	-	-		-	-	-	59,660	
RI	1,446	0.1103%	1,556.34	$ -	-	-		-	-	-	1,556	
SC	20,247	1.5447%	21,788.73	$ (21,788.73)							-	
SD	7,713	0.5885%	8,300.47	$ -	-	-		-	-	-	8,300	
TN	25,550	1.9492%	27,495.30	$ (27,495.30)	-	-		-	-	-	-	
TX	107,021	8.1648%	115,169.01	$ (115,169.01)	-	-		-	-	-	-	
UT	9,159	0.6988%	9,856.81	$ (9,856.81)	-	-		-	-	-	-	
VA	40,976	3.1261%	44,096.24	$ (44,096.24)	-	-		-	-	-	-	
VI	3,857	0.2942%	4,150.23	$ -	-	-		-	-	-	4,150	
VT	5,303	0.4046%	5,706.57	$ (5,706.57)	-	-		-	-	-	-	
WA	26,996	2.0596%	29,051.64	$ -	-	-		-	-	-	29,052	
WI	27,478	2.0964%	29,570.42	$ -	-	-		-	-	-	29,570	
WV	6,267	0.4781%	6,744.13	$ (6,744.13)	-	-		-	-	-	-	
WY	8,677	0.6620%	9,338.03	$ -	-	-		-	-	-	9,338	
	1,310,764	100.0000%	1,410,561	0	0	0	0	-1,443,667	0	0	-33,106	0
			1,410,561								-1,443,667	

2007 SALES APPORTIONMENT

	ORIGINAL		2nd AMENDED	
	WITHIN	EVERYWHERE	WITHIN	EVERYWHERE
GUIDES	101,362	8,463,280	101,362	8,463,280
EQUIPMENT	711,265 [See below]	174,226,881 [See below]	711,265 [See below]	174,226,881 [See below]
LEASES	11,590,868	856,350,782	11,590,868	856,350,782
SERVICES	15,591,584 [See below]	1,114,727,933 [See below]	15,591,584 [See below]	1,114,727,933 [See below]
GAIN/(LOSS)	(1,610,772)	(120,782,033)	(1,610,772)	(120,782,033)
OTHER	4,117,528 [See below]	288,053,885 [See below]	4,117,528 [See below]	288,053,885 [See below]
PROGRAMMING	-	8,367,626,320	-	8,367,626,320
INTEREST	-	102,865,234	-	102,865,234
RENT	-	-	-	-
ROYALTY	-	447,469	-	447,469
ELIMS	(16,926,840) [See below]	-	(16,926,840) [See below]	-
TOTALS	13,574,995	10,791,979,751	13,574,995	10,791,979,751
SALES FACTOR	0.1258%		0.1258%	
EQUIPMENT:	1,269,955	90,395,612	1,269,955	90,395,612
	(558,690)	83,831,269	(558,690)	83,831,269
	711,266	174,226,881	711,266	174,226,881
SERVICES:	15,567,878	1,090,173,883	15,567,878	1,090,173,883
	(89,111)	13,407,576	(89,111)	13,407,576
	1,201	79,971	1,201	79,971
	53,175	7,320,080	53,175	7,320,080
	58,441	3,746,423	58,441	3,746,423
	15,591,584	1,114,727,933	15,591,584	1,114,727,933
OTHER:	478,765	33,488,884	478,765	33,488,884
	(55)	8,211	(55)	8,211
	3,638,818	254,530,107	3,638,818	254,530,107
		(638)		(638)
	4,117,528	27,321	4,117,528	27,321
		288,053,885		288,053,885
ELIMINATIONS:	(16,815,312)		(16,815,312)	
	(53,140)		(53,140)	
	(58,391)		(58,391)	
	(16,926,843)		(16,926,843)	

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EchoStar DBS Corporation
2007 Apportionment Schedule - Sales by State

Sum of Amount Company	CorpTax Acct. Desc.	State 4N	AK	AL	AR	AZ	CA	CO	CT	DC	DE	
111	Commissions		205,761	107,521	618,400	598,242	664,206	3,914,366	728,012	206,829	24,430	52,390
	DD Leases		11,216	403,113	17,953,931	14,900,940	17,972,069	109,511,577	19,389,591	3,364,090	**426,470**	1,273,178
	Guides		18,341	48,122	125,153	121,397	195,458	1,033,412	242,008	40,524	**17,083**	14,795
	INTER-CO RENTAL INCOME - W/I								(17,150,589)			
	INTER-CO SERVICE INCOME - W/I		849,024									
	Merchandise Sales		1,243,380	247,500	1,691,467	1,594,032	1,794,274	10,635,840	1,961,343	520,463	61,975	139,051
	OTHER INCOME		1,563,874	817,206	4,700,112	4,546,897	5,048,257	29,750,886	5,533,211	1,571,988	185,681	398,189
	OTHER INTEREST INCOME								134,870			
	Programming Services		50,328,814	26,299,457	151,259,716	146,328,922	162,463,771	957,447,524	354,370,405	50,589,941	5,975,605	12,814,572
	RENTAL INCOME		0	0	0	0	0	0	0	0	0	0
	ROYALTY INCOME								444,180			
	SERVICE INCOME		6,680,088	3,491,943	20,133,227	19,474,871	21,600,340	127,243,045	23,739,299	6,719,719	793,766	1,702,748
113	Commissions		78	30	(15)	1,094	245	1,302	228	48	0	28
	Merchandise Sales		798,614	308,392	(157,430)	11,167,645	2,502,756	13,291,361	2,332,377	492,962	2,896	289,369
	MISCELLANEOUS INCOME								(638)			
	ROYALTY INCOME								3,289			
	SERVICE INCOME		127,622	49,283	(24,999)	1,784,678	400,076	2,123,852	373,540	78,778	463	46,243
115	INTER-CO SERVICE INCOME - W/I		25,115	135,121	12,085,224	10,811,404	13,315,330		11,962,985	6,422,395	368,199	1,087,637
	OTHER INTEREST INCOME								0			
	SERVICE INCOME		3	17	1,567	1,394	1,717		1,542	828	47	140
137	MISCELLANEOUS INCOME								27,321			
	OTHER INTEREST INCOME								102,730,364			
	RENTAL INCOME											30,758
177	SERVICE INCOME		396,546	2,940	67,236	0	139,973	687,947	396	94,112		10,218
189	SERVICE INCOME		173,714	51,822	54,012	41,604	82,478	468,589	60,581	14,598	6,569	

PLUS: Gross Proceeds or Gain/Loss

Sum of Amount Company	Account Desc.	State 4N	AK	AL	AR	AZ	CA	CO	CT	DC	DE	
111	Gross Receipts from Sales of Assets		4,940	177,542	7,907,412	6,562,790	7,915,401	48,231,954	8,539,717	1,481,639	187,829	560,743
	Other Gains & Losses		(995,292)	(56,020)	(2,525,867)	(2,070,770)	(2,545,684)	(15,218,722)	(2,821,885)	(467,505)	(59,266)	(176,932)
113	Gross Receipts from Sales of Assets								3,775			
	Other Gains & Losses								(328,453)			
115	Gross Receipts from Sales of Assets								(4,177)			
	Other Gains & Losses											
189	Gross Receipts from Sales of Assets											
	Other Gains & Losses											
Grand Total			(990,352)	121,522	5,381,545	4,492,020	5,369,479	33,013,232	5,388,978	1,014,135	128,563	383,811

LESS: COP

Sum of Amount Company	Acct Desc	State 4N	AK	AL	AR	AZ	CA	CO	CT	DC	DE	
111	Programming Services			(30,075,840)			(185,792,212)				(6,833,652)	
177	Programming Services		0	(2,940)	0	0	(139,973)	0	0	0		0
189	Programming Services			(51,822)	0	0	(82,478)	0	0	0	(6,569)	0
Grand Total			0	(30,130,602)	0	0	(186,014,662)	0	0	0	(6,840,221)	0

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EchoStar DBS Corporation
2007 Apportionment Schedule - Sales by State

Sum of Amount Company	CorpTax Acct. Desc.	FL	GA	HI	IA	ID	IL	IN	KS	KY	LA	
111	Commissions		1,514,402	1,273,493	55,269	455,538	330,697	1,571,809	967,585	374,424	681,043	318,175
	DD Leases		36,747,237	31,061,012	1,044,729	12,565,760	10,657,967	40,530,387	26,364,092	8,965,802	15,846,181	8,821,473
	Guides		556,208	337,501	22,812	98,183	78,393	400,558	222,654	79,581	114,148	85,747
	INTER-CO RENTAL INCOME - W/I											
	INTER-CO SERVICE INCOME - W/I											
	Merchandise Sales		4,018,487	3,381,963	141,577	1,234,692	922,646	4,211,783	2,616,955	991,489	1,795,511	863,150
	OTHER INCOME		11,510,117	9,679,099	420,067	3,462,288	2,513,439	11,946,435	7,354,066	2,845,788	5,176,223	2,418,267
	OTHER INTEREST INCOME											
	Programming Services		370,420,341	311,494,236	13,518,645	111,423,868	80,887,867	384,461,976	236,669,674	91,583,566	166,582,000	77,825,030
	RENTAL INCOME		0	0	0	0	0	0	0	0	0	0
	ROYALTY INCOME											
	SERVICE INCOME		49,220,383	41,416,954	1,795,860	14,807,764	10,751,939	51,128,655	31,549,101	12,169,052	22,155,448	10,366,177
113	Commissions		1,876	539	4	54	72	428	842	248	22	(18)
	Merchandise Sales		19,147,407	5,508,432	38,500	551,135	738,919	4,367,407	8,591,710	2,532,901	227,042	(181,405)
	MISCELLANEOUS INCOME											
	ROYALTY INCOME											
	SERVICE INCOME		3,060,252	880,849	6,152	88,052	118,083	698,812	1,373,038	404,770	36,684	(27,640)
115	INTER-CO SERVICE INCOME - W/I		32,964,220	24,791,227	218,761	6,228,043	4,751,878	31,760,646	18,682,128	6,986,914	12,001,448	7,800,847
	OTHER INTEREST INCOME											
	SERVICE INCOME		4,775	3,233	28	803	613	4,095	2,409	901	1,558	1,006
137	MISCELLANEOUS INCOME											
	OTHER INTEREST INCOME											
	RENTAL INCOME											
177	SERVICE INCOME		379,192	59,760	36,656	92,939	5,905	161,254	535,134	4,381	70,161	14,473
189	SERVICE INCOME		211,743	101,455	8,759	48,173	27,736	120,432	144,573	50,362	48,184	50,362

PLUS: Gross Proceeds or Gain/Loss

Sum of Amount Company	Account Desc.	FL	GA	HI	IA	ID	IL	IN	KS	KY	LA	
111	Gross Receipts from Sales of Assets		16,184,508	13,680,161	460,128	5,534,311	4,694,066	17,850,713	11,611,482	3,948,789	6,979,100	3,885,223
	Other Gains & Losses		(5,106,729)	(4,316,495)	(145,185)	(1,746,252)	(1,481,128)	(5,632,933)	(3,663,908)	(1,245,969)	(2,202,129)	(1,225,912)
113	Gross Receipts from Sales of Assets											
	Other Gains & Losses							(114,633)				
115	Gross Receipts from Sales of Assets								350			
	Other Gains & Losses							(14,811)	(10)			
189	Gross Receipts from Sales of Assets											
	Other Gains & Losses											
Grand Total			11,077,779	9,349,343	314,943	3,788,059	3,212,938	12,088,336	7,947,913	2,702,820	4,776,971	2,659,311

LESS: COP

Sum of Amount Company	Acct Desc	FL	GA	HI	IA	ID	IL	IN	KS	KY	LA	
111	Programming Services							(439,667,506)	(270,653,463)	(104,734,201)	(190,501,784)	
177	Programming Services		0	0	0	0	0	(161,254)	(534,873)	(4,381)	(70,156)	0
189	Programming Services		0	0	0	0	0	(120,432)	(144,518)	(50,362)	(48,173)	0
Grand Total			0	0	0	0	0	(439,949,192)	(271,332,854)	(104,788,945)	(190,620,113)	0

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EchoStar DBS Corporation
2007 Apportionment Schedule - Sales by State

Company	CorpTax Acct. Desc.	MA	MD	ME	MI	MN	MO	MS	MT	NC	ND	
111	Commissions	215,437	303,014	137,780	1,158,645	587,292	1,101,590	355,846	216,651	1,013,835	77,109	
	DD Leases	5,163,384	8,314,004	4,383,940	29,366,894	14,894,906	26,557,717	10,111,491	5,650,104	22,701,915	2,144,896	
	Guides	71,790	90,428	28,926	289,065	125,310	258,148	69,816	64,087	202,794	16,314	
	INTER-CO RENTAL INCOME - W/I											
	INTER-CO SERVICE INCOME - W/I											
	Merchandise Sales	570,564	820,528	383,438	3,095,942	1,569,429	2,920,126	969,555	581,623	2,657,676	209,304	
	OTHER INCOME	1,637,415	2,303,038	1,047,188	8,806,206	4,463,678	8,372,565	2,704,587	1,646,644	7,705,584	586,064	
	OTHER INTEREST INCOME											
	Programming Services	52,695,548	74,116,702	33,700,775	283,402,661	143,650,758	269,447,142	87,039,415	52,992,554	247,982,271	18,860,810	
	RENTAL INCOME	0	0	0	0	0	0	0	0	0	0	
	ROYALTY INCOME											
	SERVICE INCOME	7,001,862	9,860,264	4,479,557	37,672,171	19,088,649	35,885,544	11,568,487	7,042,005	32,947,999	2,508,428	
113	Commissions	9	275	40	(791)	59	(4)	34	300	95	33	
	Merchandise Sales	89,028	2,807,513	409,421	(8,073,466)	607,641	(43,685)	346,228	3,060,228	965,683	335,655	
	MISCELLANEOUS INCOME											
	ROYALTY INCOME											
	SERVICE INCOME	14,227	449,055	65,428	(1,290,234)	96,975	(5,807)	55,527	489,039	154,299	53,643	
115	INTER-CO SERVICE INCOME - W/I	4,477,559	6,561,427	3,249,287	21,828,838	9,269,194	22,074,552	7,939,397	2,847,818	22,525,828	1,045,562	
	OTHER INTEREST INCOME											
	SERVICE INCOME	577	846	419	2,829	1,195	2,846	1,898	367	2,904	135	
137	MISCELLANEOUS INCOME											
	OTHER INTEREST INCOME											
	RENTAL INCOME											
177	SERVICE INCOME	3,701	26,132	0	660,307	65,278	72,492	63,556	49,126	12,870	199,241	
189	SERVICE INCOME	15,328	53,282	8,759	140,869	56,202	93,427	41,641	34,305	115,323	3,649	

PLUS: Gross Proceeds or Gain/Loss

Company	Account Desc.	MA	MD	ME	MI	MN	MO	MS	MT	NC	ND	
111	Gross Receipts from Sales of Assets	2,274,099	3,661,719	1,930,810	12,933,999	6,560,132	11,696,760	4,453,383	2,488,463	9,998,557	944,672	
	Other Gains & Losses	(717,551)	(1,155,389)	(609,232)	(4,081,090)	(2,069,931)	(3,690,701)	(1,405,184)	(785,190)	(3,154,864)	(298,074)	
113	Gross Receipts from Sales of Assets											
	Other Gains & Losses											
115	Gross Receipts from Sales of Assets											
	Other Gains & Losses						(493)			(4,734)	(168)	
189	Gross Receipts from Sales of Assets											
	Other Gains & Losses											
Grand Total		**1,556,548**	**2,506,330**	**1,321,578**	**8,852,909**	**4,490,201**	**8,005,565**	**3,048,198**	**1,703,274**	**6,838,959**	**646,430**	

LESS: COP

Company	Acct Desc	MA	MD	ME	MI	MN	MO	MS	MT	NC	ND	
111	Programming Services	(60,262,188)			(38,539,925)	(324,096,917)		(308,137,502)	(99,537,548)		0	
177	Programming Services	(3,701)	0	0	(660,307)	0	(72,492)	(63,556)	0	0	0	0
189	Programming Services	(15,328)	0	(8,759)	(140,869)	0	(93,426)	(41,604)	0	0	0	0
Grand Total		**(60,281,217)**	**0**	**(38,548,684)**	**(324,898,092)**	**0**	**(308,303,420)**	**(99,642,708)**	**0**	**0**	**0**	

EchoStar DBS Corporation
2007 Apportionment Schedule - Sales by State

Sum of Amount Company	CorpTax Acct. Desc.	NE	NH	NJ	NM	NV	NY	OH	OK	OR	PA	
111	Commissions	257,854	71,498	456,347	366,337	311,057	1,028,939	985,383	669,152	553,580	1,020,830	
	DD Leases	5,652,032	1,714,660	10,435,737	9,730,615	7,595,570	21,649,447	23,871,971	16,210,582	14,956,404	27,688,551	
	Guides	64,576	21,502	116,349	83,860	70,253	258,270	243,213	145,432	170,462	217,641	
	INTER-CO RENTAL INCOME - W/I											
	INTER-CO SERVICE INCOME - W/I											
	Merchandise Sales	673,853	189,374	1,199,995	986,502	826,212	2,673,436	2,614,067	1,775,150	1,495,048	2,758,797	
	OTHER INCOME	1,959,806	543,418	3,468,437	2,784,322	2,364,171	7,820,387	7,489,342	5,085,850	4,207,450	7,758,750	
	OTHER INTEREST INCOME											
	Programming Services	63,070,770	17,488,371	111,621,779	89,605,482	76,084,113	251,676,868	241,023,143	163,673,588	135,404,792	249,693,252	
	RENTAL INCOME	0	0	0	0	0	0	0	0	0	0	
	ROYALTY INCOME											
	SERVICE INCOME	8,380,987	2,323,749	14,830,875	11,907,638	10,117,028	33,437,816	32,229,211	21,805,942	17,994,265	33,465,813	
113	Commissions	86	39	70	(13)	(22)	94	(10)	140	(19)	(178)	
	Merchandise Sales	875,466	400,565	715,709	(135,472)	(220,768)	963,010	(104,477)	1,427,763	(191,196)	(1,813,029)	
	MISCELLANEOUS INCOME											
	ROYALTY INCOME											
	SERVICE INCOME	139,904	64,012	114,331	(21,649)	(35,344)	154,329	(16,542)	231,090	(30,554)	(289,679)	
115	INTER-CO SERVICE INCOME - W/I	3,957,543	1,316,174	9,422,896	6,080,794	6,980,928	19,777,277	23,562,500	13,080,852	9,915,140	19,079,520	
	OTHER INTEREST INCOME											
	SERVICE INCOME	510	170	1,215	784	900	3,550	3,038	1,687	1,278	2,460	
137	MISCELLANEOUS INCOME											
	OTHER INTEREST INCOME											
	RENTAL INCOME											
177	SERVICE INCOME		2,882	34,099	24,036	39,602	536,014	237,871	14,143	17,947	425,827	
189	SERVICE INCOME	35,073	10,218	26,276	23,356	40,144	129,191	136,544	44,523	66,420	89,818	

PLUS: Gross Proceeds or Gain/Loss

Sum of Amount Company	Account Desc.	NE	NH	NJ	NM	NV	NY	OH	OK	OR	PA	
111	Gross Receipts from Sales of Assets	2,489,313	755,184	4,596,190	4,285,634	3,345,301	9,535,021	10,513,882	7,139,593	6,587,217	12,194,811	
	Other Gains & Losses	(785,458)	(238,285)	(1,472,805)	(1,352,255)	(1,055,549)	(3,008,604)	(3,252,879)	(2,252,770)	(2,078,478)	(3,847,883)	
113	Gross Receipts from Sales of Assets											
	Other Gains & Losses											
115	Gross Receipts from Sales of Assets				25							
	Other Gains & Losses				25							
189	Gross Receipts from Sales of Assets								10,775			
	Other Gains & Losses								4,277			
Grand Total		1,703,855	516,899	3,122,835	2,933,380	2,289,752	6,526,417	7,261,004	4,901,875	4,508,740	8,346,927	

LESS: COP

Sum of Amount Company	Acct Desc	NE	NH	NJ	NM	NV	NY	OH	OK	OR	PA	
111	Programming Services	(72,127,206)								(187,175,749)		(285,547,118)
				0	0	0	0	0	0	(14,143)	0	(425,763)
177	Programming Services			0	0	0	0	0	0	1,536,418	0	(89,776)
189	Programming Services	(35,035)		0	0	0	0	0	0	(185,653,474)	0	(286,062,657)
Grand Total		(72,162,240)		0	0	0	0	0	0			

EchoStar DBS Corporation
2007 Apportionment Schedule - Sales by State

Sum of Amount Company	CorpTax Acct. Desc.	RI	SC	SD	TN	TX	UT	VA	VT	WA	WI	
111	Commissions	35,726	478,765	114,578	663,846	3,523,573	406,746	838,529	141,666	725,224	632,505	
	DD Leases	895,894	11,590,868	3,134,583	16,926,265	96,276,465	14,267,197	19,704,361	3,573,709	18,341,378	16,065,483	
	Guides	9,520	101,362	27,913	146,672	942,216	91,930	205,432	33,712	213,100	151,371	
	INTER-CO RENTAL INCOME - W/I											
	INTER-CO SERVICE INCOME - W/I											
	Merchandise Sales	95,296	1,269,955	310,107	1,775,543	9,534,550	1,154,676	2,214,034	378,245	1,937,139	1,690,661	
	OTHER INCOME	271,533	3,638,821	870,842	5,045,517	26,780,689	3,091,445	6,373,190	1,076,720	5,512,022	4,807,316	
	OTHER INTEREST INCOME											
	Programming Services	8,738,523	117,105,082	28,025,562	162,375,594	861,860,170	99,489,346	205,102,951	34,651,163	177,388,716	154,709,765	
	RENTAL INCOME	0	0	0	0	0	0	0	0	0	0	
	ROYALTY INCOME											
	SERVICE INCOME	1,161,180	15,567,878	3,724,441	21,576,982	115,063,698	13,250,390	27,280,961	4,604,499	23,571,751	20,632,199	
113	Commissions	5	(55)	(16)	(74)	(30)	32	334	72	175	413	
	Merchandise Sales	49,328	(558,690)	(160,695)	(758,216)	(304,584)	330,604	3,410,796	738,990	1,786,749	4,218,555	
	MISCELLANEOUS INCOME											
	ROYALTY INCOME											
	SERVICE INCOME	7,883	(89,111)	(25,680)	(121,167)	(48,434)	53,133	545,531	118,051	285,531	674,321	
115	INTER-CO SERVICE INCOME - W/I	1,063,449	9,281,056	1,306,072	12,608,418	82,917,761	6,640,182	15,215,934	1,815,045	12,713,578	13,263,994	
	OTHER INTEREST INCOME											
	SERVICE INCOME	137	1,201	168	1,626	10,727	3,342	1,963	234	1,639	1,710	
137	MISCELLANEOUS INCOME											
	OTHER INTEREST INCOME											
	RENTAL INCOME											
177	SERVICE INCOME		53,175	1,775	37,634	1,283,881	3,817	595,464		20,462	48,569	
189	SERVICE INCOME	4,379	58,441	14,598	83,937	297,149	23,361	101,455	16,058	66,420	90,681	

PLUS: Gross Proceeds or Gain/Loss

Sum of Amount Company	Account Desc.	RI	SC	SD	TN	TX	UT	VA	VT	WA	WI	
111	Gross Receipts from Sales of Assets	394,577	5,104,942	1,380,558	7,454,800	42,407,841	6,283,672	8,678,350	1,573,961	8,078,054	7,075,687	
	Other Gains & Losses	(124,502)	(1,610,772)	(435,610)	(2,352,227)	(13,440,262)	(1,982,699)	(2,738,556)	(497,298)	(2,548,884)	(2,232,605)	
113	Gross Receipts from Sales of Assets											
	Other Gains & Losses						(482)					
115	Gross Receipts from Sales of Assets											
	Other Gains & Losses											
189	Gross Receipts from Sales of Assets											
	Other Gains & Losses											
Grand Total		**270,075**	**3,494,169**	**944,948**	**5,102,572**	**28,967,579**	**4,300,490**	**5,939,795**	**1,076,663**	**5,529,170**	**4,843,082**	

LESS: COP

Sum of Amount Company	Acct Desc	RI	SC	SD	TN	TX	UT	VA	VT	WA	WI	
111	Programming Services		(133,920,394)			(185,691,374)	(985,616,094)	(113,775,185)	(234,554,022)	(39,626,781)		
177	Programming Services		(53,140)	0	(37,634)	(1,283,817)	(3,816)	(595,464)		0	0	
189	Programming Services	0	(58,391)	0	(83,937)	(297,065)	(23,356)	(101,455)	(16,058)	0	0	
Grand Total		**0**	**(134,031,925)**	**0**	**(185,812,945)**	**(987,196,977)**	**(113,802,358)**	**(235,250,941)**	**(39,642,838)**	**0**	**0**	
			(133,920,394)									
			117,105,082									
	Service Elimination:		(16,815,312)									

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EchoStar DBS Corporation
2007 Apportionment Schedule - Sales by State

Sum of Amount Company	CorpTax Acct. Desc.	WV	WY	Grand Total
111	Commissions	251,985	124,970	33,488,884
	DD Leases	6,026,557	2,942,386	856,350,782
	Guides	43,371	36,367	8,463,280
	INTER-CO RENTAL INCOME - W/I			(17,150,589)
	INTER-CO SERVICE INCOME - W/I			849,024
	Merchandise Sales	667,140	330,067	90,395,612
	OTHER INCOME	1,915,199	949,827	254,530,112
	OTHER INTEREST INCOME			134,870
	Programming Services	61,635,222	30,567,480	8,367,626,320
	RENTAL INCOME	0	0	0
	ROYALTY INCOME			444,180
	SERVICE INCOME	8,189,692	4,061,541	1,090,173,883
113	Commissions	18	(8)	8,211
	Merchandise Sales	185,756	(80,130)	83,831,269
	MISCELLANEOUS INCOME			(638)
	ROYALTY INCOME			3,289
	SERVICE INCOME	29,685	(12,805)	13,407,576
115	INTER-CO SERVICE INCOME - W/I	5,271,461	1,998,079	581,487,638
	OTHER INTEREST INCOME			0
	SERVICE INCOME	680	258	79,971
137	MISCELLANEOUS INCOME			27,321
	OTHER INTEREST INCOME			102,730,364
	RENTAL INCOME		0	0
177	SERVICE INCOME	4,467	5,949	7,320,080
189	SERVICE INCOME	27,006	22,627	3,746,423

PLUS: Gross Proceeds or Gain/Loss

Sum of Amount Company	Account Desc.	WV	WY	Grand Total
111	Gross Receipts from Sales of Assets	2,654,264	1,304,909	377,174,801
	Other Gains & Losses	(837,505)	(500,699)	(120,318,374)
113	Gross Receipts from Sales of Assets			3,775
	Other Gains & Losses			(443,568)
115	Gross Receipts from Sales of Assets			375
	Other Gains & Losses			(24,368)
189	Gross Receipts from Sales of Assets			10,775
	Other Gains & Losses			4,277
Grand Total		1,816,759	804,210	256,392,533

LESS: COP

Sum of Amount Company	Acct Desc	WV	WY	Grand Total
111	Programming Services	(70,485,525)	4,367,352,187	0
177	Programming Services	(4,467)	4,131,876	0
189	Programming Services	(27,006)	0	(0)
Grand Total		(70,516,998)	4,371,484,062	(0)

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SALES FACTOR using Subscribers by State Summary — Tax Year 2007

Echostar Satellite Corporation - TOTAL

2007 RETURN

	2007 Sales	Percent of sales per state 2007	(a)	(b)	(d)	(e)	Adjustment for COP	(C) Interest, Line 5, Form 1120	(h) Rents, Line 6, Form 1120	(i) Royalties, Line 7, Form 1120	Net Gain (Loss) - DHA Line 9, Form 1120	(j) Net Gain (Loss), Line 9, Form 1120	(k) Vendor Comp. - Acct #651700	(l) Other Income, Line 10, Form 1120	(m) Total Other Income	Logic	Total Sales & Other Income	Total %	Leased Equipment Gross Proceeds	Gross Proceeds
	Sales by State		Programming	Cables	DHA Equipment & Tech Sales - TPP	Digital Dynamite Leases	States													
AK	34,544,094	0.32100647%	$ 30,075,840	$ 48,122	$ 7,507	$ 403,113	$ (30,075,839.97)			0	(56,020)		636	879,625	824,261	COP	1,283,883	0.01219%	177,542	-
AL	198,678,237	1.84658399%	$ 172,979,348	$ 125,155	$ 334,349	$ 17,953,931				0	(2,495,641)	(30,826)	30,116	5,059,109	2,563,358	Subscribers	193,956,139	1.83589%	7,907,412	-
AR	102,201,685	1.78633806%	$ 167,340,333	$ 121,397	$ 277,494	$ 14,900,940				0	(2,070,770)		30,745	4,894,191	2,954,167	Subscribers	185,494,532	1.75557%	6,562,790	-
AZ	213,394,660	1.98336344%	$ 185,792,212	$ 195,458	$ 334,687	$ 17,972,069	$ (185,792,211.84)			0	(2,497,562)	(48,122)	10,103	5,433,846	2,896,265	COP	21,498,410	0.20026%	7,913,401	-
CA	1,257,598,463	11.68855528%	$ 1,094,928,994	$ 1,033,412	$ 2,035,391	$ 109,511,577				0	(15,218,722)		-	32,023,276	16,804,554	Subscribers	1,234,217,938	11.58816%	49,231,954	-
CO	253,804,122	2.35789274%	$ 242,008	$ 242,008	$ 361,085	$ 19,389,591		134,870		444,180	(2,034,554)	(127,331)	73,483	5,955,841	3,788,491	Subscribers	384,578,447	3.63900%	8,330,717	-
CT	66,449,419	0.61756838%	$ 57,854,234	$ 40,524	$ 62,648	$ 3,364,000				0	(467,505)		-	1,691,057	1,224,552	Subscribers	62,546,849	0.59208%	1,441,639	-
DC	7,849,902	0.07295904%	$ 6,833,652	$ 17,083	$ 7,942	$ 426,470	$ (6,433,652.04)			0	(59,266)		-	159,863	140,597	COP	592,092	0.00560%	187,829	-
DE	16,831,822	0.15644079%	$ 14,654,638	$ 14,795	$ 23,710	$ 1,273,178				0	(176,933)		-	428,603	251,670	Subscribers	16,317,991	0.15331%	560,743	-
FL	486,543,690	4.52210444%	$ 423,609,609	$ 556,208	$ 684,329	$ 36,747,237				0	(5,106,729)		525	12,389,267	7,283,062	Subscribers	468,888,645	4.43891%	16,184,508	-
GA	409,144,797	3.80273258%	$ 356,222,208	$ 337,501	$ 578,437	$ 31,061,012				0	(4,316,520)	25	16,707	10,518,194	6,128,606	Subscribers	394,227,764	3.73218%	13,680,136	25
HI	17,756,615	0.16503616%	$ 15,459,810	$ 22,812	$ 19,456	$ 1,044,729				0	(145,185)		-	452,151	306,967	Subscribers	16,853,772	0.15954%	460,128	-
IA	146,354,239	1.36026659%	$ 127,423,405	$ 98,183	$ 234,007	$ 12,565,760				0	(1,746,232)		-	3,705,417	1,224,290	Subscribers	144,661,848	1.36956%	4,694,066	-
ID	106,745,491	0.78748221%	$ 92,502,712	$ 78,303	$ 198,479	$ 10,657,967				0	(1,481,128)		-	3,726,719	1,980,487	Subscribers	106,661,548	1.00996%	4,694,066	-
IL	504,987,248	4.69352552%	$ 439,667,506	$ 400,558	$ 754,781	$ 40,530,367	$ (439,667,506.10)			0	(5,632,470)		-	12,856,910	7,265,438	COP	48,951,165	0.46334%	17,950,713	-
IN	310,863,427	2.88927161%	$ 270,653,463	$ 222,634	$ 490,968	$ 26,364,092	$ (270,653,463.40)			0	(3,663,793)	(463)	39,461	7,265,438	4,549,042	COP	49,165,757	0.46551%	11,411,482	-
KS	120,394,166	1.11880354%	$ 104,734,201	$ 79,581	$ 166,967	$ 8,965,802	$ (104,734,201.45)			0	(1,418,967)	(115)	97,176	7,915,774	4,549,042	COP	19,446,641	0.18406%	6,979,100	-
KY	218,803,915	2.03363899%	$ 190,501,784	$ 114,148	$ 295,907	$ 15,846,181	$ (190,501,783.84)			0	(1,245,969)		21,757	5,571,586	3,391,215	COP	99,472,107	0.94153%	3,985,223	-
LA	102,222,457	0.95009027%	$ 89,060,055	$ 85,747	$ 164,279	$ 8,821,473				0	(1,223,912)		23,490	2,601,975	1,400,554	Subscribers	6,376,261	0.06034%	2,274,099	-
MA	69,215,114	0.64330291%	$ 60,282,198	$ 71,790	$ 96,156	$ 5,163,384	$ (60,282,188.30)			0	(717,551)		-	1,762,482	1,044,931	COP	94,453,587	0.89399%	3,661,719	-
MD	97,351,602	0.90481993%	$ 84,759,241	$ 90,428	$ 154,828	$ 8,314,004				0	(1,155,389)		10,531	2,478,945	1,334,016	Subscribers	5,812,448	0.05501%	1,930,810	-
ME	44,265,656	0.41141402%	$ 38,539,925	$ 28,926	$ 81,648	$ 4,383,940	$ (38,539,925.11)			0	(609,232)		-	1,127,173	517,941	COP	37,613,576	0.35601%	1,936,810	-
MI	372,246,772	3.45974556%	$ 324,096,917	$ 289,065	$ 546,888	$ 29,366,494	$ (324,096,916.55)			0	(4,081,090)		12,991	9,478,829	5,410,730	COP	182,310,890	1.72560%	6,560,132	-
MN	148,483,941	1.37969155%	$ 129,277,807	$ 125,310	$ 277,382	$ 14,894,906				0	(2,069,931)		-	4,804,616	2,734,685	Subscribers	149,844,769	1.41826%	5,534,311	-
MO	353,916,128	3.28942014%	$ 308,137,502	$ 258,148	$ 498,574	$ 26,557,717	$ (308,137,501.83)			0	(3,690,701)		82,826	9,012,066	5,484,190	COP	111,876,464	1.05896%	4,453,383	-
MS	114,325,866	1.06258813%	$ 99,537,348	$ 69,816	$ 188,302	$ 10,111,491	$ (99,537,348.04)			0	(1,405,184)		875	1,772,416	987,226	Subscribers	67,488,479	0.63880%	2,448,463	-
MT	69,605,230	0.64693850%	$ 60,601,843	$ 64,067	$ 105,230	$ 5,650,104				0	(783,190)		-	8,294,141	5,139,277	Subscribers	112,857,209	1.06837%	9,998,557	-
NC	325,722,418	3.02737621%	$ 283,590,455	$ 202,794	$ 422,769	$ 22,701,915	$ -			0	(3,154,864)		-	3,139,277	1,834,016	Subscribers	24,184,851	0.22892%	944,672	-
ND	24,773,499	0.23025314%	$ 21,569,065	$ 16,314	$ 39,944	$ 2,144,896				0	(298,074)		1,879	630,828	334,633	Subscribers	2,169,313	0.06777%	2,169,313	-
NE	82,832,872	0.76997052%	$ 72,127,206	$ 64,576	$ 105,266	$ 5,652,032	$ (72,127,205.74)			0	(785,458)		1,312	2,109,457	1,325,352	COP	7,147,214	0.20935%	755,184	-
NH	22,970,814	0.21349696%	$ 19,999,555	$ 21,602	$ 31,931	$ 1,714,660				0	(238,285)		-	346,640	346,640	Subscribers	22,114,289	0.20939%	755,184	-
NJ	146,614,174	1.36268826%	$ 127,649,735	$ 116,349	$ 194,341	$ 10,435,737				0	(1,450,245)	(22,560)	-	584,925	346,640	Subscribers	149,456,715	1.33113%	4,596,190	-
NM	117,693,972	1.09390699%	$ 102,472,082	$ 83,860	$ 161,209	$ 9,730,615				0	(1,352,255)		-	3,733,359	2,760,554	Subscribers	114,132,503	1.08019%	4,596,190	-
NV	99,935,779	0.92883775%	$ 87,009,157	$ 70,253	$ 141,449	$ 7,595,570				0	(1,055,549)		7,228	2,541,748	1,496,427	N/A	96,312,856	0.91116%	3,345,381	-
NY	330,575,237	3.07248900%	$ 287,815,565	$ 258,270	$ 403,169	$ 21,649,447				0	(3,008,604)		1,000	8,417,712	5,410,109	Subscribers	315,534,568	2.98656%	9,535,021	-
OH	316,581,668	2.94241899%	$ 275,632,054	$ 245,211	$ 444,938	$ 23,871,971				0	(3,317,466)	64,587	203,152	8,061,382	5,011,656	Subscribers	305,203,453	2.88883%	9,535,021	-
OK	214,983,744	1.99813259%	$ 187,175,749	$ 143,432	$ 301,883	$ 16,210,582	$ (187,175,749.17)			0	(2,252,770)		57,741	5,474,310	3,279,241	COP	19,537,179	0.18497%	7,139,593	-
OR	177,852,943	1.65302614%	$ 154,847,790	$ 178,462	$ 278,527	$ 14,956,404				0	(2,078,478)		-	4,528,817	2,450,310	Subscribers	171,703,533	1.63047%	6,587,217	-
PA	327,969,775	3.04826239%	$ 285,547,118	$ 217,641	$ 515,633	$ 27,688,551	$ (285,547,117.78)			0	(3,847,852)	(31)	283,323	8,351,367	4,786,807	COP	33,208,433	0.31434%	12,194,811	-
RI	11,477,969	0.10668025%	$ 9,993,302	$ 9,520	$ 16,684	$ 895,894				0	(124,502)		-	167,772	167,772	Subscribers	11,883,171	0.11049%	394,577	-
SC	153,816,447	1.42950129%	$ 133,970,394	$ 101,341	$ 215,952	$ 11,590,868	$ (133,970,394.04)			0	(1,610,772)		7,199	3,816,756	2,313,182	COP	14,231,668	0.13481%	4,104,944	-
SD	36,811,316	0.34213706%	$ 32,049,799	$ 27,913	$ 58,374	$ 3,134,583				0	(435,610)		-	937,357	501,747	Subscribers	35,772,416	0.33886%	1,310,539	-
TN	213,278,840	1.98228499%	$ 185,691,374	$ 148,971	$ 313,211	$ 16,826,265	$ (185,691,373.81)			0	(2,252,227)		-	5,430,897	3,078,669	COP	30,466,318	0.28863%	7,454,800	-
TX	1,132,045,357	10.52161398%	$ 985,616,894	$ 942,316	$ 1,702,919	$ 91,930,265	$ (985,616,894.27)			0	(13,379,451)	(60,811)	527,454	28,826,313	15,913,405	COP	15,993,944	0.15144%	6,283,672	-
UT	130,678,353	1.21456094%	$ 113,775,185	$ 91,030	$ 265,692	$ 14,267,197	$ (113,775,185.45)			0	(1,542,699)		24,153	3,327,571	1,369,025	COP	14,426,879	0.13662%	8,678,350	-
VA	269,480,828	2.50390409%	$ 234,554,022	$ 205,432	$ 366,947	$ 19,701,361	$ (234,554,021.89)			0	(2,738,297)	(259)	28,718	6,859,977	4,150,140	COP	24,426,879	0.23129%	8,678,350	-
VT	45,513,982	0.42300226%	$ 39,626,781	$ 33,712	$ 66,552	$ 3,573,709	$ (39,626,780.55)			0	(496,635)	(663)	-	1,158,960	661,662	COP	4,435,635	0.04100%	1,573,961	-
WA	269,480,828	2.50390409%	$ 234,554,022	$ 205,432	$ 366,947	$ 19,701,361				0	(2,548,884)		-	5,953,033	3,384,149	N/A	225,148,845	2.13100%	8,078,054	-
WI	203,209,845	1.88870223%	$ 176,924,796	$ 151,371	$ 299,181	$ 16,965,483				0	(2,232,603)		73,969	5,174,501	3,015,865	COP	196,456,696	1.85955%	7,075,687	-
WV	80,957,294	0.75244459%	$ 70,485,525	$ 43,371	$ 112,230	$ 6,026,557	$ (70,485,525.33)			0	(837,505)		-	2,061,483	1,223,978	COP	7,484,136	0.07081%	2,654,264	-
WY	40,150,102	0.37316189%	$ 34,956,715	$ 34,367	$ 54,795	$ 2,942,386	$ (34,956,715.00)			0	(408,901)	(91,709)	-	1,022,375	521,677	ALL COP STATES	4,485,864,126	41.70259%	1,295,909	9,400
4N	66,106,432	0.61441159%	$ 57,587,409	$ 48,241	$ 89,999	$ 4,836,375	$ (57,587,409.00)			0	(1,559)	(595,733)	-	1,683,323	668,031	Subscribers	59,895,286	0.56709%	4,940	-
	10,759,251,609	100.00000000%	$ 9,528,313,616	$ 8,463,280	$ 15,947,482	$ 856,350,792	$ -	134,870	0	444,180	(129,218,722)	(1,313,100)	1,680,871	273,971,267	155,912,815		10,561,987,995	100.0000%	377,160,776	14,025
			Acct # Range	Acct # 486800	Acct # Range	Acct # 413000		Acct #810000 & #810300	Acct# 493100	Acct# 462000	Total Gain/Loss						W/O C(L)			Total Gross Proceeds
						$ 8,647,552,082					(129,218,721)						10,561,987,995			377,174,801

CS + OTHER INC	10,683,846,437
TOTAL	10,561,987,995
TOTAL W/O C(L)	10,685,306,358
W/O INT. + CP	10,566,179,240
CS. RENTS, OTHER INC	10,683,846,437
TOTAL W/O C(L)-CP	10,566,314,110
TOTAL W/O C(L)W/O INT	10,566,165,215
Total W/ CR	10,565,802,810
COGS LINE 2	0
TOTAL INCOME LINE 11	155,912,815

Source:

* COP refers to UDIPTA rules using cost of performance.

Total WY service sales $ 4,402,308,301.68 $ 4,367,352,186.75

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DSH1234

Other Income - EchoStar Satellite
Echostar Satellite Corporation - TOTAL
2007 RETURN

	2007 Sales Sales by State	Percent of sales per state 2007	
AK	34,544,094	0.3210647%	879,625
AL	198,678,237	1.8465839%	5,059,109
AR	192,201,685	1.7863886%	4,894,191
AZ	213,394,660	1.9833634%	5,433,846
CA	1,257,598,463	11.6885528%	32,023,276
CO	233,894,122	2.1738924%	5,955,841
CT	66,449,419	0.6176038%	1,692,057
DC	7,848,902	0.0729504%	199,863
DE	16,831,822	0.1564407%	428,603
FL	486,543,690	4.5221044%	12,389,267
GA	409,144,797	3.8027325%	10,418,394
HI	17,756,615	0.1650361%	452,151
IA	146,354,219	1.3602665%	3,726,739
ID	106,245,491	0.9874821%	2,705,417
IL	504,987,248	4.6935252%	12,858,910
IN	310,863,427	2.8892716%	7,915,774
KS	120,294,166	1.1180554%	3,063,150
KY	218,803,915	2.0336389%	5,571,586
LA	102,222,457	0.9500907%	2,602,975
MA	69,215,114	0.6433091%	1,762,482
MD	97,351,602	0.9048193%	2,478,945
ME	44,265,656	0.4114202%	1,127,173
MI	372,246,772	3.4597896%	9,478,829
MN	188,683,941	1.7536935%	4,804,616
MO	353,916,328	3.2894201%	9,012,066
MS	114,325,466	1.0625802%	2,911,164
MT	69,605,230	0.6469350%	1,772,416
NC	325,722,418	3.0273762%	8,294,141
ND	24,773,499	0.2302534%	630,828
NE	82,842,872	0.7699702%	2,109,497
NH	22,970,814	0.2134986%	584,925
NJ	146,614,174	1.3626826%	3,733,359
NM	117,695,972	1.0939069%	2,996,990
NV	99,935,779	0.9288375%	2,544,748
NY	330,575,237	3.0724800%	8,417,712
OH	316,581,668	2.9424189%	8,061,382
OK	214,983,744	1.9981329%	5,474,310
OR	177,852,942	1.6530264%	4,528,817
PA	327,969,775	3.0482639%	8,351,367
RI	11,477,969	0.1066802%	292,273
SC	153,816,442	1.4296229%	3,916,756
SD	36,811,316	0.3421370%	937,357
TN	213,278,840	1.9822869%	5,430,897
TX	1,132,045,357	10.5216190%	28,826,213
UT	130,678,335	1.2145694%	3,327,571
VA	269,400,828	2.5039040%	6,859,977
VT	45,513,982	0.4230226%	1,158,960
WA	232,998,437	2.1655676%	5,933,033
WI	203,209,845	1.8887022%	5,174,501
WV	80,957,294	0.7524449%	2,061,483
WY	40,150,102	0.3731689%	1,022,375
4N	66,106,432	0.6144159%	1,683,323
	10,759,231,609	100.0000000%	273,971,267

Late Fees - 414050	65,210,088
Product Commissions - 414300	33,487,374
Premium Channel Revenue - 425100	16,355,845
Int'l AD Sales - 425300	(28,169)
Domestic General Market Sales - 425400	49,451,506
Domestic Direct Response Sales - 425500	96,683,257
Media Sales - Latino - 425600	9,765,604
Media Sales - Per Inquiry - 425700	1,548,305
Media Sales - Billing Inserts - 425800	1,497,457
	273,971,267

Lime — All Colorado

TOTAL	273,971,267

Sources:

difference

* COP refers to UDIPTA rules using cost of performance.

2007 Guides

State	Guides	Percentage	Allocated Guides
AK	2,755	0.00569	48,122
AL	7,165	0.01479	125,153
AR	6,950	0.01434	121,397
AZ	11,190	0.02309	195,458
CA	59,163	0.12211	1,033,412
CO	13,855	0.02860	242,008
CT	2,320	0.00479	40,524
DC	978	0.00202	17,083
DE	847	0.00175	14,795
FL	31,843	0.06572	556,208
GA	19,322	0.03988	337,501
HI	1,306	0.00270	22,812
IA	5,621	0.01160	98,183
ID	4,488	0.00926	78,393
IL	22,932	0.04733	400,558
IN	12,747	0.02631	222,654
KS	4,556	0.00940	79,581
KY	6,535	0.01349	114,148
LA	4,909	0.01013	85,747
MA	4,110	0.00848	71,790
MD	5,177	0.01068	90,428
ME	1,656	0.00342	28,926
MI	16,549	0.03416	289,065
MN	7,174	0.01481	125,310
MO	14,779	0.03050	258,148
MS	3,997	0.00825	69,816
MT	3,669	0.00757	64,087
NC	11,610	0.02396	202,794
ND	934	0.00193	16,314
NE	3,697	0.00763	64,576
NH	1,231	0.00254	21,502
NJ	6,661	0.01375	116,349
NM	4,801	0.00991	83,860
NV	4,022	0.00830	70,253
NY	14,786	0.03052	258,270
OH	13,924	0.02874	243,213
OK	8,326	0.01718	145,432
OR	9,759	0.02014	170,462
PA	12,460	0.02572	217,641
RI	545	0.00112	9,520
SC	5,803	0.01198	101,362
SD	1,598	0.00330	27,913
TN	8,397	0.01733	146,672
TX	53,942	0.11133	942,216
UT	5,263	0.01086	91,930
VA	11,761	0.02427	205,432
VT	1,930	0.00398	33,712
WA	12,200	0.02518	213,100
WI	8,666	0.01789	151,371
WV	2,483	0.00512	43,371
WY	2,082	0.00430	36,367
4N	1,050	0.00217	18,341
	484,524	1.00000	**8,463,280**
		DISH	8,463,280
		Acct 406000	**8,463,280**

NG 3/20/08

DSH1236

Total Lease Cost from Brio Report for TY Ended 12-31-2007

Acct#412000 - Equipment Leasing $856,350,782.00

Acct#460050 - 462350 - DHA Equipment & Tech Sales $15,947,482.00

($119,006,273.53)

$377,160,776.47

State Name	Total Lease Cost	%	Equipment Leasing	DHA Equipment & Tech Sale	DHA Net Gain/Loss - Fed Adopted	DHA Proceeds - Fed Adopted
ALABAMA	$43,086,709.03	2.096562675%	$17,953,930.87	$334,348.96	($2,495,041.11)	$7,907,412.07
ALASKA	$967,410.93	0.047073394%	$403,113.38	$7,507.02	($56,020.29)	$177,542.38
ARIZONA	$43,130,238.93	2.098680803%	$17,972,069.47	$334,686.74	($2,497,561.82)	$7,915,400.81
ARKANSAS	$35,759,995.40	1.740051011%	$14,900,940.44	$277,494.32	($2,070,769.87)	$6,562,789.91
ARMED FORCES AMERICA	$316.66	0.000015408%	$131.95	$2.46	($18.34)	$58.11
CALIFORNIA	$262,811,162.75	12.788168020%	$109,511,576.84	$2,039,390.79	($15,218,722.21)	$48,231,953.80
COLORADO	$46,532,076.62	2.264211337%	$19,389,591.49	$361,084.70	($2,694,553.54)	$8,539,717.06
CONNECTICUT	$8,073,306.42	0.392840235%	$3,364,090.43	$62,648.13	($467,504.52)	$1,481,639.28
DELAWARE	$3,055,434.26	0.148674837%	$1,273,178.13	$23,709.89	($176,932.38)	$560,743.17
DISTRICT OF COLUMBIA	$1,023,463.74	0.049800877%	$426,470.20	$7,941.99	($59,266.17)	$187,829.37
FLORIDA	$88,187,790.20	4.291142989%	$36,747,236.54	$684,329.26	($5,106,729.36)	$16,184,508.22
GEORGIA	$74,541,713.60	3.627136489%	$31,061,011.68	$578,436.94	($4,316,519.97)	$13,680,136.14
HAWAII	$2,507,190.05	0.121997739%	$1,044,728.59	$19,455.57	($145,184.96)	$460,127.62
IDAHO	$25,577,502.83	1.244579569%	$10,657,966.87	$198,479.10	($1,481,127.77)	$4,694,065.97
ILLINOIS	$97,266,777.08	4.732918781%	$40,530,386.99	$754,781.37	($5,632,470.27)	$17,850,713.22
INDIANA	$63,269,819.49	3.078655692%	$26,364,092.10	$490,968.06	($3,663,793.41)	$11,611,481.71
IOWA	$30,155,915.99	1.467361266%	$12,565,759.68	$234,007.17	($1,746,251.96)	$5,534,311.14
KANSAS	$21,516,562.95	1.046977683%	$8,965,801.57	$166,966.58	($1,245,969.13)	$3,948,789.16
KENTUCKY	$38,028,428.94	1.850431061%	$15,846,180.86	$295,097.16	($2,202,129.05)	$6,979,100.16
LOUISIANA	$21,170,196.49	1.030123785%	$8,821,473.09	$164,278.81	($1,225,911.93)	$3,885,222.87
MAINE	$10,520,791.38	0.511932775%	$4,383,940.32	$81,640.39	($609,232.12)	$1,930,809.63
MARYLAND	$19,952,346.92	0.970864259%	$8,314,003.68	$154,828.40	($1,155,389.38)	$3,661,719.18
MASSACHUSETTS	$12,391,338.62	0.602952015%	$5,163,384.30	$96,155.66	($717,550.72)	$2,274,098.50
MICHIGAN	$70,476,087.64	3.429306582%	$29,366,893.73	$546,888.05	($4,081,089.97)	$12,933,999.33
MINNESOTA	$35,745,512.61	1.739346291%	$14,894,905.57	$277,381.94	($2,069,931.20)	$6,560,131.98
MISSISSIPPI	$24,266,043.18	1.180765056%	$10,111,490.79	$188,302.29	($1,405,184.49)	$4,453,382.65
MISSOURI	$63,734,490.45	3.101266187%	$26,557,717.24	$494,573.87	($3,690,701.32)	$11,696,759.63
MONTANA	$13,559,391.33	0.659788469%	$5,650,103.71	$105,219.65	($785,189.67)	$2,488,463.31
NEBRASKA	$13,564,019.61	0.660013677%	$5,652,032.28	$105,255.56	($785,457.68)	$2,489,312.71
NEVADA	$18,228,215.06	0.886969467%	$7,595,569.97	$141,449.30	($1,055,549.31)	$3,345,300.93
NEW HAMPSHIRE	$4,114,923.02	0.200228660%	$1,714,659.70	$31,931.43	($238,284.67)	$755,183.97
NEW JERSEY	$25,044,185.08	1.218628780%	$10,435,737.09	$194,340.61	($1,450,244.70)	$4,596,189.77
NEW MEXICO	$23,351,998.71	1.136288428%	$9,730,614.84	$181,209.39	($1,352,254.52)	$4,285,634.26
NEW YORK	$51,955,386.99	2.528105014%	$21,649,447.06	$403,169.09	($3,008,603.57)	$9,535,020.50
NORTH CAROLINA	$54,481,149.37	2.651006467%	$22,701,914.61	$422,768.78	($3,154,864.01)	$9,998,556.58
NORTH DAKOTA	$5,147,424.47	0.250469304%	$2,144,895.84	$39,943.55	($298,074.18)	$944,671.97
OHIO	$57,289,108.15	2.787639357%	$23,871,971.43	$444,558.28	($3,317,465.72)	$10,513,882.24
OKLAHOMA	$38,902,937.32	1.892983897%	$16,210,582.40	$301,883.27	($2,252,760.59)	$7,139,592.76
OREGON	$35,893,098.63	1.746527702%	$14,956,403.63	$278,527.19	($2,078,477.53)	$6,587,217.44
PENNSYLVANIA	$66,448,320.60	3.233318858%	$27,688,551.32	$515,632.94	($3,847,852.28)	$12,194,810.51
PUERTO RICO	$26,303.50	0.001279906%	$10,960.48	$204.11	($1,523.17)	$4,827.30
RHODE ISLAND	$2,150,009.78	0.104617650%	$895,894.07	$16,683.88	($124,501.57)	$394,576.74
SOUTH CAROLINA	$27,816,323.90	1.353518701%	$11,590,867.98	$215,852.15	($1,610,772.17)	$5,104,941.64
SOUTH DAKOTA	$7,522,524.49	0.366039654%	$3,134,583.44	$58,374.11	($435,610.15)	$1,380,558.00
TENNESSEE	$40,620,467.92	1.976557477%	$16,926,265.41	$315,211.15	($2,352,237.40)	$7,454,799.53
TEXAS	$231,048,903.94	11.242643477%	$96,276,465.33	$1,792,918.54	($13,379,451.05)	$42,402,841.43
UTAH	$34,239,107.21	1.666045884%	$14,267,196.95	$265,692.37	($1,982,699.12)	$6,283,671.59
VERMONT	$8,576,358.27	0.417318311%	$3,573,708.62	$66,551.76	($496,634.97)	$1,573,960.98
VIRGIN ISLAND	$297.49	0.000014476%	$123.96	$2.31	($17.23)	$54.60
VIRGINIA	$47,287,475.43	2.300968401%	$19,704,360.90	$366,946.52	($2,738,296.75)	$8,678,350.29
WASHINGTON	$44,016,522.21	2.141806595%	$18,341,377.53	$341,564.22	($2,548,884.22)	$8,078,054.39
WEST VIRGINIA	$14,462,822.63	0.703748668%	$6,026,557.23	$112,230.19	($837,505.07)	$2,654,263.94
WISCONSIN	$38,554,721.71	1.876040021%	$16,065,483.39	$299,181.14	($2,232,605.32)	$7,075,687.11
WYOMING	$7,061,279.84	0.343595881%	$2,942,386.01	$54,794.89	($408,900.65)	$1,295,908.89
	$2,055,111,899.82	100.00%	$856,350,782.00	$15,947,482.00	($119,006,273.53)	$377,160,776.47
Grand Total	2,055,111,900	100.00%	$856,350,782.00	$15,947,482.00	($119,006,273.53)	$377,160,776.47

1240

Echosphere - 113
Apportionment Schedule - Sales Factor
2007 -Return

	From Custom Tax Periodic Sales Report	From #1 Detail			Gross Receipts (Line 1a)	Slingbox Acct #462050	Acct 810000,8103 00	Miscellaneous Income Held less than 1 year, CO113	Held longer than 1 year, CO113	651700, 462000, & 865300		
	(1)	(2)	(3)	(4.)	(5)	(6a)	(6b)	(6c)	(6d)	(6e)	(10)	
State	Sales Amount	Less RSPs	Total Sales by State Allocation	% of TS by state	Gross Receipts apportioned by TS % by state	Slingbox Revenue	Interest	Net G(L), Line 9, Form 1120	Capital Gain	Misc Other Income	Total Receipts	Gross Proceeds from 4797
					97,220,938						(5) + (6-9) = (10)	
AK	2,059,764	266,059.00	1,793,705	0.368%	357,705	-				0	357,705	
AL	3,218,135	4,135,369.00	(917,234)	-0.188%	(182,917)	270				202	(182,445)	
AR	7,127,596	(57,825,295.00)	64,952,891	13.323%	12,953,070	270				77	12,953,417	
AZ	14,555,230	-	14,555,230	2.986%	2,902,641	270				166	2,903,077	
CA	64,212,178	(13,088,191.00)	77,300,369	15.856%	15,415,435	1,080				0	15,416,515	
CO	13,565,037	-	13,565,037	2.783%	2,705,174	135		(328,453)		3,488	2,380,344	3,775
CT	2,867,220	-	2,867,220	0.588%	571,788	-				0	571,788	
DC	16,842	-	16,842	0.003%	3,359	-				0	3,359	
DE	1,683,061	-	1,683,061	0.345%	335,640	-				0	335,640	
FL	68,271,152	(43,093,709.00)	111,364,861	22.843%	22,208,662	405				468	22,209,535	
GA	32,042,973	16,802.00	32,026,171	6.569%	6,386,740	2,160				920	6,389,820	
HI	855,363	631,438.00	223,925	0.046%	44,656	-				0	44,656	
IA	15,584,239	12,379,453.00	3,204,786	0.657%	639,107	135				0	639,242	
ID	14,539,299	10,241,517.00	4,297,782	0.882%	857,075	-				0	857,075	
IL	23,624,550	(1,773,710.00)	25,398,260	5.210%	5,064,985	675		(114,633)		987	4,952,015	
IN	50,022,294	54,190.00	49,968,104	10.250%	9,964,766	675				149	9,965,590	
KS	469,879	(14,262,253.00)	14,732,132	3.022%	2,937,919	-				0	2,937,919	
KY	3,061,753	1,746,704.00	1,315,049	0.270%	262,250	945				553	263,748	
LA	(308,041)	747,067.00	(1,055,108)	-0.216%	(210,412)	-				1,349	(209,063)	
MA	517,814	-	517,814	0.106%	103,264	-				0	103,264	
MD	22,884,632	6,555,274.00	16,329,358	3.350%	3,256,442	-				401	3,256,843	
ME	2,381,320	-	2,381,320	0.488%	474,889	-				0	474,889	
MI	(27,521,314)	19,443,517.00	(46,964,831)	-9.634%	(9,365,845)	1,215				140	(9,364,491)	
MN	1,517,228	(2,012,288.00)	3,529,516	0.724%	703,865	810				0	704,675	
MO	14,235,975	14,491,631.00	(255,656)	-0.052%	(50,984)	270				1,217	(49,497)	
MS	2,012,983	-	2,012,983	0.413%	401,434	135				220	401,789	
MT	5,311,681	(12,487,548.00)	17,799,229	3.651%	3,549,567	-				0	3,549,567	
NC	6,837,086	1,221,162.00	5,615,924	1.152%	1,119,942	135				0	1,120,077	
ND	1,952,270	-	1,952,270	0.400%	389,327	-				4	389,331	
NE	5,091,979	-	5,091,979	1.044%	1,015,455	-				0	1,015,455	
NH	2,329,809	-	2,329,809	0.478%	464,616	-				0	464,616	
NJ	4,161,212	-	4,161,212	0.854%	829,839	270				0	830,109	
NM	(787,945)	-	(787,945)	-0.162%	(157,134)	-				0	(157,134)	
NV	7,952,536	9,238,945.00	(1,286,409)	-0.264%	(256,539)	405				0	(256,134)	
NY	8,907,434	3,308,629.00	5,598,805	1.148%	1,116,528	405				500	1,117,433	
OH	3,890,430	4,499,670.00	(609,240)	-0.125%	(121,496)	270				197	(121,030)	
OK	5,174,482	(3,129,830.00)	8,304,312	1.703%	1,656,067	-				2,926	1,658,993	
OR	8,962,769	10,074,824.00	(1,112,055)	-0.228%	(221,769)	-				0	(221,769)	
PA	(7,652,985)	2,893,723.00	(10,546,708)	-2.163%	(2,103,251)	270				95	(2,102,886)	
RI	286,909	-	286,909	0.059%	57,216	-				0	57,216	
SC	2,140,721	5,390,234.00	(3,249,513)	-0.667%	(648,026)	-				171	(647,855)	
SD	1,469,495	2,404,146.00	(934,651)	-0.192%	(186,390)	-				0	(186,390)	
TN	167,050	4,577,069.00	(4,410,019)	-0.905%	(879,457)	-				0	(879,457)	
TX	60,625,958	62,406,150.00	(1,780,192)	-0.365%	(355,010)	1,485				477	(353,048)	
UT	1,922,892	-	1,922,892	0.394%	383,468	-		(482)		301	383,287	
VA	3,899,326	(15,938,912.00)	19,838,238	4.069%	3,956,192	-				469	3,956,661	
VT	680,424	(3,616,200.00)	4,296,624	0.881%	856,844	270				0	857,114	
WA	13,850,344	3,458,060.00	10,392,284	2.132%	2,072,456	-				0	2,072,456	
WI	7,668,217	(16,867,412.00)	24,535,629	5.033%	4,892,957	135				197	4,893,289	
WV	1,080,415	-	1,080,415	0.222%	215,459	-				0	215,459	
WY	(466,060)	-	(466,060)	-0.096%	(92,943)	-				0	(92,943)	
4N	4,644,983	-	4,644,983	0.953%	926,314	-				0	926,314	
	$ 483,598,594	$ (3,913,715)	$ 487,512,309	100%	$ 97,220,938	13,095	0	(443,568)	0	15,674	96,806,139	3,775
											96,806,139	

Dish Network Services Corporation - 115
2007 Income from F/S Detail - For Return
Sales Apportionment Schedule

State	(a) #444088 DNSC Installation to ESC	(b) #530400 SAC	(c) #444000 Other Installations	(d) #444200 Total Install Service Sales	A (e) = a+b+c+d Subtotal Installation Services	B (f) #461000 Total Tangible Property Sales	C (g) Total Sales Revenue	(h) Percentage Sales Revenue by State	D (i) Gross Receipts per 1120 by State $581,562,610	A/C * D Services portion of Gross Receipts	B/C * D #461000 Tangible Sales portion of Gross Receipts	#810000 #810300 Interest Income	Net G(L), Line 9, Form 1120	#651700 Vendor Compensation	#865300 Other Income (Line 10)	Total Receipts	%	4797 Proceeds
AK	$135,138	0	0	0	135,138	0	135,138	0.0232%	135,138	135,138	0			0		135,138	0.0232%	
AL	$12,085,948	0	0	834	12,086,783	0	12,086,783	2.0783%	12,086,783	12,086,783	0			9		12,086,791	2.0784%	
AR	$10,803,157	0	0	9,641	10,812,798	0	10,812,798	1.8593%	10,812,798	10,812,798	0			0		10,812,798	1.8593%	
AZ	$13,316,278	0	0	769	13,317,047	0	13,317,047	2.2899%	13,317,047	13,317,047	0			0		13,317,047	2.2899%	
CA	$0	0	0	0	0	0	0	0.0000%	0	0	0			0		0	0.0000%	
CO	$11,964,528	0	0	0	11,964,528	0	11,964,528	2.0573%	11,964,528	11,964,528	0		(4,177)	0		11,960,351	2.0567%	
CT	$6,423,223	0	0	0	6,423,223	0	6,423,223	1.1045%	6,423,223	6,423,223	0			0		6,423,223	1.1045%	
DC	$368,246	0	0	0	368,246	0	368,246	0.0633%	368,246	368,246	0			0		368,246	0.0633%	
DE	$1,087,777	0	0	0	1,087,777	0	1,087,777	0.1870%	1,087,777	1,087,777	0			0		1,087,777	0.1871%	
FL	$32,966,429	0	0	2,042	32,968,470	0	32,968,470	5.6689%	32,968,470	32,968,470	0			525		32,968,995	5.6692%	
GA	$24,787,895	0	0	6,528	24,794,423	0	24,794,423	4.2634%	24,794,423	24,794,423	0			37		24,794,460	4.2636%	
HI	$218,278	0	0	510	218,789	0	218,789	0.0376%	218,789	218,789	0			0		218,789	0.0376%	
IA	$6,227,931	0	0	915	6,228,846	0	6,228,846	1.0711%	6,228,846	6,228,846	0			0		6,228,846	1.0711%	
ID	$4,751,980	0	0	510	4,752,491	0	4,752,491	0.8172%	4,752,491	4,752,491	0			0		4,752,491	0.8172%	
IL	$31,763,720	0	0	1,021	31,764,740	0	31,764,740	5.4620%	31,764,740	31,764,740	0		(14,811)	0		31,749,929	5.4596%	
IN	$18,683,516	0	0	1,021	18,684,537	0	18,684,537	3.2128%	18,684,537	18,684,537	0		(10)	0		18,684,527	3.2129%	350
KS	$6,987,040	0	0	775	6,987,815	0	6,987,815	1.2016%	6,987,815	6,987,815	0			0		6,987,815	1.2016%	
KY	$12,000,490	0	0	2,505	12,002,996	0	12,002,996	2.0639%	12,002,996	12,002,996	0			11		12,003,006	2.0640%	
LA	$7,801,853	0	0	0	7,801,853	0	7,801,853	1.3415%	7,801,853	7,801,853	0			0		7,801,853	1.3416%	
MA	$4,477,626	0	0	510	4,478,137	0	4,478,137	0.7700%	4,478,137	4,478,137	0			0		4,478,137	0.7700%	
MD	$6,561,049	0	0	1,224	6,562,273	0	6,562,273	1.1284%	6,562,273	6,562,273	0			0		6,562,273	1.1284%	
ME	$3,249,706	0	0	0	3,249,706	0	3,249,706	0.5588%	3,249,706	3,249,706	0			0		3,249,706	0.5589%	
MI	$21,831,081	0	0	572	21,831,653	0	21,831,653	3.7540%	21,831,653	21,831,653	0			15		21,831,668	3.7541%	
MN	$9,270,389	0	0	0	9,270,389	0	9,270,389	1.5940%	9,270,389	9,270,389	0			0		9,270,389	1.5941%	
MO	$22,076,887	0	0	510	22,077,398	0	22,077,398	3.7962%	22,077,398	22,077,398	0		(493)	0		22,076,905	3.7963%	
MS	$7,940,420	0	0	0	7,940,420	0	7,940,420	1.3654%	7,940,420	7,940,420	0			875		7,941,295	1.3656%	
MT	$2,848,185	0	0	0	2,848,185	0	2,848,185	0.4897%	2,848,185	2,848,185	0			0		2,848,185	0.4898%	
NC	$22,526,513	0	0	2,220	22,528,733	0	22,528,733	3.8738%	22,528,733	22,528,733	0		(4,734)	0		22,523,999	3.8731%	
ND	$1,045,697	0	0	0	1,045,697	0	1,045,697	0.1798%	1,045,697	1,045,697	0		(168)	0		1,045,529	0.1798%	
NE	$3,956,261	0	0	1,793	3,958,053	0	3,958,053	0.6806%	3,958,053	3,958,053	0			0		3,958,053	0.6806%	
NH	$1,316,344	0	0	0	1,316,344	0	1,316,344	0.2263%	1,316,344	1,316,344	0			0		1,316,344	0.2264%	
NJ	$9,423,601	0	0	510	9,424,111	0	9,424,111	1.6205%	9,424,111	9,424,111	0		25	0		9,424,136	1.6205%	25
NM	$6,081,578	0	0	0	6,081,578	0	6,081,578	1.0457%	6,081,578	6,081,578	0			0		6,081,578	1.0458%	
NV	$6,979,347	0	0	2,481	6,981,828	0	6,981,828	1.2005%	6,981,828	6,981,828	0			0		6,981,828	1.2006%	
NY	$19,775,742	0	0	4,085	19,779,827	0	19,779,827	3.4012%	19,779,827	19,779,827	0			1,000		19,780,827	3.4014%	
OH	$23,563,590	0	0	1,948	23,565,538	0	23,565,538	4.0521%	23,565,538	23,565,538	0			0		23,565,538	4.0522%	
OK	$13,082,336	0	0	203	13,082,539	0	13,082,539	2.2495%	13,082,539	13,082,539	0			0		13,082,539	2.2496%	
OR	$9,916,419	0	0	0	9,916,419	0	9,916,419	1.7051%	9,916,419	9,916,419	0			0		9,916,419	1.7052%	
PA	$19,080,959	0	0	1,021	19,081,980	0	19,081,980	3.2812%	19,081,980	19,081,980	0			0		19,081,980	3.2813%	
RI	$1,063,586	0	0	0	1,063,586	0	1,063,586	0.1829%	1,063,586	1,063,586	0			0		1,063,586	0.1829%	
SC	$9,282,253	0	0	0	9,282,253	0	9,282,253	1.5961%	9,282,253	9,282,253	0			4		9,282,257	1.5961%	
SD	$1,306,241	0	0	0	1,306,241	0	1,306,241	0.2246%	1,306,241	1,306,241	0			0		1,306,241	0.2246%	
TN	$12,607,221	0	0	2,823	12,610,043	0	12,610,043	2.1683%	12,610,043	12,610,043	0			0		12,610,043	2.1684%	
TX	$82,904,256	0	0	24,196	82,928,452	0	82,928,452	14.2596%	82,928,452	82,928,452	0			36		82,928,488	14.2601%	
UT	$6,641,038	0	0	0	6,641,038	0	6,641,038	1.1419%	6,641,038	6,641,038	0			2,486		6,643,524	1.1424%	
VA	$15,217,385	0	0	510	15,217,896	0	15,217,896	2.6167%	15,217,896	15,217,896	0			1		15,217,897	2.6168%	
VT	$1,815,279	0	0	0	1,815,279	0	1,815,279	0.3121%	1,815,279	1,815,279	0			0		1,815,279	0.3121%	
WA	$12,712,699	0	0	2,518	12,715,217	0	12,715,217	2.1864%	12,715,217	12,715,217	0			0		12,715,217	2.1865%	
WI	$13,264,929	0	0	775	13,265,704	0	13,265,704	2.2810%	13,265,704	13,265,704	0			0		13,265,704	2.2811%	
WV	$5,272,141	0	0	0	5,272,141	0	5,272,141	0.9065%	5,272,141	5,272,141	0			0		5,272,141	0.9066%	
WY	$1,998,336	0	0	0	1,998,336	0	1,998,336	0.3436%	1,998,336	1,998,336	0			0		1,998,336	0.3436%	
4N	$25,118	0	0	0	25,118	0	25,118	0.0043%	25,118	25,118	0			0		25,118	0.0043%	
Total	$581,487,638	$0	$0	$74,972	$581,537,492	-	581,562,610	1	581,562,610	581,562,610	-	-	(24,368)	4,999	-	581,543,241	100.0000%	375
																581,543,241		
																581,567,609		
																581,567,609		

*See note on DNSC
SAC Acct 530400 tab.

Gross Revenue w/o G/L
Gross Revenue w/o G/L and Other Income

Line 1c 1120

1242

2007 DNSLLC - 115 Sales Apportionment
Installation Revenue ESC
Account#444088

			$581,487,638
ST	**Total # Completed Jobs**	**% of Total**	**Total Installation Revenue - ESC**
AK	1,458	0.0232%	$135,138
AL	130,395	2.0785%	$12,085,948
AR	116,555	1.8578%	$10,803,157
AZ	143,669	2.2900%	$13,316,278
CA	0	0.0000%	$0
CO	129,085	2.0576%	$11,964,528
CT	69,300	1.1046%	$6,423,223
DC	3,973	0.0633%	$368,246
DE	11,736	0.1871%	$1,087,777
FL	355,674	5.6693%	$32,966,429
GA	267,436	4.2628%	$24,787,895
HI	2,355	0.0375%	$218,278
IA	67,193	1.0710%	$6,227,931
ID	51,269	0.8172%	$4,751,980
IL	342,698	5.4625%	$31,763,720
IN	201,576	3.2131%	$18,683,516
KS	75,383	1.2016%	$6,987,040
KY	129,473	2.0638%	$12,000,490
LA	84,174	1.3417%	$7,801,853
MA	48,309	0.7700%	$4,477,626
MD	70,787	1.1283%	$6,561,049
ME	35,061	0.5589%	$3,249,706
MI	235,535	3.7543%	$21,831,081
MN	100,018	1.5943%	$9,270,389
MO	238,187	3.7966%	$22,076,887
MS	85,669	1.3655%	$7,940,420
MT	30,729	0.4898%	$2,848,185
NC	243,038	3.8739%	$22,526,513
ND	11,282	0.1798%	$1,045,697
NE	42,684	0.6804%	$3,956,261
NH	14,202	0.2264%	$1,316,344
NJ	101,671	1.6206%	$9,423,601
NM	65,614	1.0459%	$6,081,578
NV	75,300	1.2003%	$6,979,347
NY	213,360	3.4009%	$19,775,742
OH	254,227	4.0523%	$23,563,590
OK	141,145	2.2498%	$13,082,336
OR	106,988	1.7054%	$9,916,419
PA	205,864	3.2814%	$19,080,959
PR	270	0.0043%	$25,026
RI	11,475	0.1829%	$1,063,586
SC	100,146	1.5963%	$9,282,253
SD	14,093	0.2246%	$1,306,241
TN	136,019	2.1681%	$12,607,221
TX	894,452	14.2573%	$82,904,256
UT	71,650	1.1421%	$6,641,038
VA	164,180	2.6170%	$15,217,385
VI	1	0.0000%	$93
VT	19,585	0.3122%	$1,815,279
WA	137,157	2.1862%	$12,712,699
WI	143,115	2.2812%	$13,264,929
WV	56,881	0.9067%	$5,272,141
WY	21,560	0.3437%	$1,998,336
Grand Total	**6,273,656**	**100.0000%**	**$581,487,638**
CA	958,615		
	7,232,271		

DSH1240

EchoStar DBS Corporation - 137
SALES FACTOR
Tax Year 2007
Source of Sales - 2007 Financials

	Gross Receipts Line 1, Form 1120	Dividends, Line 4, Form 1120	Interest, Line 5, Form 1120	Rents, Line 6, Form 1120	Sch D, Line 8, Form 1120	Net G(L), Line 9, Form 1120	Other Income, Line 10, Form 1120	Total Receipts
AK	0		0	0		0	0	0
AL	0		0	0		0	0	0
AR	0		0	0		0	0	0
AZ	0		0	0		0	0	0
CA	0		0	0		0	0	0
CO	0		102,730,364	0		0	27,321	102,757,685
CT	0		0	0		0	0	0
DC	0		0	0		0	0	0
DE	0		0	0		0	0	0
FL	0		0	0		0	0	0
GA	0		0	0		0	0	0
HI	0		0	0		0	0	0
IA	0		0	0		0	0	0
ID	0		0	0		0	0	0
IL	0		0	0		0	0	0
IN	0		0	0		0	0	0
KS	0		0	0		0	0	0
KY	0		0	0		0	0	0
LA	0		0	0		0	0	0
MA	0		0	0		0	0	0
MD	0		0	0		0	0	0
ME	0		0	0		0	0	0
MI	0		0	0		0	0	0
MN	0		0	0		0	0	0
MO	0		0	0		0	0	0
MS	0		0	0		0	0	0
MT	0		0	0		0	0	0
NC	0		0	0		0	0	0
ND	0		0	0		0	0	0
NE	0		0	0		0	0	0
NH	0		0	0		0	0	0
NJ	0		0	0		0	0	0
NM	0		0	0		0	0	0
NV	0		0	0		0	0	0
NY	0		0	0		0	0	0
OH	0		0	0		0	0	0
OK	0		0	0		0	0	0
OR	0		0	0		0	0	0
PA	0		0	0		0	0	0
RI	0		0	0		0	0	0
SC	0		0	0		0	0	0
SD	0		0	0		0	0	0
TN	0		0	0		0	0	0
TX	0		0	0		0	0	0
UT	0		0	0		0	0	0
VA	0		0	0		0	0	0
VT	0		0	0		0	0	0
WA	0		0	0		0	0	0
WI	0		0	0		0	0	0
WV	0		0	0		0	0	0
WY	0		0	0		0	0	0
PR/VI	0		0	0		0	0	0
	0	0	102,730,364	0		0	27,321	102,757,685

Colorado Other Income includes everything else except GR

102,757,685
102,757,685

2006 SALES APPORTIONMENT

	ORIGINAL		2nd Amended	
	WITHIN	EVERYWHERE	WITHIN	EVERYWHERE
GUIDES	118,274	9,768,618	118,274	9,768,618
EQUIPMENT	210,359	15,858,890	210,359	15,858,890
LEASES	9,010,138	679,271,933	9,010,138	679,271,933
SERVICES	7,987,044 [See below]	608,850,063 [See below]	7,987,044 [See below]	608,850,063 [See below]
GAIN/(LOSS)	(427,235)	(34,176,915)	(427,235)	(34,176,915)
OTHER	4,301,581	317,566,819	4,301,581	317,566,819
PROGRAMMING	-	8,445,992,810	-	8,445,992,810
INTEREST	-	121,443,279	-	121,443,279
RENT	-	-	-	-
ROYALTY	-	-	-	-
ELIMS	-	-	-	-
TOTALS	21,200,161	10,164,575,497	21,200,161	10,164,575,497
	0.2086%		0.2086%	

SERVICES:	7,193,474	480,335,444	7,193,474	480,335,444
	793,570	$ 109,704,101	793,570	$ 109,704,101
		8,749,002		8,749,002
	7,987,044	10,061,516	7,987,044	10,061,516
		608,850,063		608,850,063

DSH1216

PETITIONER'S EXHIBIT

DBS Consolidation
2005 Sales Apportionment

Gross Sales

	DBS	ESLLC	ECHO	DNS, LLC	WSA, LLC	EA, LLC	ESBB, LLC	Total
AK	0	300,914	464,708	756,092	0	0	0	1,521,713
AL	0	165,833,668	479,346	9,266,833	177,098	161,822	0	175,918,766
AR	0	171,472,760	1,878,667	8,847,605	791	114,227	0	182,314,050
AZ	0	14,448,589	2,837,219	9,969,101	0	0	0	27,254,908
CA	0	1,023,465,659	14,526,953	0	692,825	1,047,083	0	1,039,732,521
CO	0	201,751,284	2,685,845	15,385,906	1,766	140,744	0	219,965,545
CT	0	68,053,137	115,870	4,601,449	78,272	42,835	0	72,891,564
DC	0	383,835	8,205	291,359		0	0	683,400
DE	0	15,703,382	624,171	954,307	0	28,557	0	17,310,416
FL	0	389,700,414	13,728,173	26,016,405	534,488	572,496	0	430,551,975
GA	0	335,255,657	8,790,035	19,346,868	335,371	263,811	0	363,991,742
HI	0	15,120,657	213,298	485,881	36,782	17,678	0	15,874,296
IA	0	136,002,367	2,439,559	5,637,323	146,595	189,019	0	144,414,863
ID	0	93,449,410	2,375,723	4,403,091	6,118	62,553	0	100,296,896
IL	0	32,900,649	2,683,859	22,541,816	385,948	0	0	58,512,272
IN	0	22,104,679	10,843,514	15,000,261	0	0	0	47,948,454
KS	0	7,244,373	512,220	5,541,668	0	0	0	13,298,262
KY	0	13,952,189	970,350	9,884,207	0	0	0	24,806,746
LA	0	78,745,086	478,000	5,286,342	0	156,383	0	84,665,810
MA	0	4,716,287	211,887	3,761,557	4,441	0	0	8,694,172
MD	0	78,062,666	9,335,213	5,408,909	0	126,466	0	92,933,253
ME	0	2,743,467	171,277	1,936,891	238	0	0	4,851,872
MI	0	25,701,689	(574,877)	17,865,310	0	0	0	42,992,123
MN	0	178,036,488	1,396,386	8,257,599	0	138,705	0	187,829,178
MO	0	21,450,094	3,077,017	16,800,290	124,061	0	0	41,451,462
MS	0	7,916,089	415,297	5,965,140	0	0	0	14,296,525
MT	0	62,727,875	971,809	2,776,778	0	91,790	0	66,568,251
NC	0	279,778,846	895,163	16,965,864	101,820	0	0	297,741,693
ND	0	23,330,759	358,082	1,051,536	0	17,678	0	24,758,055
NE	0	4,719,305	1,133,964	3,442,985	0	0	0	9,296,254
NH	0	21,218,206	561,936	1,191,307	2,929	24,477	0	22,998,855
NJ	0	120,470,994	914,897	7,505,822	0	71,392	0	128,963,105
NM	0	99,174,858	(18,637)	5,003,660	77,781	58,473	0	104,296,136
NV	0	78,745,086	561,550	4,780,570	53,024	98,589	0	84,238,818
NY	0	293,250,321	1,875,323	16,653,537	563,292	350,161	0	312,692,635
OH	0	277,152,371	1,047,956	16,863,012	242,898	382,797	0	295,689,035
OK	0	12,849,802	1,256,954	9,981,970	16,079	4,817,942	0	28,922,746
OR	0	162,465,799	1,836,141	8,423,620	16,531	188,339	0	172,930,430
PA	0	23,094,403	(2,647,736)	15,613,343	0	0	0	36,060,011
PR			747,074	804,802	1,250	409,314		1,962,441
RI	0	9,520,180	137,398	661,936	0	0	0	10,319,514
SC	0	9,338,771	793,570	7,193,474	0	0	0	17,325,815
SD	0	2,504,461	253,732	1,453,974	2,451	0	0	4,214,617
TN	0	13,349,821	(2,121,483)	10,296,299	0	0	0	21,524,637
TX	0	76,342,111	12,246,352	54,218,047	0	0	0	142,806,511
UT	0	11,151,550	1,662,160	5,600,073	0	0	0	18,413,783
VA	0	16,827,569	1,249,793	12,327,973	0	0	0	30,405,335
VI			4,947	95	0	31,277		36,318
VT	0	3,128,313	109,737	1,811,600	0	31,956	0	5,081,607
WA	0	211,574,059	3,079,075	10,467,125	0	0	0	225,120,259
WI	0	196,854,991	1,313,458	10,002,830	0	299,847	0	208,471,125
WV	0	5,278,909	556,901	4,299,578	32,066	82,271	0	10,249,725
WY	0	3,978,038,876	236,070	26,731,423	5,114,087	42,835	0	4,010,163,292
4N	0	53,488,526	0	0	0		0	53,488,526
Total	0	9,150,892,251	109,704,101	480,335,444	8,749,002	10,061,516	0	9,759,742,314

Other Income

	DBS	ES, LLC	ECHO	DNS, LLC	WSA, LLC	EA, LLC	ESBB, LLC	Total
AK	0	1,027,902	0	0	0	0	0	1,027,902
AL	0	5,672,109	0	0	0	0	0	5,672,109
AR	0	5,864,986	0	0	0	0	0	5,864,986
AZ	0	6,001,504	0	0	0	0	0	6,001,504
CA	0	35,006,214	0	0	0	0	0	35,006,214
CO	29,460	11,442,621	(1,230)	3,090	0	0	0	11,473,941
CT	0	2,327,663	0	0	0	0	0	2,327,663
DC	0	144,466	0	0	0	0	0	144,466
DE	0	537,112	0	0	0	0	0	537,112
FL	0	13,329,158	0	0	0	0	0	13,329,158
GA	0	11,466,952	0	0	0	0	0	11,466,952
HI	0	517,181	0	0	0	0	0	517,181
IA	0	4,651,771	0	0	0	0	0	4,651,771
ID	0	3,196,307	0	0	0	0	0	3,196,307
IL	0	14,181,185	0	0	0	0	0	14,181,185
IN	0	9,510,515	0	0	0	0	0	9,510,515
KS	0	3,771,024	0	0	0	0	0	3,771,024
KY	0	6,672,948	0	0	0	0	0	6,672,948
LA	0	2,693,366	0	0	0	0	0	2,693,366
MA	0	2,095,403	0	0	0	0	0	2,095,403
MD	0	2,670,024	0	0	0	0	0	2,670,024
ME	0	1,223,325	0	0	0	0	0	1,223,325
MI	0	11,846,342	0	0	0	0	0	11,846,342
MN	0	6,089,489	0	0	0	0	0	6,089,489
MO	0	10,834,914	0	0	0	0	0	10,834,914
MS	0	3,160,454	0	0	0	0	0	3,160,454
MT	0	2,145,519	0	0	0	0	0	2,145,519
NC	0	9,569,445	0	0	0	0	0	9,569,445
ND	0	797,996	0	0	0	0	0	797,996
NE	0	2,557,809	0	0	0	0	0	2,557,809
NH	0	725,739	0	0	0	0	0	725,739
NJ	0	4,120,542	0	0	0	0	0	4,120,542
NM	0	3,392,138	0	0	0	0	0	3,392,138
NV	0	2,693,366	0	0	0	0	0	2,693,366
NY	0	10,030,218	0	0	0	0	0	10,030,218
OH	0	9,479,610	0	0	0	0	0	9,479,610
OK	0	6,428,153	0	0	0	0	0	6,428,153
OR	0	5,556,916	0	0	0	0	0	5,556,916
PA	0	9,666,676	0	0	0	0	0	9,666,676
PR	0	325,624	0	0	0	0	0	325,624
RI	0	325,624	0	0	0	0	0	325,624
SC	0	4,301,581	0	0	0	0	0	4,301,581
SD	0	1,147,538	0	0	0	0	0	1,147,538
TN	0	6,463,093	0	0	0	0	0	6,463,093
TX	0	30,353,794	0	0	0	0	0	30,353,794
UT	0	3,919,500	0	0	0	0	0	3,919,500
VA	0	7,037,811	0	0	0	0	0	7,037,811
VI	0	1,456,089	0	0	0	0	0	1,456,089
VT	0	1,456,089	0	0	0	0	0	1,456,089
WA	0	7,236,595	0	0	0	0	0	7,236,595
WI	0	6,733,150	0	0	0	0	0	6,733,150
WV	0	2,504,595	0	0	0	0	0	2,504,595
WY	0	1,127,559	0	0	0	0	0	1,127,559
4N	0	1,829,500	0	0	0	0	0	1,829,500
Total	29,460	319,317,203	(1,230)	3,090	0	0	0	319,348,523

	DBS	ES, LLC	ECHO
AK	0	0	0
AL	0	0	0
AR	0	0	0
AZ	0	0	0
CA	0	0	0
CO	121,387,110	49,905	6,264
CT	0	0	0
DC	0	0	0
DE	0	0	0
FL	0	0	0
GA	0	0	0
HI	0	0	0
IA	0	0	0
ID	0	0	0
IL	0	0	0
IN	0	0	0
KS	0	0	0
KY	0	0	0
LA	0	0	0
MA	0	0	0
MD	0	0	0
ME	0	0	0
MI	0	0	0
MN	0	0	0
MO	0	0	0
MS	0	0	0
MT	0	0	0
NC	0	0	0
ND	0	0	0
NE	0	0	0
NH	0	0	0
NJ	0	0	0
NM	0	0	0
NV	0	0	0
NY	0	0	0
OH	0	0	0
OK	0	0	0
OR	0	0	0
PA	0	0	0
PR	0	0	0
RI	0	0	0
SC	0	0	0
SD	0	0	0
TN	0	0	0
TX	0	0	0
UT	0	0	0
VA	0	0	0
VI	0	0	0
VT	0	0	0
WA	0	0	0
WI	0	0	0
WV	0	0	0
WY	0	0	0
4N	0	0	0
Total	121,387,110	49,905	6,264

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Interest				
DNS, LLC	WSA, LLC	EA, LLC	ESBB, LLC	Total
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	121,443,279
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

SALES FACTOR using Subscribers by State Summary — Tax Year 2006

Echostar Satellite Corporation - TOTAL

2006 RETURN

	2006 DEC Subscribers	Percent of subscribers per state 2006	(a) Gross Sales	(b) Guides	(d) DBA Equipment & Tech Sales - TPP	(e) Digital Dynamix Locum	(f) Programming = Gross Sales less (b), (d), (e)	Adjustment for COP States	(C) Interest, Line 5, Form 1120	(h) Rents, Line 6, Form 1120	(i) Royalties, Line 7, Form 1120	(j) Net Gain (Loss) - DBA Line 9, Form 1120	(j) Net Gain (Loss), Line 9, Form 1120	(k) Other Income, Line 10, Form 1120	(l) Total	State Numerator (Gross Receipts), Line 1c, Form 1120 $ Value	Loc	Total After Application of Appropriate Sales	Total %	Leased Equipment Gross Proceeds	Gross Proceeds
	Subs by State		$ 9,150,892,251	$ 9,768,618	$ 15,858,890	$ 679,271,933															
AK	42,803	0.32541101%	$ 30,032,455	$ 53,897	$ 5,686	$ 741,582	$ 29,751,341.54	$ (29,751,541.54)		0	0	(11,446)	-	1,027,902	31,068,912	300,914	COP	1,328,816	0.01435%	-	-
AL	236,204	1.81221131%	$ 165,833,668	$ 160,122	$ 305,560	$ 13,067,820	$ 152,240,165.91			0	0	(620,587)	-	5,673,109	176,785,576	165,935,668	Subscribers	171,437,746	1.85153%	-	-
AR	244,236	1.87383654%	$ 171,472,760	$ 160,199	$ 273,843	$ 11,729,301	$ 159,309,416.68			0	0	(556,170)	-	5,864,986	176,781,576	171,472,760	COP	20,450,893	0.22093%	-	-
AZ	249,921	1.91745324%	$ 175,464,674	$ 253,200	$ 323,457	$ 13,871,593	$ 161,015,485.19	$ (161,015,485.19)		0	0	(4,080,354)	-	33,006,234	1,054,391,510	1,023,465,659	Subscribers	1,056,471,873	11.40233%	-	-
CA	1,457,766	11.18432654%	$ 1,023,465,659	$ 1,257,607	$ 2,009,055	$ 84,052,337	$ 934,146,660.31			0	0	(753,541)	(648,370)	11,445,621	211,941,899	201,751,284	Subscribers	213,841,498	2.30922%	-	-
CO	247,363	2.20437171%	$ 201,791,284	$ 308,025	$ 331,023	$ 13,991,743	$ 185,160,492.93	49,905		0	0	(137,211)	-	2,327,665	70,243,389	68,053,137	Subscribers	70,269,906	0.75892%	-	-
CT	96,951	0.74387776%	$ 68,053,137	$ 90,151	$ 67,559	$ 2,893,697	$ 65,052,731.32			0	0	(17,052)	-	144,466	4,251,899	703,835	COP	538,301	0.00581%	-	-
DC	6,016	0.04615621%	$ 4,223,702	$ 15,453	$ 8,404	$ 359,971	$ 3,839,864.01	$ (3,839,964.01)		0	0	(53,719)	-	537,112	14,186,775	15,703,382	Subscribers	16,240,494	0.17504%	-	-
DE	22,967	0.17616049%	$ 15,703,382	$ 18,100	$ 26,450	$ 1,132,904	$ 14,525,925.73			0	0	(1,450,555)	(1,529)	12,329,136	461,577,508	389,708,414	Subscribers	403,929,572	4.34146%	-	-
FL	555,067	4.25860569%	$ 369,700,414	$ 496,107	$ 714,204	$ 30,596,944	$ 337,909,159.02			0	0	(1,261,088)	(6,976)	11,466,952	345,454,545	335,255,657	Subscribers	347,722,609	3.73511%	-	-
GA	477,519	3.66367909%	$ 335,255,657	$ 386,733	$ 620,575	$ 26,595,627	$ 307,652,372.48			0	0	(44,016)	-	517,181	15,593,422	15,120,657	Subscribers	15,637,838	0.16805%	-	-
HI	21,557	0.16533702%	$ 15,130,657	$ 19,228	$ 21,672	$ 928,265	$ 14,151,202.70			0	0	(463,206)	-	4,451,771	148,190,742	134,002,367	Subscribers	138,454,138	1.51529%	-	-
IA	193,714	1.48621979%	$ 136,002,367	$ 131,483	$ 278,163	$ 9,772,754	$ 125,869,967.01			0	0	(338,014)	-	3,196,307	96,307,703	93,449,410	Subscribers	96,645,717	1.04111%	-	-
ID	133,104	1.02110549%	$ 93,449,410	$ 102,739	$ 166,429	$ 7,129,570	$ 86,051,661.99			0	0	(1,505,696)	12,793	14,181,385	429,299,131	32,500,649	COP	47,881,824	0.50729%	-	-
IL	590,548	4.53682349%	$ 414,610,849	$ 405,036	$ 741,363	$ 31,754,260	$ 381,710,199.35	$ (381,710,199.35)		0	0	(1,013,350)	-	9,510,515	286,533,111	22,104,679	COP	31,615,194	0.34096%	-	-
IN	396,047	3.03856655%	$ 276,055,946	$ 234,769	$ 498,946	$ 21,370,964	$ 255,951,267.27	$ (255,951,267.27)		0	0	(331,063)	-	3,771,024	113,692,208	7,344,573	COP	11,815,597	0.11672%	-	-
KS	157,037	1.20482551%	$ 110,252,547	$ 90,417	$ 163,007	$ 6,981,939	$ 103,007,474.03	$ (103,007,474.03)		0	0	(628,067)	(1,199)	6,672,948	201,128,563	13,953,189	COP	20,635,137	0.22227%	-	-
KY	277,182	2.12817646%	$ 193,894,881	$ 181,533	$ 314,167	$ 13,456,470	$ 181,142,601.73	$ (181,142,601.73)		0	0	(389,808)	(1,938)	3,491,366	81,137,424	78,745,086	Subscribers	81,438,461	0.87732%	-	-
LA	112,190	0.86051811%	$ 78,745,086	$ 88,301	$ 147,253	$ 6,307,185	$ 72,201,446.34			0	0	(215,184)	-	2,095,403	63,142,856	4,716,287	COP	6,811,658	0.07340%	-	-
MA	92,259	0.70794717%	$ 64,262,637	$ 72,232	$ 103,951	$ 4,538,104	$ 54,546,350.94	$ (54,546,350.94)		0	0	(346,337)	-	2,670,024	80,386,353	78,062,666	Subscribers	80,732,690	0.86975%	-	-
MD	111,188	0.85306677%	$ 78,062,666	$ 101,522	$ 170,527	$ 7,304,057	$ 70,486,558.80			0	0	(125,481)	-	1,223,325	36,863,811	2,743,467	COP	3,966,792	0.04275%	-	-
ME	36,943	0.28348468%	$ 25,935,957	$ 35,357	$ 61,784	$ 2,646,337	$ 23,022,500.65	$ (23,022,500.65)		0	0	(1,176,151)	-	11,346,342	357,017,981	23,701,889	COP	37,549,823	0.40456%	-	-
MI	393,318	3.78448527%	$ 346,347,990	$ 338,338	$ 579,104	$ 24,804,347	$ 320,646,100.33	$ (320,646,100.33)		0	0	(581,170)	-	6,089,489	183,544,288	178,036,488	Subscribers	184,125,978	1.98335%	-	-
MN	253,585	1.94526479%	$ 178,036,488	$ 172,299	$ 286,447	$ 12,269,186	$ 165,309,556.54			0	0	(979,460)	-	10,834,914	326,633,414	21,450,094	COP	32,285,088	0.34779%	-	-
MO	451,199	3.46170575%	$ 316,774,960	$ 333,155	$ 481,767	$ 20,635,172	$ 295,324,865.98	$ (295,324,865.99)		0	0	(362,908)	-	3,160,454	95,198,754	7,916,089	COP	11,076,543	0.11931%	-	-
MS	131,611	1.00975018%	$ 92,401,208	$ 85,871	$ 178,696	$ 7,653,331	$ 84,485,118.96	$ (84,485,118.96)		0	0	(191,541)	-	2,145,519	64,681,853	62,727,875	Subscribers	64,873,394	0.69876%	-	-
MT	89,346	0.68534837%	$ 62,727,875	$ 77,081	$ 84,109	$ 4,039,488	$ 58,316,984.25			0	0	(793,433)	-	9,569,445	288,354,857	279,778,846	Subscribers	288,348,298	3.11760%	-	-
NC	398,501	3.05735442%	$ 279,778,846	$ 222,609	$ 396,563	$ 16,733,044	$ 262,432,447.61	$ -		0	0	(82,139)	-	797,996	24,046,616	23,330,759	Subscribers	24,128,755	0.25996%	-	-
ND	32,331	0.24796515%	$ 22,330,759	$ 40,443	$ 105,942	$ 4,537,748	$ 70,063,549.54	$ (70,063,549.54)		0	0	(215,167)	-	2,557,809	77,124,496	4,719,305	COP	7,277,114	0.07841%	-	-
NE	106,515	0.81720853%	$ 74,781,854	$ 75,614	$ 134,683	$ 5,485,564	$ 19,671,719.11			0	0	(70,441)	-	725,729	21,873,504	21,219,206	Subscribers	21,943,945	0.23641%	-	-
NH	38,222	0.29318704%	$ 26,829,206	$ 26,229	$ 54,683	$ 1,485,564	$ 111,067,197.10			0	0	(429,718)	17,592	4,120,542	124,179,210	129,470,994	Subscribers	123,691,536	1.33227%	-	-
NJ	171,592	1.31649454%	$ 120,470,994	$ 109,700	$ 211,582	$ 9,062,515	$ 96,986,433.47			0	0	(374,043)	-	3,392,138	102,192,952	99,174,858	Subscribers	102,566,995	1.10491%	-	-
NM	141,259	1.08377254%	$ 99,174,858	$ 115,913	$ 184,368	$ 7,918,343	$ 72,264,110.95			0	0	(286,330)	-	2,693,366	81,152,121	78,745,086	N/A	81,438,451	0.87731%	-	-
NV	112,160	0.86051815%	$ 78,745,086	$ 90,456	$ 146,591	$ 6,939,538	$ 72,264,110.95			0	0	(492,507)	-	10,030,218	302,288,932	293,250,221	Subscribers	302,796,439	3.26077%	-	-
NY	417,649	3.20466991%	$ 293,250,221	$ 288,637	$ 439,446	$ 18,822,468	$ 273,701,569.83			0	0	(955,328)	(8,498)	9,479,610	285,668,155	277,152,371	Subscribers	286,631,981	3.08777%	-	-
OH	394,760	3.02869235%	$ 277,152,371	$ 268,535	$ 470,377	$ 20,147,324	$ 256,266,134.76			0	0	(586,532)	-	6,428,153	193,770,518	12,949,802	COP	19,277,955	0.20779%	-	-
OK	267,666	2.05376548%	$ 187,927,896	$ 181,375	$ 318,793	$ 12,369,634	$ 175,048,094.64	$ (175,048,094.64)		0	0	(557,682)	-	5,556,916	167,465,033	162,465,709	Subscribers	168,022,715	1.81096%	-	-
OR	231,407	1.77540474%	$ 162,465,709	$ 246,737	$ 274,587	$ 11,761,197	$ 150,183,377.56			0	0	(1,557,167)	(130)	9,666,616	291,230,736	23,044,403	COP	33,761,879	0.36379%	-	-
PA	402,550	3.08845911%	$ 262,621,560	$ 274,519	$ 520,619	$ 22,299,366	$ 239,527,156.70	$ (239,527,156.70)		0	0	(36,180)		225,624	9,320,186	9,320,186	Subscribers	9,845,884	0.10611%	-	-
RI	13,560	0.10403555%	$ 9,520,180	$ 10,079	$ 17,914	$ 763,914	$ 8,728,673.63			0	0	(147,215)	-	1,391,541	39,018,347	8,728,177	COP	13,466,387	0.14507%	-	-
SC	179,111	1.37425819%	$ 125,740,861	$ 118,279	$ 210,038	$ 9,010,131	$ 116,425,163.89	$ (116,425,163.89)		0	0	(114,209)	-	1,147,538	34,583,538	2,504,461	COP	3,651,999	0.03935%	-	-
SD	47,787	0.36663372%	$ 33,550,209	$ 39,621	$ 56,233	$ 2,404,606	$ 31,045,747.97	$ (31,045,747.97)		0	0	(610,048)	-	6,463,093	194,812,465	13,349,821	COP	19,813,914	0.21344%	-	-
TN	269,143	2.06492899%	$ 188,959,420	$ 183,886	$ 300,371	$ 12,863,570	$ 175,609,594.87	$ (175,609,594.87)		0	0	(3,495,872)	(10,604)	30,353,794	914,201,450	76,342,131	COP	109,695,906	1.18094%	-	-
TX	1,264,025	9.69783995%	$ 887,444,336	$ 894,900	$ 1,721,272	$ 73,725,940	$ 811,102,274.76	$ (811,102,274.76)		0	0	(511,413)	-	3,919,500	118,001,283	11,151,550	COP	15,671,250	0.16871%	-	-
UT	163,120	1.25226254%	$ 114,593,196	$ 114,345	$ 251,806	$ 10,785,400	$ 103,441,645.77	$ (103,441,645.77)		0	0	(768,993)	-	7,037,811	212,031,084	14,827,560	COP	23,865,389	0.25701%	-	-
VA	293,076	2.24854586%	$ 205,762,232	$ 231,332	$ 378,626	$ 16,217,421	$ 188,934,647.30	$ (188,934,647.30)		0	0	(142,649)	-	1,456,089	43,884,651	3,126,313	COP	4,584,402	0.04936%	-	-
VT	60,636	0.46521318%	$ 42,571,211	$ 49,684	$ 70,237	$ 3,008,392	$ 39,442,897.58	$ (39,442,897.58)		0	0	(665,623)	(54)	7,236,595	218,134,978	211,574,059	N/A	218,810,655	2.35571%	-	-
WA	301,354	2.31203935%	$ 211,574,059	$ 304,375	$ 327,734	$ 14,037,601	$ 196,904,349.30			0	0	(380,960)	-	6,733,150	203,007,161	12,710,260	COP	19,442,410	0.20935%	-	-
WI	280,389	2.15121059%	$ 196,854,591	$ 171,664	$ 286,059	$ 12,252,537	$ 184,144,731.27			0	0	(241,553)	100	2,504,595	75,489,191	5,278,909	COP	7,783,503	0.06378%	-	-
WV	104,299	0.80025677%	$ 73,226,649	$ 65,760	$ 118,914	$ 5,094,235	$ 67,947,140.65	$ (67,947,140.65)		0	0	(103,365)	(468,576)	1,127,559	33,521,699	3,978,838,876	0 SUBSIDIARY, PA, SC, ID, TN, TX, UT, VA	3,979,186,435	42.86549%	-	-
WY	46,955	0.36024999%	$ 32,966,080	$ 46,521	$ 50,893	$ 2,179,857	$ 30,688,809.28	$ 3,945,072,796.59		0	0	(555)	(18,980)	1,829,500	55,228,683	55,488,526	Subscribers	55,218,826	0.59529%	-	-
4N	76,196	0.58457171%	$ 53,488,526	$ -	$ 175	$ 7,490	$ 53,480,861.56			0	0	(32,700,321)	(1,265,976)	317,535,490	9,434,982,547	8,960,747,520		8,960,747,520			
	13,034,009	100.00000000%	$ 9,150,892,251	$ 9,768,618	$ 15,858,890	$ 679,271,933	$ 8,445,992,809.99		49,905	0	0						WO G/(L)	9,284,216,981			Total Gross Proceeds
			Acct # Range	Acct # 406000	Acct # Range	Acct # 413000			Acct #810000 & 810300	Accts # 493100	Accts 462000										0
Source:			$ 9,150,892,251	$ 9,768,618	$ 15,858,890	$ 679,271,933							(33,499,899)	50,264,266	Late Fees		CS + OTHER INC	9,468,417,741			
		difference	$ -	$ -	$ 0	$ -								27,446,594	Product Commissions		TOTAL	9,387,851,003			
														16,478,226	Premium Channel Revenue		TOTAL W/O G/(L)				
														13,457,135	Domestic General Market Sales		W/O INT. + CP	9,284,167,076			
														97,529,403	Domestic Direct Response Sales		CS, RENTS, OTHER INC	9,468,417,741			
														10,481,026	Media Sales - Latino		TOTAL W/O G/(L)+CP	9,284,216,981			
														(45,032,650)	Promo Revenue - Other Revenue - Non-Sus		TOTAL W/O G/L	9,284,167,076			
														142,319,499	Promo Revenue - Other Revenue - PTV		COGS LINE 3	0			
														1	Other Misc Income		TOTAL INCOME LINE 11	9,434,982,547			
														4,542,000	Lines						
														317,535,490							

* COP refers to UDIPTA rules using cost of performance.

Total WY service sales: $ 3,975,761,605.78 — $3,945,072,796.59

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Other Income - EchoStar Satellite
Echostar Satellite Corporation - TOTAL
2006 RETURN

	2006 DEC Subsribers Subs by State	Percent of subscribers per state 2006	
AK	42,805	0.3284101%	1,027,902
AL	236,204	1.8122131%	5,672,109
AR	244,236	1.8738365%	5,864,986
AZ	249,921	1.9174532%	6,001,504
CA	1,457,766	11.1843264%	35,006,214
CO	287,363	2.2047171%	11,442,621
CT	96,931	0.7436776%	2,327,663
DC	6,016	0.0461562%	144,466
DE	22,367	0.1716049%	537,112
FL	555,067	4.2586056%	13,329,158
GA	477,519	3.6636390%	11,466,952
HI	21,537	0.1652370%	517,181
IA	193,714	1.4862197%	4,651,771
ID	133,104	1.0212054%	3,196,307
IL	590,548	4.5308243%	14,181,185
IN	396,047	3.0385665%	9,510,515
KS	157,037	1.2048251%	3,771,024
KY	277,882	2.1319766%	6,672,948
LA	112,160	0.8605181%	2,693,366
MA	87,259	0.6694717%	2,095,403
MD	111,188	0.8530607%	2,670,024
ME	50,943	0.3908468%	1,223,325
MI	493,318	3.7848527%	11,846,342
MN	253,585	1.9455643%	6,089,489
MO	451,199	3.4617057%	10,834,914
MS	131,611	1.0097508%	3,160,454
MT	89,346	0.6854837%	2,145,519
NC	398,501	3.0573942%	9,569,445
ND	33,231	0.2549561%	797,996
NE	106,515	0.8172083%	2,557,809
NH	30,222	0.2318704%	725,739
NJ	171,592	1.3164945%	4,120,542
NM	141,259	1.0837725%	3,392,138
NV	112,160	0.8605181%	2,693,366
NY	417,689	3.2046091%	10,030,218
OH	394,760	3.0286923%	9,479,610
OK	267,688	2.0537658%	6,428,153
OR	231,407	1.7754094%	5,556,916
PA	402,550	3.0884591%	9,666,676
RI	13,560	0.1040355%	325,624
SC	179,131	1.3743355%	4,301,581
SD	47,787	0.3666332%	1,147,538
TN	269,143	2.0649289%	6,463,093
TX	1,264,025	9.6978995%	30,353,794
UT	163,220	1.2522625%	3,919,500
VA	293,076	2.2485486%	7,037,811
VT	60,636	0.4652138%	1,456,089
WA	301,354	2.3120593%	7,236,595
WI	280,389	2.1512109%	6,733,150
WV	104,299	0.8002067%	2,504,595
WY	46,955	0.3602499%	1,127,559
4N	76,186	0.5845171%	1,829,500
	13,034,008	100.0000000%	317,535,490

Late Fees	50,284,266	
Product Commissions	27,486,594	
Premium Channel Revenue	16,478,226	
Domestic General Market Sales	13,457,125	
Domestic Direct Response Sales	97,539,403	
Media Sales - Latino	10,481,026	
Promo Revenue - Other Revenue - Non-Stand	(45,052,650)	
Promo Revenue - Other Revenue - PTO	142,319,499	
Other Misc Income	1	
	312,993,490	
Lime	4,542,000	All Colorado
TOTAL	317,535,490	

Sources:

difference

* COP refers to UDIPTA rules using cost of performance.

2006 Guides

State	Guides	Percentage	Allocated Guides
AK	26,678	0.00552	53,897
AL	79,258	0.01639	160,122
AR	79,296	0.01640	160,199
AZ	125,330	0.02592	253,200
CA	622,497	0.12874	1,257,607
CO	152,468	0.03153	308,025
CT	19,379	0.00401	39,151
DC	7,649	0.00158	15,453
DE	8,959	0.00185	18,100
FL	240,616	0.04976	486,107
GA	191,427	0.03959	386,733
HI	9,567	0.00198	19,328
IA	65,082	0.01346	131,483
ID	50,879	0.01052	102,789
IL	200,482	0.04146	405,026
IN	116,207	0.02403	234,769
KS	49,215	0.01018	99,427
KY	89,866	0.01859	181,553
LA	43,658	0.00903	88,201
MA	35,754	0.00739	72,232
MD	50,252	0.01039	101,522
ME	17,501	0.00362	35,357
MI	157,523	0.03258	318,238
MN	85,285	0.01764	172,298
MO	164,907	0.03410	333,155
MS	41,515	0.00859	83,871
MT	38,159	0.00789	77,091
NC	110,228	0.02280	222,690
ND	11,308	0.00234	22,845
NE	37,428	0.00774	75,614
NH	12,988	0.00269	26,239
NJ	54,300	0.01123	109,700
NM	57,375	0.01187	115,913
NV	50,219	0.01039	101,456
NY	141,980	0.02936	286,837
OH	132,921	0.02749	268,535
OK	94,728	0.01959	191,375
OR	122,131	0.02526	246,737
PA	135,883	0.02810	274,519
RI	5,286	0.00109	10,679
SC	58,544	0.01211	118,274
SD	19,612	0.00406	39,621
TN	91,018	0.01882	183,880
TX	442,962	0.09161	894,900
UT	56,599	0.01171	114,345
VA	114,600	0.02370	231,522
VT	24,593	0.00509	49,684
WA	150,661	0.03116	304,375
WI	84,971	0.01757	171,664
WV	32,550	0.00673	65,760
WY	23,027	0.00476	46,521
	4,835,321	1.00000	**9,768,618**
		DISH	9,768,618
		Acct 406000	**9,768,618**

DSH1221

Total Lease Cost from Brio Report for TY Ended 12-31-2006

DHA Equipment & Tech Sales $15,858,890.00

Acct#412000 - Equipment Leasing $679,271,933.00

State Name	Total Lease Cost	%	Equipment Leasing	DHA Equipment & Tech Sale
ALABAMA	$36,340,660.72	$0.019267424	$305,559.95	$13,087,820.11
ALASKA	$670,239.20	$0.000355354	$5,635.51	$241,381.69
ARIZONA	$38,516,776.09	$0.020421176	$323,857.19	$13,871,531.97
ARKANSAS	$32,568,491.75	$0.017267461	$273,842.76	$11,729,301.37
CALIFORNIA	$238,939,621.30	$0.126683192	$2,009,054.81	$86,052,336.96
COLORADO	$44,126,251.01	$0.023395259	$371,022.84	$15,891,742.86
CONNECTICUT	$8,034,863.21	$0.004259997	$67,558.83	$2,893,696.54
DELAWARE	$3,145,709.42	$0.001667821	$26,449.79	$1,132,903.98
DISTRICT OF COLUMBIA	$999,542.66	$0.000529947	$8,404.37	$359,977.89
FLORIDA	$84,941,196.68	$0.045034900	$714,203.53	$30,590,943.60
GEORGIA	$73,847,488.17	$0.039153136	$620,925.28	$26,595,626.55
HAWAII	$2,577,491.58	$0.001366558	$21,672.09	$928,264.52
IDAHO	$19,793,632.96	$0.010494369	$166,429.05	$7,128,530.48
ILLINOIS	$88,171,350.76	$0.046747493	$741,363.34	$31,754,259.69
INDIANA	$59,340,283.85	$0.031461574	$498,945.64	$21,370,964.24
IOWA	$27,135,789.85	$0.014387101	$228,163.45	$9,772,753.97
KANSAS	$19,386,595.45	$0.010278562	$163,006.59	$6,981,938.93
KENTUCKY	$37,364,281.73	$0.019810136	$314,166.77	$13,456,469.65
LOUISIANA	$17,513,022.22	$0.009285214	$147,253.19	$6,307,185.39
MAINE	$7,347,996.35	$0.003895828	$61,783.51	$2,646,326.53
MARYLAND	$20,281,014.90	$0.010752774	$170,527.06	$7,304,057.48
MASSACHUSETTS	$12,600,851.79	$0.006680835	$105,950.62	$4,538,103.55
MICHIGAN	$68,873,682.44	$0.036516078	$579,104.47	$24,804,347.21
MINNESOTA	$34,067,577.98	$0.018062260	$286,447.39	$12,269,186.18
MISSISSIPPI	$21,251,391.18	$0.011267257	$178,686.19	$7,653,531.32
MISSOURI	$57,297,224.61	$0.030378366	$481,767.17	$20,635,171.56
MONTANA	$11,216,356.01	$0.005946790	$94,309.49	$4,039,487.64
NEBRASKA	$12,599,864.84	$0.006680312	$105,942.33	$4,537,748.11
NEVADA	$16,767,074.96	$0.008889721	$140,981.11	$6,038,538.01
NEW HAMPSHIRE	$4,124,933.59	$0.002186995	$34,683.31	$1,485,564.32
NEW JERSEY	$25,163,685.92	$0.013341513	$211,581.59	$9,062,515.33
NEW MEXICO	$21,903,388.50	$0.011612939	$184,168.32	$7,888,343.33
NEW YORK	$52,263,931.77	$0.027709769	$439,446.18	$18,822,468.38
NORTH CAROLINA	$46,462,273.19	$0.024633793	$390,664.61	$16,733,043.97
NORTH DAKOTA	$4,809,953.72	$0.002550185	$40,443.11	$1,732,269.25
OHIO	$55,942,628.51	$0.029660174	$470,377.44	$20,147,323.80
OKLAHOMA	$34,346,488.49	$0.018210135	$288,792.53	$12,369,633.74
OREGON	$32,657,055.57	$0.017314416	$274,587.42	$11,761,196.97
PENNSYLVANIA	$61,917,877.44	$0.032828186	$520,618.59	$22,299,265.50
PUERTO RICO	$19,917.14	$0.000010560	$167.47	$7,173.01
RHODE ISLAND	$2,118,644.10	$0.001123282	$17,814.01	$763,014.00
SOUTH CAROLINA	$25,018,252.25	$0.013264406	$210,358.75	$9,010,138.47
SOUTH DAKOTA	$6,687,922.53	$0.003545864	$56,233.47	$2,408,605.82
TENNESSEE	$35,723,543.36	$0.018940235	$300,371.10	$12,865,569.86
TEXAS	$204,713,187.84	$0.108536709	$1,721,271.73	$73,725,940.16
UTAH	$29,947,581.10	$0.015877882	$251,805.59	$10,785,399.78
VERMONT	$8,353,336.42	$0.004428848	$70,236.62	$3,008,392.31
VIRGIN ISLAND	$879.28	$0.000000466	$7.39	$316.67
VIRGINIA	$45,030,553.48	$0.023874710	$378,626.41	$16,217,420.70
WASHINGTON	$38,977,894.91	$0.020665657	$327,734.37	$14,037,600.50
WEST VIRGINIA	$14,144,993.85	$0.007499522	$118,934.10	$5,094,214.89
WISCONSIN	$34,021,349.41	$0.018037750	$286,058.69	$12,252,537.30
WYOMING	$6,052,760.61	$0.003209108	$50,892.89	$2,179,856.96
	$1,886,119,356.65	100.00%	$15,858,890.00	$679,271,933.00

Grand Total	1,886,119,357	$15,858,890.00	$679,271,933.00

Echosphere - 113

Apportionment Schedule - Sales Factor

2006 -Return

	From Custom Tax Periodic Sales Report	From #1 Detail			Gross Receipts (Line 1a)	Miscellaneous Income				
						Acct 810000,8103 00	Held less than 1 year, CO113	Held longer than 1 year, CO113	865300	
	(1)	(2)	(3)	(4.)	(5)	(6a)	(6b)	(6c)	(6d)	(10)
State	Sales Amount	Less RSPs	Total Sales by State Allocation	% of TS by state	Gross Receipts apportioned by TS % by state	Interest	Net G(L), Line 9, Form 1120	Capital Gain	Misc Other Income	Total Receipts
					109,704,101	0	0	0	0	(5) + (6-9) = (10)
AK	2,314,194.36	45,136.34	2,269,058	0.424%	464,708					464,708
AL	4,773,930.18	2,433,398.09	2,340,532	0.437%	479,346					479,346
AR	(35,528,326.93)	(44,701,415.09)	9,173,088	1.712%	1,878,667					1,878,667
AZ	13,853,469.15	-	13,853,469	2.586%	2,837,219					2,837,219
CA	55,144,553.42	(15,787,129.94)	70,931,683	13.242%	14,526,953					14,526,953
CO	13,114,346.02	-	13,114,346	2.448%	2,685,845	6,264	(494,019)	0	(1,230)	2,196,860
CT	565,767.00	-	565,767	0.106%	115,870					115,870
DC	40,065.22	-	40,065	0.007%	8,205					8,205
DE	3,047,679.79	-	3,047,680	0.569%	624,171					624,171
FL	28,689,338.89	(38,342,091.66)	67,031,431	12.514%	13,728,173					13,728,173
GA	43,698,100.79	778,433.00	42,919,668	8.012%	8,790,035					8,790,035
HI	1,719,103.39	677,619.08	1,041,484	0.194%	213,298					213,298
IA	23,373,745.06	11,461,953.43	11,911,792	2.224%	2,439,559					2,439,559
ID	22,707,828.92	11,107,732.91	11,600,096	2.166%	2,375,723					2,375,723
IL	13,243,897.33	139,248.19	13,104,649	2.446%	2,683,859					2,683,859
IN	55,029,487.32	2,083,166.87	52,946,320	9.884%	10,843,514					10,843,514
KS	(10,122,182.91)	(12,623,234.38)	2,501,051	0.467%	512,220					512,220
KY	4,555,752.78	(182,237.26)	4,737,990	0.885%	970,350					970,350
LA	3,058,925.45	724,964.98	2,333,960	0.436%	478,000					478,000
MA	1,034,596.64	-	1,034,597	0.193%	211,887					211,887
MD	57,900,251.64	12,318,608.00	45,581,644	8.509%	9,335,213					9,335,213
ME	836,304.87	-	836,305	0.156%	171,277					171,277
MI	14,747,289.39	17,554,276.70	(2,806,987)	-0.524%	(574,877)					(574,877)
MN	5,194,818.30	(1,623,402.83)	6,818,221	1.273%	1,396,386					1,396,386
MO	28,924,543.09	13,900,197.02	15,024,346	2.805%	3,077,017					3,077,017
MS	2,364,267.54	336,472.00	2,027,796	0.379%	415,297					415,297
MT	(8,117,097.15)	(12,862,209.04)	4,745,112	0.886%	971,809					971,809
NC	6,283,632.59	1,912,764.29	4,370,868	0.816%	895,163					895,163
ND	1,748,429.88	-	1,748,430	0.326%	358,082					358,082
NE	5,536,879.56	-	5,536,880	1.034%	1,133,964					1,133,964
NH	2,743,801.00	-	2,743,801	0.512%	561,936					561,936
NJ	4,467,226.53	-	4,467,227	0.834%	914,897					914,897
NM	(90,998.10)	-	(90,998)	-0.017%	(18,637)					(18,637)
NV	14,529,435.85	11,787,521.70	2,741,914	0.512%	561,550					561,550
NY	14,264,740.78	5,107,979.49	9,156,761	1.709%	1,875,323					1,875,323
OH	7,123,338.43	2,006,418.76	5,116,920	0.955%	1,047,956					1,047,956
OK	15,922,746.64	9,785,337.71	6,137,409	1.146%	1,256,954					1,256,954
OR	17,439,975.86	8,474,532.48	8,965,443	1.674%	1,836,141					1,836,141
PA	(11,211,218.36)	1,717,050.57	(12,928,269)	-2.414%	(2,647,736)					(2,647,736)
PR	3,647,786.57	-	3,647,787	0.681%	747,074					747,074
RI	670,881.73	-	670,882	0.125%	137,398					137,398
SC	8,431,679.25	4,556,863.49	3,874,816	0.723%	793,570					793,570
SD	3,200,652.13	1,961,739.92	1,238,912	0.231%	253,732					253,732
TN	(4,268,762.72)	6,089,938.24	(10,358,701)	-1.934%	(2,121,483)					(2,121,483)
TX	93,179,525.44	33,383,476.70	59,796,049	11.163%	12,246,352					12,246,352
UT	8,115,933.96	-	8,115,934	1.515%	1,662,160					1,662,160
VA	(16,424,127.69)	(22,526,570.00)	6,102,442	1.139%	1,249,793					1,249,793
VI	24,155.00	-	24,155	0.005%	4,947					4,947
VT	(3,774,134.85)	(4,309,954.08)	535,819	0.100%	109,737					109,737
WA	18,118,923.01	3,084,525.55	15,034,397	2.807%	3,079,075					3,079,075
WI	(9,417,490.26)	(15,830,796.89)	6,413,307	1.197%	1,313,458					1,313,458
WV	2,719,218.21	-	2,719,218	0.508%	556,901					556,901
WY	1,152,673.99	-	1,152,674	0.215%	236,070					236,070
	$ 530,299,554	$ (5,359,686)	$ 535,659,240	100%	$ 109,704,101	6,264	(494,019)	0	(1,230)	109,215,116
										109,215,116

1252

Dish Network Services Corporation - 115

2006 Income from F/S Detail - For Return

Sales Apportionment Schedule

State	(a) #444088 DNSC Installation to ESC	(b) #530400 SAC	(c) #444000 Other Installations	(d) #444200 Total Install Service Sales	A (e) = a+b+c+d Subtotal Installation Services	B (f) #461000 Total Tangible Property Sales	C (g) Total Sales Revenue	(h) Percentage Sales Revenue by State	D (i) Gross Receipts per 1120 by State $480,335,444	A/C * D Services portion of Gross Receipts	B/C * D #461000 Tangible Sales portion of Gross Receipts	#810000 #810300 Interest Income	Net G(L), Line 9, Form 1120	#865300 Other Income (Line 10)	Total Receipts	%	4797 Proceeds
AK	$68,747	1,319,682	0	195	1,388,624	0	1,388,624	0.1574%	756,092	756,092	0				756,092	0.1575%	
AL	$9,731,427	7,282,190	0	5,674	17,019,292	0	17,019,292	1.9292%	9,266,833	9,266,833	0				9,266,833	1.9300%	
AR	$8,708,230	7,529,818	0	11,018	16,249,066	280	16,249,346	1.8420%	8,847,605	8,847,325	280				8,847,605	1.8427%	
AZ	$10,591,199	7,705,087	0	12,778	18,309,063	0	18,309,063	2.0754%	9,969,101	9,969,101	0		(16,435)		9,952,665	2.0728%	
CA	$0	0	0	0	0	0	0	0.0000%	0	0	0				0	0.0000%	
CO	$9,672,949	8,859,427	9,716,227	6,060	28,254,663	2,804	28,257,467	3.2032%	15,385,906	15,383,102	2,804	0	(33,419)	3,090	15,355,577	3.1981%	0
CT	$5,451,977	2,988,391	0	10,566	8,450,934	0	8,450,934	0.9580%	4,601,449	4,601,449	0				4,601,449	0.9583%	
DC	$346,258	185,474	0	3,372	535,104	0	535,104	0.0607%	291,359	291,359	0				291,359	0.0607%	
DE	$1,062,792	689,577	0	293	1,752,662	0	1,752,662	0.1987%	954,307	954,307	0				954,307	0.1988%	
FL	$30,555,384	17,112,765	0	113,093	47,781,241	0	47,781,241	5.4163%	26,016,405	26,016,405	0				26,016,405	5.4184%	
GA	$20,779,227	14,721,953	0	30,915	35,532,096	0	35,532,096	4.0278%	19,346,868	19,346,868	0		(57,061)		19,289,808	4.0174%	0
HI	$226,952	663,988	0	1,421	892,360	0	892,360	0.1012%	485,881	485,881	0				485,881	0.1012%	
IA	$4,370,214	5,972,220	0	10,969	10,353,402	0	10,353,402	1.1736%	5,637,323	5,637,323	0				5,637,323	1.1741%	
ID	$3,982,099	4,103,608	0	927	8,086,634	0	8,086,634	0.9167%	4,403,091	4,403,091	0				4,403,091	0.9170%	
IL	$23,172,141	18,206,648	0	21,087	41,399,876	0	41,399,876	4.6929%	22,541,816	22,541,816	0		(5)		22,541,811	4.6947%	0
IN	$15,334,734	12,210,164	0	4,300	27,549,199	0	27,549,199	3.1229%	15,000,261	15,000,261	0				15,000,261	3.1241%	
KS	$5,328,493	4,841,465	0	7,766	10,177,725	0	10,177,725	1.1537%	5,541,668	5,541,668	0				5,541,668	1.1542%	
KY	$9,561,475	8,567,127	0	24,548	18,153,149	0	18,153,149	2.0578%	9,884,207	9,884,207	0				9,884,207	2.0586%	
LA	$6,244,481	3,457,903	0	6,414	9,708,797	0	9,708,797	1.1006%	5,286,342	5,286,342	0				5,286,342	1.1010%	
MA	$4,213,749	2,690,203	0	4,453	6,908,406	0	6,908,406	0.7831%	3,761,557	3,761,557	0				3,761,557	0.7834%	
MD	$6,499,888	3,427,936	0	5,675	9,933,500	401	9,933,900	1.1261%	5,408,909	5,408,508	401				5,408,909	1.1265%	
ME	$1,985,654	1,570,577	0	1,026	3,557,257	0	3,557,257	0.4032%	1,936,891	1,936,891	0				1,936,891	0.4034%	
MI	$17,591,895	15,209,038	0	9,360	32,810,293	801	32,811,094	3.7193%	17,865,310	17,864,509	801				17,865,310	3.7208%	0
MN	$7,339,210	7,818,048	0	8,495	15,165,752	0	15,165,752	1.7191%	8,257,599	8,257,599	0		(53,882)		8,203,718	1.7086%	
MO	$16,934,187	13,910,506	0	10,405	30,855,098	0	30,855,098	3.4976%	16,800,290	16,800,290	0				16,800,290	3.4990%	
MS	$6,894,530	4,057,579	0	3,355	10,955,464	0	10,955,464	1.2419%	5,965,140	5,965,140	0				5,965,140	1.2423%	
MT	$2,344,356	2,754,545	0	878	5,099,779	0	5,099,779	0.5781%	2,776,778	2,776,778	0				2,776,778	0.5783%	
NC	$18,860,580	12,285,821	0	11,584	31,157,986	1,202	31,159,188	3.5321%	16,965,864	16,964,662	1,202				16,965,864	3.5334%	
ND	$906,328	1,024,515	0	390	1,931,232	0	1,931,232	0.2189%	1,051,536	1,051,536	0				1,051,536	0.2190%	
NE	$3,031,042	3,283,867	0	8,414	6,323,322	0	6,323,322	0.7168%	3,442,985	3,442,985	0				3,442,985	0.7171%	
NH	$1,251,280	931,747	0	2,502	2,185,529	2,404	2,187,933	0.2480%	1,191,307	1,188,904	2,404				1,191,307	0.2481%	
NJ	$8,486,674	5,290,197	0	7,901	13,784,772	280	13,785,052	1.5626%	7,505,822	7,505,542	280				7,505,822	1.5632%	
NM	$4,829,774	4,355,028	0	4,426	9,189,228	401	9,189,628	1.0417%	5,003,660	5,003,259	401				5,003,660	1.0421%	
NV	$5,318,138	3,457,903	0	3,864	8,779,905	0	8,779,905	0.9953%	4,780,570	4,780,570	0				4,780,570	0.9956%	
NY	$17,685,443	12,877,389	0	18,176	30,581,008	4,567	30,585,574	3.4671%	16,653,537	16,648,971	4,567				16,653,537	3.4684%	
OH	$18,778,171	12,170,486	0	21,636	30,970,292	0	30,970,292	3.5107%	16,863,012	16,863,012	0				16,863,012	3.5120%	
OK	$10,070,463	8,252,845	0	9,391	18,332,699	0	18,332,699	2.0781%	9,981,970	9,981,970	0				9,981,970	2.0789%	
OR	$8,329,687	7,134,298	0	6,677	15,470,662	0	15,470,662	1.7537%	8,423,620	8,423,620	0				8,423,620	1.7544%	
PA	$16,252,984	12,410,652	0	11,537	28,675,173	0	28,675,173	3.2505%	15,613,343	15,613,343	0				15,613,343	3.2518%	
PR	$30,457	1,447,627	0	0	1,478,084	0	1,478,084	0.1676%	804,802	804,802	0				804,802	0.1676%	
RI	$796,420	418,056	0	1,224	1,215,699	0	1,215,699	0.1378%	661,936	661,936	0				661,936	0.1379%	
SC	$7,685,466	5,522,625	0	4,907	13,210,998	401	13,211,399	1.4976%	7,193,474	7,193,075	401				7,193,474	1.4982%	
SD	$1,196,457	1,473,277	0	606	2,670,341	0	2,670,341	0.3027%	1,453,974	1,453,974	0				1,453,974	0.3028%	
TN	$10,597,377	8,297,703	0	13,708	18,908,788	1,202	18,909,990	2.1436%	10,296,299	10,295,097	1,202				10,296,299	2.1444%	0
TX	$60,551,829	38,970,004	0	51,982	99,573,815	2,035	99,575,850	11.2875%	54,218,047	54,216,012	2,035				54,218,047	11.2919%	
UT	$5,249,478	5,032,087	0	3,022	10,284,588	401	10,284,988	1.1659%	5,600,073	5,599,672	401				5,600,073	1.1663%	
VA	$13,596,569	9,035,559	0	8,795	22,640,924	401	22,641,324	2.5665%	12,327,973	12,327,572	401				12,327,973	2.5675%	
VI	$174	0	0	0	174	0	174	0.0000%	95	95	0				95	0.0000%	
VT	$1,457,347	1,869,413	0	390	3,327,151	0	3,327,151	0.3772%	1,811,600	1,811,600	0		(26,994)		1,784,606	0.3717%	
WA	$9,925,311	9,290,771	0	6,161	19,222,243	1,482	19,223,725	2.1791%	10,467,125	10,465,643	1,482				10,467,125	2.1800%	
WI	$9,715,154	8,644,418	0	11,437	18,371,009	0	18,371,009	2.0825%	10,002,830	10,002,830	0				10,002,830	2.0833%	
WV	$4,678,096	3,215,547	0	2,881	7,896,524	0	7,896,524	0.8951%	4,299,578	4,299,578	0				4,299,578	0.8953%	
WY	$1,802,213	47,291,877	0	341	49,094,431	0	49,094,431	5.5652%	26,731,423	26,731,423	0				26,731,423	5.5673%	
Total	$470,073,159	$401,839,632	$9,716,227	$526,997	$882,156,015	$19,061	$882,175,076	100%	$480,335,444	480,316,383	19,061	0	(187,797)	3,090	480,150,737	100%	0

	480,150,737
Gross Revenue w/o G/L	480,338,534
Gross Revenue w/o G/L and Other Income	480,335,444
	Line 1c 1120

1253

2006 DNSLLC - 115 Sales Apportionment
Installation Revenue ESC
Account#444088

			$470,073,159
ST	**Total # Completed Jobs**	**% of Total**	**Total Installation Revenue - ESC**
AK	790	0.0146%	$68,747
AL	111,828	2.0702%	$9,731,427
AR	100,070	1.8525%	$8,708,230
AZ	121,708	2.2531%	$10,591,199
CA	0	0.0000%	$0
CO	111,156	2.0578%	$9,672,949
CT	62,651	1.1598%	$5,451,977
DC	3,979	0.0737%	$346,258
DE	12,213	0.2261%	$1,062,792
FL	351,125	6.5001%	$30,555,384
GA	238,783	4.4204%	$20,779,227
HI	2,608	0.0483%	$226,952
IA	50,220	0.9297%	$4,370,214
ID	45,760	0.8471%	$3,982,099
IL	266,281	4.9295%	$23,172,141
IN	176,218	3.2622%	$15,334,734
KS	61,232	1.1335%	$5,328,493
KY	109,875	2.0340%	$9,561,475
LA	71,758	1.3284%	$6,244,481
MA	48,422	0.8964%	$4,213,749
MD	74,693	1.3827%	$6,499,888
ME	22,818	0.4224%	$1,985,654
MI	202,156	3.7424%	$17,591,895
MN	84,338	1.5613%	$7,339,210
MO	194,598	3.6025%	$16,934,187
MS	79,228	1.4667%	$6,894,530
MT	26,940	0.4987%	$2,344,356
NC	216,735	4.0123%	$18,860,580
ND	10,415	0.1928%	$906,328
NE	34,831	0.6448%	$3,031,042
NH	14,379	0.2662%	$1,251,280
NJ	97,524	1.8054%	$8,486,674
NM	55,501	1.0275%	$4,829,774
NV	61,113	1.1313%	$5,318,138
NY	203,231	3.7623%	$17,685,443
OH	215,788	3.9947%	$18,778,171
OK	115,724	2.1423%	$10,070,463
OR	95,720	1.7720%	$8,329,687
PA	186,770	3.4575%	$16,252,984
PR	350	0.0065%	$30,457
RI	9,152	0.1694%	$796,420
SC	88,294	1.6345%	$7,683,466
SD	13,749	0.2545%	$1,196,457
TN	121,779	2.2544%	$10,597,377
TX	695,827	12.8814%	$60,551,829
UT	60,324	1.1167%	$5,249,478
VA	156,244	2.8924%	$13,596,569
VI	2	0.0000%	$174
VT	16,747	0.3100%	$1,457,347
WA	114,056	2.1114%	$9,925,311
WI	111,641	2.0667%	$9,715,154
WV	53,758	0.9952%	$4,678,096
WY	20,710	0.3834%	$1,802,213
Grand Total	**5,401,812**	**100.0000%**	**$470,073,159**
CA	766,764		
	6,168,576		

DSH1225

EchoStar DBS Corporation - 137
SALES FACTOR
Tax Year 2006
Source of Sales - 2006 Financials

	Gross Receipts Line 1, Form 1120	Dividends, Line 4, Form 1120	Interest, Line 5, Form 1120	Rents, Line 6, Form 1120	Sch D, Line 8, Form 1120	Net G(L), Line 9, Form 1120	Other Income, Line 10, Form 1120	Total Receipts
AK	0		0	0		0	0	0
AL	0		0	0		0	0	0
AR	0		0	0		0	0	0
AZ	0		0	0		0	0	0
CA	0		0	0		0	0	0
CO	0		121,387,110	0		0	29,460	121,416,570
CT	0		0	0		0	0	0
DC	0		0	0		0	0	0
DE	0		0	0		0	0	0
FL	0		0	0		0	0	0
GA	0		0	0		0	0	0
HI	0		0	0		0	0	0
IA	0		0	0		0	0	0
ID	0		0	0		0	0	0
IL	0		0	0		0	0	0
IN	0		0	0		0	0	0
KS	0		0	0		0	0	0
KY	0		0	0		0	0	0
LA	0		0	0		0	0	0
MA	0		0	0		0	0	0
MD	0		0	0		0	0	0
ME	0		0	0		0	0	0
MI	0		0	0		0	0	0
MN	0		0	0		0	0	0
MO	0		0	0		0	0	0
MS	0		0	0		0	0	0
MT	0		0	0		0	0	0
NC	0		0	0		0	0	0
ND	0		0	0		0	0	0
NE	0		0	0		0	0	0
NH	0		0	0		0	0	0
NJ	0		0	0		0	0	0
NM	0		0	0		0	0	0
NV	0		0	0		0	0	0
NY	0		0	0		0	0	0
OH	0		0	0		0	0	0
OK	0		0	0		0	0	0
OR	0		0	0		0	0	0
PA	0		0	0		0	0	0
RI	0		0	0		0	0	0
SC	0		0	0		0	0	0
SD	0		0	0		0	0	0
TN	0		0	0		0	0	0
TX	0		0	0		0	0	0
UT	0		0	0		0	0	0
VA	0		0	0		0	0	0
VT	0		0	0		0	0	0
WA	0		0	0		0	0	0
WI	0		0	0		0	0	0
WV	0		0	0		0	0	0
WY	0		0	0		0	0	0
PR/VI	0		0	0		0	0	0
	0	0	121,387,110	0		0	29,460	121,416,570

Colorado Other Income includes everything else except GR 121,416,570

121,416,570

2005 SALES APPORTIONMENT

RECEIPTS:	ORIGINAL	
	WITHIN	EVERYWHERE
GUIDES	139,249	11,418,303
EQUIPMENT	319,374	28,193,600
LEASES	6,669,978	474,751,659
SERVICES	5,527,873 [See below]	127,592,625 [See below]
GAIN/(LOSS)	475,175	27,081,001
OTHER	2,693,578	504,923,758
PROGRAMMING	-	8,255,944,733
INTEREST	-	34,541,388
RENT	-	11,769
ROYALTY	-	-
ELIMS	-	-
TOTALS	15,825,227	9,464,458,836
SALES FACTOR		0.1672%

SERVICES:	4,877,286	
	648,542	127,462,634
	2,046	129,992
	5,527,873	127,592,626

DSH1199

PETITIONER'S EXHIBIT

DBS Consolidation
2005 Sales Apportionment

Gross Sales

	DBS	ES, LLC	ECHO	DNS, LLC	WSA, LLC	EA, LLC	ESBB, LLC	Total
AK	0	1,816,977	373,635	34,670	0	0	0	2,225,281
AL	0	158,083,184	1,016,209	15,827,800	30,873	913,133	0	175,871,199
AR	0	164,920,679	2,250,882	13,956,628	2,418	586,119	0	181,716,726
AZ	0	10,375,260	3,112,962	16,461,224	0	0	0	29,949,446
CA	0	976,341,245	16,520,855	0	859,747	4,272,085	0	997,993,931
CO	0	208,852,471	2,871,815	24,640,397	9,167	764,775	0	237,138,626
CT	0	65,178,424	333,449	15,091,040	99,945	150,448	0	80,853,306
DC	0	239,852	7,916	642,856	0	0	0	890,624
DE	0	15,176,394	793,746	1,582,293	14,267	130,597	0	17,697,296
FL	0	366,667,692	10,884,375	62,122,912	710,998	2,323,580	0	442,709,556
GA	0	326,061,413	8,450,719	36,122,336	906,888	1,202,536	0	372,743,892
HI	0	16,159,483	250,587	583,643	3,587	78,358	0	17,075,657
IA	0	132,870,695	2,906,426	7,715,695	113,670	837,910	0	144,444,395
ID	0	89,686,044	2,659,231	7,236,389	6,471	272,686	0	99,860,822
IL	0	22,102,647	3,142,468	43,167,824	0	0	0	68,412,940
IN	0	15,007,505	13,075,529	27,655,496	0	0	0	55,738,530
KS	0	5,942,328	(40,201)	9,981,298	0	0	0	15,883,425
KY	0	11,698,489	1,213,621	14,222,587	0	0	0	27,134,697
LA	0	70,739,722	607,107	9,218,899	19,650	779,402	0	81,364,781
MA	0	3,700,446	584,237	8,939,536	0	0	0	13,224,220
MD	0	70,908,347	10,436,322	10,780,287	49,649	476,417	0	92,651,024
ME	0	1,995,387	121,144	3,559,420	0	0	0	5,675,951
MI	0	19,441,529	629,940	33,267,117	0	0	0	53,338,586
MN	0	179,147,198	2,223,484	14,763,777	70,775	594,477	0	196,799,711
MO	0	17,369,891	4,649,130	27,795,034	0	0	0	49,814,056
MS	0	5,238,983	642,277	12,253,031	0	0	0	18,134,291
MT	0	59,619,883	1,389,786	4,500,797	43,182	449,253	0	66,002,901
NC	0	246,659,485	2,050,926	26,369,610	0	0	0	275,080,021
ND	0	23,268,869	761,525	1,915,548	265,083	111,791	0	26,322,817
NE	0	4,432,464	1,295,067	5,604,376	0	0	0	11,331,908
NH	0	21,059,687	691,438	2,576,053	3,558	112,836	0	24,443,572
NJ	0	118,058,060	915,795	17,922,969	393,754	280,000	0	137,570,578
NM	0	99,343,061	220,840	8,238,218	82,581	259,104	0	108,143,803
NV	0	75,145,987	358,850	9,861,228	54,100	433,582	0	85,853,748
NY	0	295,836,086	2,510,849	38,446,124	592,690	1,430,297	0	338,816,045
OH	0	253,295,869	1,569,707	30,833,710	100,422	1,665,371	0	287,465,080
OK	0	10,148,112	1,358,418	16,481,817	0	21,102,366	0	49,090,714
OR	0	163,716,079	1,799,595	13,656,027	7,038	939,253	0	180,117,991
PA	0	15,678,469	(3,208,248)	28,065,380	0	0	0	40,535,601
RI	0	8,929,302	64,987	1,524,541	0	36,567	0	10,555,397
SC	0	7,128,602	648,542	12,971,434	0	0	0	20,748,578
SD	0	2,002,082	347,763	2,474,405	0	0	0	4,824,251
TN	0	10,912,767	(1,793,759)	16,329,001	0	0	0	25,448,009
TX	0	45,958,115	15,449,849	103,524,910	0	0	0	164,932,874
UT	0	6,882,312	1,783,209	7,913,002	0	0	0	16,578,523
VA	0	11,807,005	1,760,178	24,786,263	0	0	0	38,353,446
VT	0	2,574,304	115,373	2,829,839	0	0	0	5,519,516
WA	0	210,711,485	3,691,640	16,239,028	21,470	892,238	0	231,555,861
WI	0	181,199,283	2,317,852	16,814,851	78,920	1,238,058	0	201,648,964
WV	0	4,189,583	669,023	7,811,859	0	0	0	12,670,465
WY	0	3,868,555,775	361,223	2,819,780	5,527,306	290,447	0	3,877,554,532
4N	0	50,283,083	614,339	570	331,175	1,698,804	0	52,927,971
Total	0	8,753,118,092	127,462,634	838,133,532	10,399,382	44,322,492		9,773,436,132
		8,582,502,203						
		170,615,889						
		170,615,889						

Other Income

	DBS	ES, LLC	ECHO	DNS, LLC	WSA, LLC	EA, LLC	ESBB, LLC	Total
AK	0	689,706	52	0	0	0	0	689,758
AL	0	3,607,983	3,961	0	0	0	0	3,611,944
AR	0	3,492,124	18,432	0	0	0	0	3,510,556
AZ	0	3,889,144	9,314	0	0	0	0	3,898,458
CA	0	20,530,715	(2,050)	0	0	0	0	20,528,665
CO	17,027	4,766,671	312,341,697	1,220	0	0	0	317,126,615
CT	0	787,378	4	0	0	0	0	787,382
DC	0	89,535	0	0	0	0	0	89,535
DE	0	346,381	0	0	0	0	0	346,381
FL	0	8,368,294	316,568	0	0	0	0	8,684,862
GA	0	7,441,755	13,255	0	0	0	0	7,455,010
HI	0	368,818	0	0	0	0	0	368,818
IA	0	3,032,542	0	0	0	0	0	3,032,542
ID	0	2,046,928	0	0	0	0	0	2,046,928
IL	0	8,138,386	7,416	0	0	0	0	8,145,803
IN	0	5,573,880	116,958	0	0	0	0	5,690,838
KS	0	2,180,109	1	0	0	0	0	2,180,110
KY	0	4,434,507	9,449	0	0	0	0	4,443,957
LA	0	1,614,434	8,823	0	0	0	0	1,623,257
MA	0	1,401,633	0	0	0	0	0	1,401,633
MD	0	1,618,370	2,904	0	0	0	0	1,621,274
ME	0	749,877	0	0	0	0	0	749,877
MI	0	7,223,623	5,430	0	0	0	0	7,229,053
MN	0	4,088,741	3	0	0	0	0	4,088,744
MO	0	6,377,551	1,630	0	0	0	0	6,379,182
MS	0	1,972,905	2,058	0	0	0	0	1,974,963
MT	0	1,360,744	0	0	0	0	0	1,360,744
NC	0	5,629,600	0	0	0	0	0	5,629,600
ND	0	531,081	407	0	0	0	0	531,487
NE	0	1,669,523	1,479	0	0	0	0	1,671,002
NH	0	480,641	0	0	0	0	0	480,641
NJ	0	2,694,499	0	0	0	0	0	2,694,499
NM	0	2,267,319	0	0	0	0	0	2,267,319
NV	0	1,643,714	2,809	0	0	0	0	1,646,523
NY	0	6,751,850	918	0	0	0	0	6,752,768
OH	0	5,492,367	124,937	0	0	0	0	5,617,304
OK	0	3,707,616	25,685	0	0	0	0	3,733,301
OR	0	3,736,564	0	0	0	0	0	3,736,564
PA	0	5,905,081	149,809	0	0	0	0	6,054,889
RI	0	203,799	0	0	0	0	0	203,799
SC	0	2,689,300	4,278	0	0	0	0	2,693,579
SD	0	757,185	0	0	0	0	0	757,185
TN	0	4,109,900	6	0	0	0	0	4,109,906
TX	0	16,748,014	254,792	0	0	0	0	17,002,806
UT	0	2,604,499	12,148	0	0	0	0	2,616,646
VA	0	4,435,753	17,483	0	0	0	0	4,453,235
VT	0	975,583	2	0	0	0	0	975,584
WA	0	4,809,188	0	0	0	0	0	4,809,188
WI	0	3,927,807	38,124	0	0	0	0	3,965,931
WV	0	1,580,304	0	0	0	0	0	1,580,304
WY	0	725,164	0	0	0	0	0	725,164
4N	0	1,147,644	0	0	0	0	0	1,147,644
Total	17,027	191,416,730	313,488,780	1,220	0	0		504,923,757

	DBS	ES, LLC
AK	0	0
AL	0	0
AR	0	0
AZ	0	0
CA	0	0
CO	34,524,704	14,044
CT	0	0
DC	0	0
DE	0	0
FL	0	0
GA	0	0
HI	0	0
IA	0	0
ID	0	0
IL	0	0
IN	0	0
KS	0	0
KY	0	0
LA	0	0
MA	0	0
MD	0	0
ME	0	0
MI	0	0
MN	0	0
MO	0	0
MS	0	0
MT	0	0
NC	0	0
ND	0	0
NE	0	0
NH	0	0
NJ	0	0
NM	0	0
NV	0	0
NY	0	0
OH	0	0
OK	0	0
OR	0	0
PA	0	0
RI	0	0
SC	0	0
SD	0	0
TN	0	0
TX	0	0
UT	0	0
VA	0	0
VT	0	0
WA	0	0
WI	0	0
WV	0	0
WY	0	0
4N	0	0
Total	34,524,704	14,044

1257

Interest					
ECHO	DNS, LLC	WSA, LLC	EA, LLC	ESBB, LLC	Total
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,778	768	94	0	0	34,541,388
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

SALES FACTOR using Subscribers by State Summary
Exhaust Satellite Corporation - TOTAL
2005 RETURN

Tax Year 2005

	2005 DEC Subscribers	Percent of subscribers per state 2005		Gross Sales		(b) Cables	(d) DHP Equipment & Tech Sales - TPP	(e) Digital Dynamite Leases	(f)	(g) Programming = Gross Sales less (b), (d), (e), (f)	(C) Adjustment for COP Status	(C) Interest, Line 5, Form 1120	(h) Rents, Line 5, Form 1120	(i) Royalties, Line 7, Form 1120	(m) Net Gain (Loss), Leased Equipment	(j) Net Gain (Loss), Line 8 & 9, Form 1120	(k) Other Income, Line 10, Form 1120	(l) Total	State Numerator (Gross Receipts), Line 1c, Form 1120		Total After Application of Appropriate Sales Factor Methodology	Total %	Leased Equipment Gross Proceeds	Gross Proceeds
	Sales by State																		$ Value	Type				
AK	41,329	0.360318%	$	36,234,995	AK	$ 24,471	$ 81,903	$ 1,710,601	$ -	$ 78,467,917.67	$ (24,401,917.67)	0	0	0	121,918	(265)	649,706	31,050,239	1816.977	COP	1,586,583	0.022856%	362,230	-
AL	217,244	1.893511%	$	154,063,164	AK	$ 171,967	$ 479,484	$ 9,656,467	$ -	$ 144,534,216.53		0	0	0	617,596	-	3,492,124	169,030,190	164,920.679	Subscribers	164,851,863	1.975910%	4,256,042	-
AR	225,584	1.967031%	$	164,928,679	AK	$ 181,797	$ 502,969	$ 9,641,188	$ -	$ 155,481,334.47		0	0	0	687,477	(3,456,419)	3,889,144	161,233,891	98,375.260	COP	98,277,268	11.960969%	10,844,928	-
AZ	234,185	2.041507%	$	178,411,190	AK	$ 207,422	$ 467,500	$ 9,643,818	$ -	$ 168,092,609.73	$ (160,025,959.33)	0	0	0	3,939,156	(957)	20,530,715	1,050,360,238	9,641.243	Subscribers	9,631,602	1.151509%	4,096,456	13,000
CA	1,356,333	11.824936%	$	1,036,141,240	AK	$ 1,059,206	$ 3,343,243	$ 50,920,435	$ -	$ 920,141,896.76		14644	0	0	342,505	(113,954)	4,766,631	214,362,164	206,832.471	Subscribers	206,625,608	25.161436%	991,189	-
CO	267,913	2.336146%	$	204,632,471	AK	$ 332,244	$ 966,126	$ 11,622,235	$ -	$ 196,131,347.00		0	0	0	139,383	-	787,378	66,304,966	65,178.424	Subscribers	65,038,941	7.918418%	112,710	-
CT	87,417	0.762012%	$	65,178,424	AK	$ 25,114	$ 520,944	$ 1,932,483	$ -	$ 61,454,340.01		0	0	0	15,827	(10,000)	89,253	4,018,170	229.652	COP	339,187	0.041298%	112,710	-
CY	87,417	0.762012%	$	65,178,424	AK	$ 9,158	$ 10,623	$ 222,063	$ -	$ 3,083,044.86	$ (3,683,044.86)	0	0	0	61,220	-	346,381	13,564,003	13,176.394	Subscribers	16,253,774	1.978499%	434,039	-
DC	5,393	0.047014%	$	3,972,997	AK	$ 3,972,997	$ 41,134	$ 439,900	$ -	$ 14,230,991.36		0	0	0	1,479,547	(149)	8,548,296	376,513,643	368,667.487	Subscribers	378,518,084	4.594196%	10,614,309	-
DE	20,856	0.181803%	$	15,574,394	AK	$ 23,173	$ 344,469,001.36	$ 994,024	$ 26,734,066			0	0	0	1,315,463	(67,333)	7,611,555	334,734,298	328,061.453	Subscribers	333,681,168	3.850408%	3,347,793	-
FL	505,868	4.410181%	$	386,667,491	AK	$ 478,719	$ 1,246,975	$ 23,456,973	$ -	$ 366,326,764.69		0	0	0	16,139,433	-	348,419	16,293,135	16,139.433	Subscribers	16,620,381	0.180476%	464,234	-
GA	448,966	3.914078%	$	336,961,415	AK	$ 399,120	$ 1,039,146	$ 20,854,340	$ -	$ 305,169,211.41		0	0	0	65,193	(361)	3,492,227	130,439,345	135,470.695	Subscribers	135,940,227	1.568696%	2,917,455	-
HI	22,203	0.193574%	$	16,150,463	AK	$ 4,103	$ 43,795	$ 914,740	$ -	$ 12,403,663.48		0	0	0	536,857	(47)	3,013,542	136,439,345	135,470.695	Subscribers	96,720,272	1.115734%	3,976,379	-
IA	162,596	1.417553%	$	122,029,609	AK	$ 157,360	$ 360,158	$ 7,831,285	$ -	$ 84,241,457.07		0	0	0	361,852	-	2,044,928	97,451,369	97,451.369	Subscribers	97,451,369	1.124241%	2,044,928	-
ID	133,296	1.162175%	$	100,026,844	AK	$ 117,313	$ 265,182	$ 5,976,723	$ -	$ 69,274,713.85	$ (65,734,713.85)	0	0	0	1,458,607	(3,984)	8,338,366	8,338,366	8,338.366	COP	96,096,236	11.082611%	7,301,630	-
IL	436,813	3.808378%	$	327,757,360	AK	$ 484,904	$ 1,432,852	$ 20,184,891	$ -	$ 305,373,753.28	$ (303,317,247.28)	0	0	0	965,264	(4,606)	5,573,448	266,959,391	13,507.595	COP	9,822,457	1.132911%	2,744,442	-
IN	356,696	3.109660%	$	267,646,937	AK	$ 260,140	$ 993,007	$ 13,624,570	$ -	$ 239,027,971.49	$ (89,027,971.49)	0	0	0	365,374	(372)	2,110,109	106,335,312	3,942.338	COP	16,135,297	1.861098%	6,563,344	-
KS	144,624	1.260943%	$	108,570,200	AK	$ 153,466	$ 411,729	$ 5,481,133	$ -	$ 102,591,410.82	$ (102,591,410.82)	0	0	0	783,879	-	4,524,947	199,316,287	11,648.458	Subscribers	79,354,884	9.154884%	2,823,317	-
KY	265,686	2.317097%	$	199,205,964	AK	$ 173,431	$ 526,035	$ 10,999,424	$ -	$ 173,431,000.00		0	0	0	265,389	-	1,614,424	72,439,333	8,181.979	COP	8,181,979	0.943811%	2,744,424	-
LA	97,215	0.844869%	$	72,729,722	AK	$ 103,383	$ 191,788	$ 4,044,104	$ -	$ 66,440,348.71		0	0	0	247,764	(65)	1,491,633	63,861,404	3,700.446	COP	70,814,737	8.169536%	2,837,372	-
MA	84,325	0.735499%	$	61,412,186	AK	$ 57,609	$ 166,460	$ 3,476,217	$ -	$ 57,711,329.78	$ (57,311,329.78)	0	0	0	266,976	(200)	1,606,370	72,412,361	7,700.247	Subscribers	2,743,266	0.603396%	943,977	-
MD	97,443	0.849879%	$	70,904,143	AK	$ 131,366	$ 379,189	$ 4,013,667	$ -	$ 66,378,412.23		0	0	0	193,554	-	760,977	33,737,403	1,095.287	COP	34,646,181	3.995996%	3,091,189	-
ME	45,151	0.393731%	$	32,855,202	AK	$ 46,408	$ 89,650	$ 1,859,838	$ -	$ 30,829,675.43	$ (30,829,675.43)	0	0	0	1,276,906	-	7,222,623	345,027,804	19,441.329	Subscribers	150,215,919	2.068256%	8,647,979	-
MI	461,062	4.021939%	$	335,326,339	AK	$ 369,010	$ 1,126,445	$ 17,916,533	$ -	$ 317,000,810.42	$ (317,000,810.42)	0	0	0	722,709	-	4,086,741	195,938,698	178,167.179	Subscribers	23,747,442	2.738656%	8,918,519	-
MN	246,101	2.146609%	$	178,947,109	AK	$ 191,041	$ 683,363	$ 10,140,638	$ -	$ 164,329,673.50		0	0	0	1,127,368	(603)	6,377,551	311,209,244	17,369.691	COP	17,369,691	2.003276%	6,377,551	-
MO	415,743	3.626104%	$	302,346,382	AK	$ 431,692	$ 1,130,547	$ 15,817,632	$ -	$ 266,416,311.18	$ (266,416,311.18)	0	0	0	548,747	(243)	3,072,905	148,765,729	5,258.983	COP	7,211,888	0.831776%	2,483,574	-
MS	118,795	1.035933%	$	86,444,330	AK	$ 111,447	$ 354,334	$ 4,093,182	$ -	$ 81,260,346.11	$ (81,260,346.11)	0	0	0	240,526	(217)	1,346,744	61,230,943	5,639.000	Subscribers	233,289,985	2.691256%	7,896,777	-
MT	61,032	0.532208%	$	50,890,200	AK	$ 83,142	$ 183,579	$ 2,937,661	$ -	$ 47,686,244.54		0	0	0	955,134	(910)	5,630,600	255,203,309	255,203.309	Subscribers	33,799,350	3.898.350	648,847	-
NC	336,969	2.938185%	$	240,550,643	AK	$ 240,796	$ 669,579	$ 13,062,466	$ -	$ 213,942,425.46		0	0	0	93,878	-	531,001	23,809,826	23,809.826	COP	4,161,888	0.479996%	2,181,466	-
ND	31,773	0.277117%	$	23,744,579	AK	$ 30,185	$ 63,067	$ 1,317,583	$ -	$ 21,342,425.46		0	0	0	295,118	-	1,669,522	75,134,228	13,240.128	Subscribers	13,240,128	1.527.128	606,063	-
NE	100,525	0.876603%	$	75,104,387	AK	$ 93,455	$ 198,573	$ 4,160,736	$ -	$ 66,715,023.29	$ (66,717,123.29)	0	0	0	61,962	-	350,641	15,625,290	15,625.290	Subscribers	21,057,087	2.428.087	3,291,798	-
NH	39,641	0.345678%	$	29,610,697	AK	$ 33,574	$ 37,099	$ 1,152,063	$ -	$ 19,774,124.53		0	0	0	436,101	(16,191)	2,634,499	121,212,269	121,212.269	Subscribers	139,726,589	16.118.589	1,350,196	-
NJ	102,340	0.892577%	$	76,464,666	AK	$ 104,226	$ 319,951	$ 9,062,871	$ -	$ 110,910,977.33		0	0	0	436,100	-	2,263,319	102,031,169	99,543.061	Subscribers	101,419,398	11.698.398	1,964,376	-
NM	136,321	1.188723%	$	101,824,961	AK	$ 103,432	$ 269,266	$ 5,623,284	$ -	$ 93,376,939.24		0	0	0	249,554	(317)	1,443,314	71,879,941	N/A	COP	76,799,701	8.858.701	4,919,760	-
NV	102,049	0.889997%	$	76,240,983	AK	$ 119,737	$ 244,804	$ 4,956,729	$ -	$ 70,737,657.44		0	0	0	1,193,512	-	6,901,850	303,745,444	277,450.066	Subscribers	382,687,917	4.414.917	8,493,513	-
NY	604,549	5.270833%	$	451,553,085	AK	$ 417,424	$ 1,165,877	$ 16,745,877	$ -	$ 277,475,612.29		0	0	0	970,675	-	5,492,343	239,759,111	238,788.226	Subscribers	258,788,226	29.849.226	6,971,885	-
OH	347,201	3.027934%	$	259,395,869	AK	$ 334,076	$ 940,981	$ 13,022,175	$ -	$ 230,494,737.06		0	0	0	615,388	(1,025)	3,797,616	167,362,024	18,145.113	COP	18,835,758	2.172.758	4,647,262	-
OK	230,643	2.011.2.011%	$	172,311,492	AK	$ 206,474	$ 546,769	$ 9,195,687	$ -	$ 152,691,972.90	$ (152,691,972.90)	0	0	0	660,505	(333)	3,736,564	163,714,879	163,714.879	Subscribers	167,451,443	19.311.443	4,703,743	-
OR	224,985	1.962475%	$	168,071,807	AK	$ 206,435	$ 443,752	$ 9,267,292	$ -	$ 153,466,508.51		0	0	0	1,043,930	(2,453)	5,900,061	265,470,492	13,476.869	COP	13,476,869	1.554.869	3,791,423	-
PA	385,356	3.360777%	$	287,829,403	AK	$ 331,448	$ 701,203	$ 14,645,728	$ -	$ 243,050,463.40	$ (243,050,463.40)	0	0	0	32,225	-	201,799	9,169,127	9,169.127	Subscribers	9,370,926	1.080.926	201,799	-
RI	12,231	0.106669%	$	9,135,501	AK	$ 9,450	$ 24,202	$ 505,163	$ -	$ 8,390,219.12		0	0	0	1,276,906	-	7,222,623	345,027,804	19,441.329	COP	7,222,623	0.833091%	2,285,486	-
SC	181,927	1.586515%	$	135,870,924	AK	$ 194,149	$ 374,874	$ 7,469,970	$ -	$ 110,751,696.86	$ (110,751,696.86)	0	0	0	133,848	-	757,183	34,047,257	2,007.857	COP	8,789,247	0.001014%	955,174	-
SD	43,543	0.379677%	$	32,517,258	AK	$ 34,140	$ 89,950	$ 1,877,963	$ -	$ 31,134,123.53	$ (31,174,123.53)	0	0	0	726,499	(952)	4,109,900	184,912,403	10,912.747	COP	15,823,647	0.131129%	5,173,774	-
TN	247,468	2.158533%	$	184,807,656	AK	$ 231,299	$ 488,332	$ 10,193,336	$ -	$ 169,163,769.40	$ (169,163,769.40)	0	0	0	2,960,513	(12,765)	16,748,514	852,606,163	43,936.113	COP	43,796,229	0.716426%	21,082,255	-
TX	1,137,934	9.924.9.924%	$	849,649,000	AK	$ 1,035,713	$ 2,468,703	$ 43,336,713	$ -	$ 747,303,306.19	$ (747,303,306.19)	0	0	0	466,302	-	2,636,499	117,382,743	4,652.313	COP	9,486,911	0.105319%	3,276,452	-
UT	156,823	1.367.1.367%	$	117,073,868	AK	$ 103,348	$ 309,250	$ 6,439,614	$ -	$ 107,339,543.59	$ (107,339,543.59)	0	0	0	744,100	(3,669)	4,483,753	199,536,337	13,407.035	COP	14,241,737	0.185119%	5,583,911	-
VA	267,988	2.337.2.337%	$	200,153,543	AK	$ 278,643	$ 515,854	$ 11,001,314	$ -	$ 182,546,518.73	$ (182,546,518.73)	0	0	0	172,452	-	975,583	43,992,403	3,874.304	COP	10,648,866	0.042956%	1,333,184	-
VT	34,741	0.302966%	$	25,942,588	AK	$ 38,619	$ 71,558	$ 1,526,611	$ -	$ 25,536,631.00	$ (25,536,631.00)	0	0	0	650,111	-	3,678,185	162,970,743	2,914.304	COP	3,249,866	0.042956%	1,333,184	-
WA	269,568	2.351.2.351%	$	201,341,463	AK	$ 284,649	$ 571,116	$ 11,957,755	$ -	$ 178,015,684.60		0	0	0	694,311	(339)	3,927,887	165,851,642	18,381.394	COP	18,381,394	2.386.394	5,947,483	-
WI	240,372	2.096.2.096%	$	179,496,585	AK	$ 294,418	$ 602,704	$ 9,741,753	$ -	$ 153,031,669.56	$ (53,031,669.56)	0	0	0	290,347	(3,247)	1,240,504	71,697,067	6,169.345	COP	6,169,345	0.800.345	1,969,163	-
WV	30,154	0.262.0.262%	$	22,514,262	AK	$ 42,439	$ 147,699	$ 1,919,456	$ -											ALL OTHER STATES				
																				COP				
WY	43,643	0.380.3805%	$	32,577,483	AK	$ 52,364	$ 86,116	$ 1,779,543	$ -	$ 29,651,952.47	$ (3,836,763,193.93)	0	0	0	292,667	(973.74)	1,167,644	50,496,810	49,283.883	Subscribers	50,446,726	5.866.726	1,949,843	-
SH	0x 161	0.140.1332%	$	30,251,085	AK	$ 233	$ 1,256	$ 3,661,535	$ -	$ 42,245,214.00		0	0	0	33,836,175	(5,561,685)	191,414,795	8,973,018,564	8,157,903.203		8,774,661,979	100 percent	2,685,963,456	13,328
																				WHO GALS	8,789,825,664			Total Gross Proceeds
																								3,685,980,726

		Acct # Range	Acct # 406000	Acct # 413000			
Sources			$ 8,733,118,095	$ 11,418,320	$ 28,193,247	$ 474,751,613	$ -
		different	$ -	$ -	$ -	$ -	$ -

* COP refers to UCIPTA rules using cost of performance.

Total WY service sales
$ 3,668,619,246.10 (3,836,763,193.93)

(k) * source amounts by sales subsections:			
8614650	0	Merchandise	
8415650 & 415450	47,016,675	Late Fees / Commissions	
8631900	0	Vendor discount - Sales reimbursements	
8465300	1,301,649	Misc sales income	
8425500	47,187	Intl Ad Sales	
	122,836,339	Advertising - 425800,425600,425550,425400,425100	
	191,416,350		

COS + OTHER INC	8,944,534,913
TOT I/E	8,774,661,979
TOTAL WHO GALS	
WHO INT. + EX.	8,789,811,940
CS, RENTS, OTHER INC	8,944,534,913
TOTAL WHO GALS/COP	8,789,845,964
TOTAL WHO GALS/WHO INT	8,789,811,630
Total W/GIR	8,774,679,979
COGS LINE 2	0
TOTAL INCOME LINE 11	8,172,018,564

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SALES FACTOR using Subscribers by State Summary

Echostar Satellite Corporation

2005 RETURN

Ten Year 2005

	2005 DEC Subscribers Subs by State	Percent of subscribers per state 2005	Gross Sales		(a)	(b) Cables	(d) DBP Equipment & Tech Sales - TPP	(e) Digital Dynamic Lessor	(f)	(g) Programming – Gross Sales less (h), (d), (e), (f)	(c) Adjustment for COP Sales	(c) Interest, Line 5, Form 1120	(h) Rents, Line 6, Form 1120	(u) Royalties, Line 7, Form 1120	(m) Net Gain (Loss), Leased Equipment	(q) Net Gain (Loss), Line 9 p. 7, Form 1120	(k) Other Income, Line 10, Form 1120	(l) Total
AK	41,228	0.3681162%	$	30,218,359	AK	$ 24,471	$ 61,503	$ 1,710,601	$ -	$ 28,401,317.07	$ (28,401,917.07)				121,910	(260)	669,906	31,030,229
AL	213,241	1.9038662%	$	156,046,864	AL	$ 173,569	$ 438,450	$ 8,999,487	$ -	$ 146,551,954.12					617,796		3,692,124	157,114,842
AR	210,203	1.8245569%	$	153,084,422	AR	$ 173,569	$ 414,701	$ 8,661,753	$ -	$ 143,751,276.72					687,477	(3,456,419)	3,889,144	151,339,948
AZ	354,778	3.0517678%	$	170,399,695	AZ	$ 287,618	$ 661,648	$ 9,845,818	$ -	$ 160,024,611.30	$ (160,024,611.30)				3,629,126	(967)	29,330,715	173,530,373
CA	1,254,179	10.7256542%	$	999,336,773	CA	$ 1,067,912	$ 2,438,647	$ 50,920,093	$ -	$ 944,910,120.19			14,044	6	9	842,905	4,366,671	1,000,140,747
CO	297,607	2.5923262%	$	266,617,676	CO	$ 332,243	$ 766,657	$ 11,422,255	$ -	$ 253,096,521.11						154,185	787,378	267,358,489
CT	47,404	0.4113425%	$	34,498,353	CT	$ 24,974	$ 93,504	$ 1,952,849	$ -	$ 32,427,026.11						15,873	(10,009)	89,315
DC	3,391	0.0447748%	$	3,922,897	DC	$ 7,155	$ 10,833	$ 223,963	$ -	$ 3,680,944.86	$ (3,680,944.86)					61,220		346,541
DE	20,504	0.1908956%	$	13,174,584	DE	$ 23,173	$ 41,134	$ 959,090	$ -	$ 12,150,984.34						1,479,247	(148)	8,368,294
FL	503,303	4.3717671%	$	368,436,954	FL	$ 418,764	$ 993,761	$ 20,753,965	$ -	$ 345,482,423.45						1,315,463	(62,133)	7,441,755
GA	448,477	3.8877245%	$	328,054,511	GA	$ 399,918	$ 882,732	$ 18,436,975	$ -	$ 306,313,968.48						65,155	(361)	569,719
HI	29,203	0.1926745%	$	16,159,483	HI	$ 4,203	$ 43,296	$ 914,540	$ -	$ 15,196,441.26						336,857	(47)	3,032,542
IA	162,303	1.5442589%	$	132,564,394	IA	$ 157,139	$ 360,124	$ 7,521,583	$ -	$ 124,125,623.76						361,822		2,646,928
ID	125,248	1.1080330%	$	80,484,316	ID	$ 117,312	$ 245,079	$ 5,076,733	$ -	$ 84,527,134.46						1,418,677	(2,964)	8,138,386
IL	549,622	4.7856588%	$	356,874,817	IL	$ 473,648	$ 966,439	$ 20,184,751	$ -	$ 334,951,968.39	$ (334,951,968.39)					955,264	(4,466)	9,373,660
IN	330,610	2.9119063%	$	244,213,667	IN	$ 314,321	$ 661,916	$ 13,824,294	$ -	$ 227,454,543.99	$ (227,454,543.99)					345,374	(372)	2,168,199
KS	151,263	1.3348333%	$	95,319,734	KS	$ 119,773	$ 276,493	$ 5,467,067	$ -	$ 89,570,978.53	$ (89,570,978.53)					93,579		4,634,547
KY	267,007	2.3366769%	$	194,296,567	KY	$ 173,436	$ 488,532	$ 10,205,424	$ -	$ 182,583,168.58	$ (182,583,168.58)					283,368		1,614,454
LA	98,703	0.8634351%	$	74,738,131	LA	$ 109,380	$ 191,719	$ 4,004,104	$ -	$ 68,433,717.40						247,764	(63)	1,401,023
MA	94,189	0.7322486%	$	61,451,419	MA	$ 57,660	$ 166,643	$ 3,476,317	$ -	$ 57,710,994.37	$ (57,710,994.37)					288,076	(298)	1,619,370
MD	97,444	0.8454603%	$	70,907,360	MD	$ 111,068	$ 192,167	$ 4,013,467	$ -	$ 66,589,930.10						132,354		749,873
ME	45,151	0.3917351%	$	32,853,525	ME	$ 46,498	$ 89,036	$ 1,859,888	$ -	$ 30,858,875.40	$ (30,858,875.40)					1,276,996		7,233,633
MI	454,943	3.7337678%	$	316,497,255	MI	$ 361,903	$ 837,429	$ 17,915,963	$ -	$ 297,341,830.99	$ (297,341,830.99)					722,750		4,068,741
MN	240,198	2.1360416%	$	179,144,897	MN	$ 191,660	$ 440,551	$ 10,149,838	$ -	$ 168,127,468.60						1,127,348	(653)	6,373,253
MO	364,000	3.3317626%	$	279,429,269	MO	$ 431,957	$ 797,334	$ 19,817,344	$ -	$ 258,420,445.66	$ (258,420,445.66)					348,747	(243)	1,972,695
MS	118,741	1.0306460%	$	86,441,507	MS	$ 111,466	$ 234,289	$ 4,891,182	$ -	$ 81,202,325.57	$ (81,202,325.57)					249,536	(217)	1,368,344
MT	61,952	0.5058051%	$	59,619,883	MT	$ 85,143	$ 161,583	$ 3,591,404	$ -	$ 54,000,244.54						905,114	(910)	5,629,600
NC	338,865	2.9410169%	$	246,656,417	NC	$ 243,765	$ 663,333	$ 15,962,484	$ -	$ 231,781,615.17	$ -					93,476		531,661
ND	31,977	0.2774437%	$	23,266,562	ND	$ 28,395	$ 63,067	$ 1,347,101	$ -	$ 21,842,423.66						263,118		1,469,733
NE	100,324	0.8721930%	$	72,164,826	NE	$ 93,455	$ 198,263	$ 4,149,736	$ -	$ 68,116,367.16	$ (68,116,367.16)					84,962		480,841
NH	36,940	0.2510496%	$	21,038,920	NH	$ 33,376	$ 57,078	$ 1,192,083	$ -	$ 19,775,243.39						456,301	(16,391)	2,694,499
NJ	302,259	1.4078619%	$	116,057,295	NJ	$ 104,220	$ 383,960	$ 8,045,871	$ -	$ 107,910,222.09						490,790		2,561,018
NM	136,518	1.1864053%	$	96,340,746	NM	$ 133,451	$ 269,251	$ 5,623,264	$ -	$ 85,334,673.84						290,556	(317)	1,643,314
NV	98,950	0.8587048%	$	73,016,012	NV	$ 116,631	$ 195,196	$ 4,076,722	$ -	$ 67,627,460.47						1,193,512		6,753,429
NY	486,337	3.5273041%	$	295,826,884	NY	$ 419,125	$ 651,236	$ 13,623,116	$ -	$ 277,863,769.87						976,973		5,493,367
OH	330,783	3.6691324%	$	280,643,677	OH	$ 373,253	$ 731,230	$ 15,267,293	$ -	$ 226,015,760.82						656,366	(1,923)	3,707,616
OK	203,346	1.9369341%	$	162,446,267	OK	$ 198,380	$ 440,291	$ 9,193,193	$ -	$ 152,913,940.96	$ (152,913,940.96)					668,505	(353)	3,736,564
OR	224,983	1.9320372%	$	162,714,541	OR	$ 256,634	$ 443,729	$ 9,267,592	$ -	$ 153,668,999.29						1,643,858	(2,851)	5,905,861
PA	353,252	3.0643934%	$	256,776,345	PA	$ 331,148	$ 701,247	$ 14,635,527	$ -	$ 243,047,942.66	$ (243,047,942.66)					93,589		531,661
RI	13,251	0.1648669%	$	6,925,302	RI	$ 9,920	$ 24,203	$ 505,461	$ -	$ 8,390,319.33						279,240		1,612,259
SC	181,854	1.6969852%	$	117,428,531	SC	$ 158,739	$ 378,040	$ 7,895,875	$ -	$ 130,798,843.92	$ (130,798,843.92)					173,240		1,013,674
SD	43,593	0.3933583%	$	33,173,439	SD	$ 34,190	$ 89,913	$ 1,877,963	$ -	$ 31,171,368.43	$ (31,171,368.43)					124,046		705,119
TN	247,462	2.1675995%	$	180,871,535	TN	$ 231,297	$ 509,864	$ 10,649,336	$ -	$ 149,159,256.56	$ (149,159,256.56)					2,960,315	(33,760)	16,748,014
TX	1,008,418	8.7495036%	$	735,806,749	TX	$ 913,909	$ 1,960,479	$ 41,330,271	$ -	$ 649,359,089.72	$ (649,359,089.72)					456,392		2,604,499
UT	156,820	1.3606633%	$	134,114,922	UT	$ 113,307	$ 305,292	$ 6,459,434	$ -	$ 107,201,743.91	$ (107,201,743.91)					744,100	(13,864)	4,433,753
VA	267,042	2.3173277%	$	194,148,947	VA	$ 279,661	$ 526,760	$ 11,005,114	$ -	$ 182,542,087.93	$ (182,542,087.93)					192,403		972,243
VT	58,741	0.5096421%	$	42,744,364	VT	$ 36,819	$ 113,654	$ 2,419,431	$ -	$ 40,170,064.09	$ (40,170,064.09)					850,331		4,907,185
WA	269,367	2.3372140%	$	210,785,719	WA	$ 434,649	$ 571,106	$ 13,977,303	$ -	$ 193,773,209.33						644,311	(334)	3,927,057
WI	236,898	2.0553966%	$	172,093,725	WI	$ 241,303	$ 466,449	$ 9,741,512	$ -	$ 161,649,411.00						279,343	(3,247)	1,540,384
WV	95,152	0.8255360%	$	69,139,749	WV	$ 62,438	$ 187,686	$ 3,919,456	$ -	$ 65,068,169.01	$ (65,068,169.01)							
																126,146	(6" 611)	753,164
WY	43,663	0.3788403%	$	31,773,481	WY	$ 32,864	$ 86,106	$ 1,799,345	$ -	$ 29,854,952.43	$ 3,618,173,864.01					202,847	(677,574)	3,147,864
48	66,101	0.5995327%	$	50,281,685	48	$ 5,297	$ 134,246	$ 2,846,135	$ -	$ 47,295,714.09						33,616,173	(5,366,685)	193,416,730
	11,525,431	100.0000000%	$	4,166,770,868		$ 11,266,674	$ 27,713,340	$ 474,250,027	$ -	$ 3,678,002,227.06	$ -		14,044	6	9	$ 33,616,173		

Source

(AA) SBC & CenturyTel Sales are subtracted out of $5 gross sales - 8,733,118,092 - 364,346,034 = 4,368,772,058

(BB) SBC & CenturyTel Guides are subtracted out of $5 guides 11,413,303 - 153,629 = 11,266,674

* COP refers to UDIPTA rules using cost of performance.

Acct # 4610000 Acct # 4631000 Acct # 4632000

Acct # Ranges

$ 32,713,340
$ -
$ 474,250,027
$ -

Total WY service sales
$ 3,648,868,634.43 $3,618,173,864.01

(k) – various accounts by type subscribers	
4614650	Miscellaneous
4614000 & 414300	67,016,673 Late Fees / Commissions
4651700	0 Vendor discount - Sales remittal refunds
4652350	1,501,640 Misc other income
4625300	82,107 Int'l Ad Sales
	172,816,318 Advertising - 425180, 425400, 425500, 425600, 425600
	101,416,378

State Numerator (Gross Receipts), Line 16, Form 1120

$ Value	Logic
1,916,957	COP
161,549,367	Subscribers
154,496,744	Subscribers
14,644,128	COP
330,067,491	Subscribers
314,157,597	Subscribers
35,285,721	Subscribers
215,287	COP
18,523,774	Subscribers
378,098,548	Subscribers
355,492,168	Subscribers
26,529,381	Subscribers
131,980,834	Subscribers
2,548,264	Subscribers
91,721,439	COP
19,763,344	COP
20,234,482	COP
14,760,323	COP
7,965,569	COP
14,135,932	COP
72,349,583	Subscribers
5,132,867	COP
72,574,898	Subscribers
70,907,268	Subscribers
1,995,287	COP
34,559,217	COP
19,135,594	COP
163,233,658	Subscribers
33,378,576	COP
16,997,403	COP
7,213,841	COP
60,590,434	Subscribers
30,619,881	Subscribers
246,636,417	Subscribers
23,208,869	Subscribers
4,432,453	CDP
31,539,541	Subscribers
129,781,795	Subscribers
101,668,979	Subscribers
73,468,727	N/A
302,579,754	Subscribers
246,126,984	Subscribers
13,541,782	CDP
147,452,280	Subscribers
163,714,545	Subscribers
12,263,583	COP
9,233,191	COP
1,217,489	COP
8,718,258	COP
18,023,596	COP
61,389,923	COP
9,484,783	CDP
4,452,234	CDP
14,310,697	CDP
44,441,059	COP
9,484,783	CDP
117,178,913	COP
191,554,958	COP
2,549,986	COP
210,710,719	N/A
10,444,313	CDP
8,769,846	COP
3,649,916,363	(6" 611)
50,281,685	Subscribers
33,616,173	WD GCL
	GE + OTHER INC
	TOTAL
	TOTAL WD GCL
	WO INT, + CF
	GE RENTS, OTHER INC
	TOTAL WD GCL+CF
	TOTAL WO GCL WO INT
	Total W/ GR
	COGS LINE 3
	TOTAL INCOME LINE 11

Total After Application of Appropriate Sales Factor Methodology

Total %	Leased Equipment Gross Proceeds	Gross Proceeds
0.0299%	644,230	-
1.9209%	4,541,441	-
1.8952%	4,196,823	-
0.1693%	4,058,867	-
19.3387%	25,844,915	53,000
2.5466%	6,000,486	-
0.4192%	991,585	-
0.0439%	113,718	-
0.1864%	436,819	-
4.4539%	10,534,359	-
3.9420%	9,267,793	-
0.1964%	464,284	-
1.0143%	2,017,691	-
1.0498%	1,576,359	-
0.5330%	10,244,941	-
0.2410%	7,916,634	-
0.0968%	2,744,413	-
0.1917%	6,582,244	-
0.0395%	1,833,317	-
0.0600%	1,744,434	-
0.0681%	2,017,271	-
0.0326%	943,977	-
0.3132%	9,093,399	-
2.1769%	8,247,979	-
0.3577%	8,818,329	-
0.0657%	3,483,576	-
0.7245%	1,711,961	-
2.9972%	7,046,777	-
0.2028%	648,647	-
0.0723%	3,181,444	-
0.2589%	686,952	-
1.4360%	3,391,748	-
1.2071%	2,864,494	-
0.8751%	3,069,176	-
3.5847%	8,459,817	-
3.9542%	4,914,833	-
0.1868%	4,643,282	-
1.9804%	4,703,743	-
0.2569%	7,432,563	-
0.1065%	324,681	-
0.1564%	2,965,184	-
0.0328%	950,374	-
0.1785%	4,173,714	-
0.7269%	21,093,192	-
0.1127%	3,274,682	-
0.1930%	5,581,512	-
0.0422%	1,225,886	-
0.2602%	6,064,988	-
0.1707%	4,964,480	-
0.0469%	1,369,161	-
43.3712%	913,367	4,329
0.1109%	2,444,702	
100.0000%	248,963,406	57,329

0 $2,965,184,096 of Gross Proceeds

240,999,726

DSH1203

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SALES FACTOR using Subscribers by State Summary

SBC & CenturyTel
2005 RETURN

Tax Year 2005

	2005 SBC Subscribers	Percent of subscribers per state 2004	Gross Sales		(b) Cables	(c) DMP Equipment & Tech Sales - TPP	(e) Digital Dynamic Lasers	(f)	(g) Programming - Gross sales less (b), (c), (e), (f)	Adjustment for COP States	(C) Interest, Line 5, Form 1120	(d) Rents, Line 6, Form 1120	(i) Royalties, Line 7, Form 1120	(m) Net Gain (Loss), Listed Equipment	(p) Net Gain (Loss), Line 9, Form 1120	(r) Other Income, Line 10, Form 1120	(t) Total	State Numerator (Gross Receipts), Line 1c, Form 1120 $ Value	Legal	Total After Application of Appropriate Sales Factor Methodology	Total %	Leased Equipment Gross Proceeds	Gross Proceeds
			$	366,348,024	$	$	$	$	$								0		COP	0	0.0000%		
AK	0	0.0000000%	$	-	AL	$ -	$ -	$ -	$ -	$ 2,265.41							0	2,301	2,301	Subscribers	2,301	0.0006%		
AL	3	0.0002360%	$	2,301	AL	$ 1	$ 34	$ 0	$ -	$ 11,734,647.73							0	11,916,057	11,916,057	Subscribers	11,916,057	3.3437%		
AR	15,539	1.2226051%	$	11,916,057	AR	$ 4,298	$ 177,669	$ 53	$ -	$ 11,327.93	$ (11,327.93)						0	13,501	176	COP	176	0.0000%		
AZ	15	0.0011799%	$	11,501	AZ	$ 4	$ 172	$ 0	$ -	$ 75,631,333.17							0	76,804,469	76,804,469	Subscribers	76,804,469	21.4994%	0	0
CA	199,136	20.9648932%	$	76,804,469	CA	$ 27,638	$ 1,145,136	$ 342	$ -	$ 4,330.81	0	0	0	0	0	0	0	4,681	4,681	Subscribers	4,681	0.0013%		
CO	4	0.0012359%	$	4,681	CO	$ 2	$ 69	$ 0	$ -	$ 30,211,453.91							0	30,660,971	30,660,971	Subscribers	30,660,971	8.5817%		
CT	40,006	8.3745059%	$	30,660,971	CT	$ 11,046	$ 457,441	$ 137	$ -	$ -	$ -						0	0	0	COP	0	0.0000%		
DC	0	0.0000000%	$	-	DC	$ -	$ -	$ -	$ -	$ -							0	0	0	Subscribers	0	0.0000%		
DE	0	0.0000000%	$	-	DE	$ -	$ -	$ -	$ -	$ 17,309.11							0	17,634	17,634	Subscribers	17,634	0.0049%		
FL	33	9.0048144%	$	17,634	FL	$ 6	$ 253	$ 0	$ -	$ 4,796.22							0	8,902	8,902	Subscribers	8,902	0.0025%		
GA	9	0.6018839%	$	8,902	GA	$ 2	$ 103	$ 0	$ -	$ -							0	0	0	Subscribers	0	0.0000%		
HI	0	0.0000000%	$	-	HI	$ -	$ -	$ -	$ -	$ -							0	2,301	2,301	Subscribers	2,301	0.0006%		
IA	3	0.0002360%	$	2,301	IA	$ 1	$ 34	$ 0	$ -	$ 2,265.41							0	1,534	1,534	Subscribers	1,534	0.0004%		
ID	2	0.0001573%	$	1,534	ID	$ 1	$ 23	$ 0	$ -	$ 1,510.27							0	31,200,513	477,789	COP	477,789	0.1337%		
IL	40,761	8.5334657%	$	31,200,513	IL	$ 11,256	$ 466,293	$ 139	$ -	$ 35,932,783.37	$ (35,932,783.37)						0	14,169,766	246,982	COP	246,982	0.0691%		
IN	21,986	4.4137175%	$	14,169,766	IN	$ 5,819	$ 241,092	$ 72	$ -	$ 10,993,693.63	$ (10,993,693.63)						0	10,250,463	156,569	COP	156,569	0.0438%		
KS	13,367	2.7926123%	$	10,250,463	KS	$ 3,649	$ 152,635	$ 46	$ -	$ 1,510.27	$ (1,510.27)						0	1,534	23	COP	23	0.0006%		
KY	2	0.0004186%	$	1,534	KY	$ 1	$ 23	$ 0	$ -	$ 4,330.81							0	4,681	4,681	Subscribers	4,681	0.0013%		
LA	4	0.0012559%	$	4,681	LA	$ 2	$ 69	$ 0	$ -	$ 755.14	$ (755.14)						0	767	12	COP	12	0.0003%		
MA	1	0.0002093%	$	767	MA	$ 0	$ 11	$ 0	$ -	$ 755.14							0	767	767	Subscribers	767	0.0002%		
MD	1	0.0002093%	$	767	MD	$ 0	$ 11	$ 0	$ -	$ -	$ -						0	0	0	COP	0	0.0000%		
ME	0	0.0000000%	$	-	ME	$ -	$ -	$ -	$ -	$ 18,723,579.44	$ (18,723,579.44)						0	20,929,314	305,934	COP	305,934	0.0856%		
MI	26,119	5.4672913%	$	20,929,314	MI	$ 7,293	$ 296,618	$ 89	$ -	$ 2,265.41							0	2,301	2,301	Subscribers	2,301	0.0006%		
MN	3	0.0006280%	$	2,301	MN	$ 1	$ 34	$ 0	$ -	$ 22,984,473.46	$ (22,984,473.46)						0	24,339,940	372,066	COP	372,066	0.1041%		
MO	31,765	6.6493253%	$	24,339,940	MO	$ 8,765	$ 363,102	$ 108	$ -	$ 3,020.54	$ (3,020.54)						0	3,067	47	COP	47	0.0000%		
MS	4	0.0008373%	$	3,067	MS	$ 1	$ 46	$ 0	$ -	$ -							0	0	0	Subscribers	0	0.0000%		
MT	0	0.0000000%	$	-	MT	$ -	$ -	$ -	$ -	$ 3,020.54	$ -						0	3,067	3,067	Subscribers	3,067	0.0009%		
NC	4	0.0008373%	$	3,067	NC	$ 1	$ 46	$ 0	$ -	$ -							0	0	0	Subscribers	0	0.0000%		
ND	0	0.0000000%	$	-	ND	$ -	$ -	$ -	$ -	$ 755.14	$ (755.14)						0	767	12	COP	12	0.0003%		
NE	1	0.0002093%	$	767	NE	$ 0	$ 11	$ 0	$ -	$ 755.14							0	767	767	Subscribers	767	0.0002%		
NH	1	0.0002093%	$	767	NH	$ 0	$ 11	$ 0	$ -	$ 755.14							0	767	767	Subscribers	767	0.0002%		
NJ	1	0.0002093%	$	767	NJ	$ 0	$ 11	$ 0	$ -	$ 2,265.41							0	2,301	2,301	Subscribers	2,301	0.0006%		
NM	3	0.0006280%	$	2,301	NM	$ 1	$ 34	$ 0	$ -	$ 3,940,196.67							0	5,127,975	3,127,975	N/A	3,127,975	0.8758%		
NV	4,079	0.8538246%	$	3,127,975	NV	$ 1,126	$ 46,638	$ 14	$ -	$ 9,061.62							0	9,302	9,302	Subscribers	9,302	0.0026%		
NY	12	0.0025119%	$	9,202	NY	$ 3	$ 137	$ 41	$ -	$ 12,458,97.66							0	12,692,202	12,692,202	Subscribers	12,692,202	3.5532%		
OH	16,499	3.4536120%	$	12,652,202	OH	$ 4,553	$ 188,645	$ 56	$ -	$ 20,239,892.60	$ (20,239,892.60)						0	20,551,935	313,946	COP	313,946	0.0879%		
OK	28,063	5.8704795%	$	20,551,935	OK	$ 7,398	$ 306,458	$ 92	$ -	$ 1,510.27							0	1,534	1,534	Subscribers	1,534	0.0004%		
OR	2	0.0004186%	$	1,534	OR	$ 1	$ 23	$ 0	$ -	$ 3,020.54	$ (3,020.54)						0	0	47	COP	47	0.0000%		
PA	4	0.0008373%	$	3,067	PA	$ 1	$ 46	$ 0	$ -	$ -							0	0	0	Subscribers	0	0.0000%		
RI	0	0.0000000%	$	-	RI	$ -	$ -	$ -	$ -	$ 755.14	$ (755.14)						0	767	12	COP	12	0.0003%		
SC	1	0.0002093%	$	767	SC	$ 0	$ 11	$ 0	$ -	$ 755.14	$ (755.14)						0	767	767	N/A	13	0.0000%		
SD	1	0.0002093%	$	767	SD	$ 0	$ 11	$ 0	$ -	$ 755.14	$ (755.14)						0	4,681	70	COP	70	0.0000%		
TN	6	0.0012559%	$	4,681	TN	$ 2	$ 69	$ 0	$ -	$ 4,330.81	$ (4,330.81)						0	99,320,872	1,517,056	COP	1,517,056	0.4243%		
TX	129,518	27.1110162%	$	99,320,872	TX	$ 35,740	$ 1,480,873	$ 462	$ -	$ 97,803,416.46	$ (97,803,416.46)						0	3,834	59	COP	59	0.0016%		
UT	5	0.0010466%	$	3,834	UT	$ 1	$ 57	$ 0	$ -	$ 2,719.68	$ (2,719.68)						0	4,681	70	COP	70	0.0020%		
VA	6	0.0012559%	$	4,681	VA	$ 2	$ 69	$ 0	$ -	$ 4,330.81	$ (4,330.81)						0	0	0	COP	0	0.0000%		
VT	0	0.0000000%	$	-	VT	$ -	$ -	$ -	$ -	$ -	$ -						0	767	767	N/A	767	0.0002%		
WA	1	0.0002093%	$	767	WA	$ 0	$ 11	$ 0	$ -	$ 755.14							0	9,105,538	139,981	COP	139,981	0.0388%		
WI	11,874	2.4854848%	$	9,105,538	WI	$ 3,277	$ 135,866	$ 41	$ -	$ 8,966,476.82							0	1,534	23	COP	23	0.0006%		
WV	2	0.0004186%	$	1,534	WV	$ 1	$ 23	$ 0	$ -	$ 1,510.27	$ (1,510.27)						0			WA,AZ,DC,IL,IN,KS,MI,MN,MO,NH,OH,OK,PA,SD,TX,UT,VA,WI,WV				
																		218,609,410		Subscribers	218,609,410	60.5698%		
WY	0	0.0000000%	$	-	WY	$ -	$ -	$ -	$ -	$ -	$ 218,609,409.92						0	0	0	Subscribers	0	0.0000%		
-SN	$ -	0.0000-0%	$	-		$ -	$ -	$ -	$ -	$ 360,713,307.60	$ -	0	0	0	0	0	0	366,348,024	357,361,547		357,381,547	100.0000%	0	0
	(77,752)	100.0000-0%	$	366,348,024		$ 131,829	$ 5,462,257	$ 1,651	$ -	$ 360,713,307.60		Acct #4110000	Acct # 4031100	Acct #425000							WAI G/L		357,381,547	Percent 47%	Total Gross Proceeds
					(AA)	(BB)	Acct # Range	Acct # 425000																
Source:						$ 131,829	$ 5,462,257	$ 1,651	$ -												CH + OTHER INC		366,348,024		
						$ -	$ -	$ -	$ -												TOTAL		357,381,547		
																					TOTAL W/O G/L		357,381,547		
																					W/O INT, + CF		357,381,547		
																					G/L EVNTS, OTHER INC		366,348,024		
																					TOTAL W/O G/L+CF		357,381,547		
																					TOTAL W/O G/L&W/O INT		357,381,547		
																					Total W/ GR		357,381,547		
																					COGS LINE 2		0		
																					TOTAL INCOME LINE 33		366,348,024		

COP refers to UDIPTA rules using cost of performance.

$ 218,609,409.92 Total WY service sales

(AA) SBC & CenturyTel Sales are subtracted out of ES gross sales - 4,733,118,052 - 366,348,024 = 4,366,769,028

(BB) SBC & CenturyTel Sales are subtracted out of ES gross 11,418,363 - 131,829 = 11,286,474

(L) = various accounts by state subscribers

4614650	0	Misc charges
4410050 & 414000	0	Late Fees / Connections
4251700	0	Vendor Account - Sales reimbursements
PN53100	0	Misc sales revenue
4253100	0	Int'l Ad Sales
	0	Advertising - 423600, 423600, 425000, 425400, 425100
	0	

2005 Guides

State	Guides	Percentage	Allocated Guides
AK	2,712	0.00217	24,471
AL	19,060	0.01524	171,986
AR	19,672	0.01573	177,509
AZ	29,636	0.02369	267,418
CA	184,846	0.14778	1,667,942
CO	36,820	0.02944	332,242
CT	2,668	0.00213	24,074
DC	793	0.00063	7,156
DE	2,790	0.00223	25,175
FL	46,402	0.03710	418,704
GA	44,309	0.03542	399,818
HI	499	0.00040	4,503
IA	17,439	0.01394	157,359
ID	13,023	0.01041	117,512
IL	52,491	0.04197	473,648
IN	30,401	0.02431	274,321
KS	13,274	0.01061	119,777
KY	19,220	0.01537	173,430
LA	11,479	0.00918	103,580
MA	6,391	0.00511	57,669
MD	14,614	0.01168	131,868
ME	5,153	0.00412	46,498
MI	40,096	0.03206	361,803
MN	21,176	0.01693	191,080
MO	46,870	0.03747	422,927
MS	12,353	0.00988	111,466
MT	9,214	0.00737	83,142
NC	27,017	0.02160	243,786
ND	2,903	0.00232	26,195
NE	10,357	0.00828	93,455
NH	3,588	0.00287	32,376
NJ	11,550	0.00923	104,220
NM	12,573	0.01005	113,451
NV	13,147	0.01051	118,631
NY	46,260	0.03698	417,423
OH	36,962	0.02955	333,523
OK	21,974	0.01757	198,280
OR	39,501	0.03158	356,434
PA	36,732	0.02937	331,448
PR	499	0.00040	4,503
RI	1,044	0.00083	9,420
SC	15,432	0.01234	139,249
SD	3,789	0.00303	34,190
TN	25,633	0.02049	231,297
TX	101,282	0.08097	913,909
UT	12,557	0.01004	113,307
VA	30,882	0.02469	278,661
VI	78	0.00006	704
VT	4,302	0.00344	38,819
WA	48,169	0.03851	434,649
WI	26,172	0.02092	236,161
WV	9,136	0.00730	82,438
WY	5,859	0.00468	52,868
	1,250,799	1.00000	**11,286,474**

DISH	11,286,474
SBC & CenturyTel Acct 406000	131,829
	11,418,303

DSH1205

Echosphere - 13
Apportionment Schedule - Sales Factor
2005 -Return

	From Custom Tax Periodic Sales Report	From #1 Detail			Gross Receipts (Line 1a)	Miscellaneous Income				Other Income Line 10				
						Acct 810000,810300	Held less than 1 year, CO13	Held longer than 1 year, CO13	Acct 493100	Acct 865300	Acct 651700	Acct 790088		
	(1)	(2)	(3)	(4.)	(5)	(6a)	(6b)	(6c)	(6d)	(7)	(8)	(9)	(10)	
State	Sales Amount	Less RSPs	Total Sales by State Allocation	% of TS by state	Gross Receipts apportioned by TS % by state	Interest	Net G(L), Line 9, Form 1120	Capital Gain	Rents	Misc Other Income	Vendor Compensation	Management Fees	Total Receipts	Gross Proceeds from 4797
					127,462,634	0	0	0	0	0	0	0	(5) + (6-9) = (10)	
AK	1,905,742	95,412	1,810,330	0.293%	373,635						52		373,687	
AL	5,314,742	391,017	4,923,725	0.797%	1,016,209						3,961		1,020,170	
AR	(28,756,276)	(39,662,226)	10,905,951	1.766%	2,250,882						18,432		2,269,314	
AZ	15,082,893	0	15,082,893	2.442%	3,112,962						9,314		3,122,276	
CA	65,923,773	(14,122,903)	80,046,677	12.961%	16,520,855					(2,050)	0	0	16,518,805	
CO	13,914,491	0	13,914,491	2.253%	2,871,815	1,778	(1,333,718)	0	0	(441)	33,094	312,309,044	313,881,572	0
CT	1,615,626	0	1,615,626	0.262%	333,449						4		333,453	
DC	38,352	0	38,352	0.006%	7,916						0	0	7,916	
DE	850,497	(2,995,355)	3,845,851	0.623%	793,746						0		793,746	
FL	23,781,363	(28,955,497)	52,736,861	8.539%	10,884,375						316,568		11,200,943	
GA	41,038,975	93,639	40,945,336	6.630%	8,450,719		(10,589)			(1,799)	15,054	0	8,453,585	0
HI	2,247,934	1,033,794	1,214,139	0.197%	250,587						0		250,587	
IA	23,816,037	9,733,853	14,082,184	2.280%	2,906,426						0		2,906,426	
ID	22,142,260	9,257,780	12,884,481	2.086%	2,659,231						0		2,659,231	
IL	14,909,382	(316,474)	15,225,856	2.465%	3,142,468					0	7,416	0	3,149,885	
IN	61,943,681	(1,409,740)	63,353,421	10.258%	13,075,529						116,958		13,192,488	
KS	(8,454,204)	(8,259,423)	(194,781)	-0.032%	(40,201)						1		(40,200)	
KY	6,603,583	723,360	5,880,223	0.952%	1,213,621						9,449		1,223,070	
LA	3,879,956	938,406	2,941,550	0.476%	607,107						8,823		615,930	
MA	2,830,740	0	2,830,740	0.458%	584,237						0		584,237	
MD	63,817,890	13,251,928	50,565,962	8.188%	10,436,322						2,904	0	10,439,227	
ME	586,968	0	586,968	0.095%	121,144						0		121,144	
MI	19,337,163	16,284,982	3,052,181	0.494%	629,940						5,430		635,371	
MN	8,833,215	(1,939,987)	10,773,201	1.744%	2,223,484						3		2,223,487	
MO	32,491,530	9,965,611	22,525,919	3.647%	4,649,130						1,630		4,650,761	
MS	3,656,274	544,320	3,111,954	0.504%	642,277						2,058		644,335	
MT	(4,181,623)	(10,915,400)	6,733,776	1.090%	1,389,786						0		1,389,786	
NC	8,872,336	(1,064,788)	9,937,124	1.609%	2,050,926						0		2,050,926	
ND	3,689,735	0	3,689,735	0.597%	761,525						407		761,932	
NE	6,535,643	260,797	6,274,846	1.016%	1,295,067						1,479		1,296,546	
NH	3,350,150	0	3,350,150	0.542%	691,438						0		691,438	
NJ	4,437,199	0	4,437,199	0.718%	915,795						0		915,795	
NM	1,070,013	0	1,070,013	0.173%	220,840						0		220,840	
NV	11,967,815	10,229,117	1,738,698	0.282%	358,850						2,809		361,660	
NY	17,942,017	5,776,479	12,165,538	1.970%	2,510,849						918		2,511,766	
OH	8,647,582	1,042,053	7,605,529	1.232%	1,569,707						124,937		1,694,645	
OK	1,547,355	(5,034,438)	6,581,793	1.066%	1,358,418		(2,800)				25,685		1,381,303	
OR	15,098,836	6,379,457	8,719,379	1.412%	1,799,595						0		1,799,595	
PA	(14,238,770)	1,305,800	(15,544,569)	-2.517%	(3,208,248)						149,809		(3,058,439)	
RI	314,874	0	314,874	0.051%	64,987						0		64,987	
SC	9,224,408	6,082,100	3,142,308	0.509%	648,542						4,278		652,820	
SD	3,780,316	2,095,339	1,684,977	0.273%	347,763						0		347,763	
TN	(1,449,617)	7,241,488	(8,691,104)	-1.407%	(1,793,759)						6		(1,793,754)	
TX	115,089,563	40,232,115	74,857,448	12.121%	15,449,849					(240)	255,032	0	15,704,641	
UT	8,639,984	0	8,639,984	1.399%	1,783,209						12,148		1,795,356	
VA	(10,487,553)	(19,015,949)	8,528,397	1.381%	1,760,178						17,483		1,777,661	
VT	(3,847,958)	(4,406,962)	559,004	0.091%	115,373						2		115,375	
WA	20,184,593	2,297,896	17,886,696	2.896%	3,691,640						0		3,691,640	
WI	(3,235,218)	(14,465,651)	11,230,433	1.818%	2,317,852						38,124		2,355,976	
WV	3,241,541	0	3,241,541	0.525%	669,023						0		669,023	
WY	1,750,194	0	1,750,194	0.283%	361,223						0		361,223	
4N	2,976,589	0	2,976,589	0.482%	614,339								614,339	
	$ 610,272,593	(7,308,051)	617,580,643	100.000%	127,462,634	1,778	(1,346,907)	0	0	(4,530)	1,184,266	312,309,044	439,606,285	0
										(1)	(1)		439,606,285	
										Gross Proceeds w/o G/L			440,953,192	
										Gross Proceeds w/o G/L but w/ 4797 proceeds			440,953,192	
										Sum of (1)			440,951,414	
										Sum of (1) +(2)			440,951,414	
										Less Capital gain			439,606,285	

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Dish Network Services Corporation - 15
2005 Income from F/S Detail - For Return
Sales Apportionment Schedule - Part 2
(t) Dish Installation Revenue from ESC - Account 444088 - see detail on separate spreadsheet
(u)Revenue to DNSC - charged to ESC - Account 444100 less Account 530400. See detail on Part 1.
(v) Other Installation - Account 444000
(w) Other Sales - Install Services Account 444200. Source Financial Statements, Stmt of Ops, Date 01/20/2005

State	(a) DNSC Installation to ESC	(b) SAC	(c) Other Installations	(d) Total Install Service Sales	A (e) = a+b+c+d Subtotal Installation Services	B (f) Total Tangible Property Sales	C (g) Total Sales Revenue	(h) Percentage Sales Revenue by State	D (i) Gross Receipts per 1120 by State $838,133,532	A/C * D Services portion of Gross Receipts	B/C * D Tangible Sales portion of Gross Receipts	Interest Income	Net G(L), Line 9, Form 1120	Other Income (Line 10)	Total Receipts	%	4797 Proceeds
AK	$21,479	13,115	0	76	34,670	0	34,670	0.0041%	34,670	34,670	0				34,670	0.0041%	
AL	$9,821,452	5,996,928	0	9,421	15,827,800	0	15,827,800	1.8885%	15,827,800	15,827,800	0				15,827,800	1.8886%	
AR	$8,662,864	5,289,500	0	4,253	13,956,618	10	13,956,628	1.6652%	13,956,628	13,956,618	10				13,956,628	1.6653%	
AZ	$10,210,384	6,234,408	0	13,363	16,458,156	3,068	16,461,224	1.9640%	16,461,224	16,458,156	3,068				16,461,224	1.9642%	
CA	$0	0	0	0	0	0	0	0.0000%	0	0	0				0	0.0000%	
CO	$11,312,570	6,907,397	6,396,661	15,353	24,631,981	8,416	24,640,397	2.9399%	24,640,397	24,631,981	8,416	768	(434)	1,220	24,641,951	2.9403%	0
CT	$9,364,786	5,718,090	0	8,145	15,091,020	20	15,091,040	1.8006%	15,091,040	15,091,020	20				15,091,040	1.8007%	
DC	$398,801	243,506	0	550	642,856	0	642,856	0.0767%	642,856	642,856	0				642,856	0.0767%	
DE	$981,624	599,374	0	1,295	1,582,293	0	1,582,293	0.1888%	1,582,293	1,582,293	0				1,582,293	0.1888%	
FL	$38,537,057	23,530,528	0	48,938	62,116,523	6,389	62,122,912	7.4121%	62,122,912	62,116,523	6,389		(131)		62,122,781	7.4123%	
GA	$22,412,988	13,685,255	0	17,204	36,115,448	6,888	36,122,336	4.3099%	36,122,336	36,115,448	6,888		(4,620)		36,117,716	4.3096%	0
HI	$361,965	221,014	0	664	583,643	0	583,643	0.0696%	583,643	583,643	0				583,643	0.0696%	
IA	$4,786,302	2,922,492	0	6,892	7,715,686	9	7,715,695	0.9206%	7,715,695	7,715,686	9				7,715,695	0.9206%	
ID	$4,491,791	2,742,664	0	1,933	7,236,389	0	7,236,389	0.8634%	7,236,389	7,236,389	0				7,236,389	0.8634%	
IL	$26,787,907	16,356,558	0	20,385	43,164,850	2,974	43,167,824	5.1505%	43,167,824	43,164,850	2,974		(39,839)		43,127,985	5.1460%	0
IN	$17,161,958	10,479,003	0	8,877	27,649,838	5,658	27,655,496	3.2997%	27,655,496	27,649,838	5,658				27,655,496	3.2999%	
KS	$6,193,281	3,781,586	0	5,622	9,980,489	808	9,981,298	1.1909%	9,981,298	9,980,489	808				9,981,298	1.1910%	
KY	$8,827,182	5,389,832	0	5,568	14,222,581	5	14,222,587	1.6969%	14,222,587	14,222,581	5				14,222,587	1.6970%	
LA	$5,720,521	3,492,921	0	5,448	9,218,889	10	9,218,899	1.0999%	9,218,899	9,218,889	10				9,218,899	1.1000%	
MA	$5,538,487	3,381,772	0	13,180	8,933,439	6,098	8,939,536	1.0666%	8,939,536	8,933,439	6,098				8,939,536	1.0667%	
MD	$6,684,360	4,081,436	0	10,025	10,775,822	4,466	10,780,287	1.2862%	10,780,287	10,775,822	4,466				10,780,287	1.2863%	
ME	$2,207,520	1,347,900	0	2,365	3,557,786	1,634	3,559,420	0.4247%	3,559,420	3,557,786	1,634				3,559,420	0.4247%	
MI	$20,645,653	12,606,130	0	13,297	33,265,080	2,037	33,267,117	3.9692%	33,267,117	33,265,080	2,037				33,267,117	3.9694%	0
MN	$9,158,433	5,592,092	0	9,188	14,759,714	4,064	14,763,777	1.7615%	14,763,777	14,759,714	4,064				14,763,777	1.7616%	
MO	$17,245,495	10,530,010	0	16,283	27,791,788	3,246	27,795,034	3.3163%	27,795,034	27,791,788	3,246				27,795,034	3.3165%	
MS	$7,605,252	4,643,728	0	4,035	12,253,016	15	12,253,031	1.4619%	12,253,031	12,253,016	15				12,253,031	1.4620%	
MT	$2,793,123	1,705,466	0	2,208	4,500,797	0	4,500,797	0.5370%	4,500,797	4,500,797	0				4,500,797	0.5370%	
NC	$16,358,462	9,988,393	0	17,252	26,364,107	5,503	26,369,610	3.1462%	26,369,610	26,364,107	5,503		(104)		26,369,506	3.1464%	
ND	$1,185,837	724,066	0	2,020	1,911,923	3,625	1,915,548	0.2285%	1,915,548	1,911,923	3,625				1,915,548	0.2286%	
NE	$3,476,063	2,122,466	0	3,407	5,601,936	2,440	5,604,376	0.6687%	5,604,376	5,601,936	2,440				5,604,376	0.6687%	
NH	$1,594,698	973,714	0	5,607	2,574,020	2,034	2,576,053	0.3074%	2,576,053	2,574,020	2,034				2,576,053	0.3074%	
NJ	$11,108,951	6,783,068	0	24,955	17,916,974	5,995	17,922,969	2.1384%	17,922,969	17,916,974	5,995		(235)		17,922,734	2.1385%	
NM	$5,111,953	3,121,332	0	2,515	8,235,801	2,417	8,238,218	0.9829%	8,238,218	8,235,801	2,417		(857)		8,237,361	0.9829%	
NV	$6,120,581	3,737,195	0	3,437	9,861,214	14	9,861,228	1.1766%	9,861,228	9,861,214	14				9,861,228	1.1766%	
NY	$23,850,395	14,562,929	0	21,070	38,434,394	11,730	38,446,124	4.5871%	38,446,124	38,434,394	11,730				38,446,124	4.5874%	
OH	$19,133,713	11,682,947	0	17,032	30,833,692	19	30,833,710	3.6789%	30,833,710	30,833,692	19				30,833,710	3.6791%	
OK	$10,229,164	6,245,875	0	6,671	16,481,709	108	16,481,817	1.9665%	16,481,817	16,481,709	108				16,481,817	1.9666%	
OR	$8,474,827	5,174,686	0	6,509	13,656,022	5	13,656,027	1.6293%	13,656,027	13,656,022	5				13,656,027	1.6294%	
PA	$17,411,160	10,631,164	0	18,958	28,061,282	4,098	28,065,380	3.3486%	28,065,380	28,061,282	4,098				28,065,380	3.3488%	
RI	$945,635	577,400	0	1,506	1,524,541	0	1,524,541	0.1819%	1,524,541	1,524,541	0				1,524,541	0.1819%	
SC	$8,046,918	4,913,407	0	9,063	12,969,388	2,046	12,971,434	1.5477%	12,971,434	12,969,388	2,046		(208)		12,971,226	1.5477%	
SD	$1,535,489	937,562	0	1,354	2,474,405	0	2,474,405	0.2952%	2,474,405	2,474,405	0				2,474,405	0.2952%	
TN	$10,130,361	6,185,546	0	10,325	16,326,232	2,769	16,329,001	1.9483%	16,329,001	16,326,232	2,769		(2,192)		16,326,809	1.9481%	
TX	$64,239,856	39,224,525	0	43,945	103,508,326	16,584	103,524,910	12.3518%	103,524,910	103,508,326	16,584		(137)		103,524,773	12.3526%	0
UT	$4,909,973	2,998,004	0	4,208	7,912,185	817	7,913,002	0.9441%	7,913,002	7,912,185	817		(657)		7,912,345	0.9441%	
VA	$15,379,014	9,390,347	0	14,042	24,783,403	2,860	24,786,263	2.9573%	24,786,263	24,783,403	2,860				24,786,263	2.9575%	
VT	$1,756,330	1,072,406	0	1,103	2,829,839	0	2,829,839	0.3376%	2,829,839	2,829,839	0				2,829,839	0.3377%	
WA	$10,072,015	6,149,920	0	11,824	16,233,760	5,268	16,239,028	1.9375%	16,239,028	16,233,760	5,268		(1,178)		16,237,850	1.9375%	
WI	$10,431,141	6,369,201	0	9,082	16,809,423	5,428	16,814,851	2.0062%	16,814,851	16,809,423	5,428				16,814,851	2.0064%	
WV	$4,847,658	2,959,955	0	3,828	7,811,441	418	7,811,859	0.9321%	7,811,859	7,811,441	418		(3,561)		7,808,298	0.9317%	
WY	$1,749,941	1,068,505	0	1,334	2,819,780	0	2,819,780	0.3364%	2,819,780	2,819,780	0				2,819,780	0.3365%	
4N	$354	216	0	0	570	0	570	0.0001%	570	570	0				570	0.0001%	
Total	$516,033,727	315,087,533	6,396,661	485,619	838,003,540	129,992	838,133,532	100.00%	838,133,532	838,003,540	129,992	768	(54,153)	1,220	838,081,367	99.9969%	0
	$516,033,727	315,087,533	6,396,661	485,619						838,133,532						838,081,367	
																838,135,520	
																838,134,300	
																Line 1c 1120	

Gross Revenue w/o G/L
Gross Revenue w/o G/L and Other Income

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Tangible Personal Property Sales Summary
Ungroup columns for zero amount companies
Tax Year 2005
Source of Sales - 2004 Proforma FITR

	CO111	CO112	CO113	CO115	CO123	CO200	WE TOTAL	DBC CO900 ELIM	ECC CO905 ELIM	ESC CO909 ELIM	PCO CO920 ELIM	WE AFTER ELIM	CO119	WW TOTAL	DOMESTIC ELIMS	EIC CO908 ELIM	WW AFTER ELIM
AK	1,816,977		373,635	0	44	23,870	2,214,526	(0)	(3)	0	(23,870)	2,190,652	0	2,214,526	(23,873)		2,190,652
AL	9,548,968		1,016,209	0	0	84,533	10,649,710	0	0	0	(84,533)	10,565,177	0	10,649,710	(84,533)		10,565,177
AR	9,435,355		2,250,882	10	0	126,964	11,813,211	0	0	0	(126,964)	11,686,247	0	11,813,211	(126,964)		11,686,247
AZ	10,375,260		3,112,962	3,068	0	1,622,986	15,114,276	0	0	0	(1,622,986)	13,491,290	0	15,114,276	(1,622,986)		13,491,290
CA	56,199,258		16,520,855	0	514,191	7,135,312	80,369,616	(4,437)	(35,551)	0	(7,135,312)	73,194,316	0	80,369,616	(7,175,300)		73,194,316
CO	12,720,624		2,871,815	8,416	19,690	643,003,154	658,623,700	(170)	(1,361)	0	(643,003,154)	15,619,014	36,939,009	695,562,709	(643,004,685)	(34,845,832)	17,712,191
CT	2,539,044		333,449	20	0	264,551	3,137,064	0	0	0	(264,551)	2,872,513	0	3,137,064	(264,551)		2,872,513
DC	239,852		7,916	0	0	3,651	251,419	0	0	0	(3,651)	247,768	0	251,419	(3,651)		247,768
DE	925,399		793,746	0	0	55,732	1,774,877	0	0	0	(55,732)	1,719,145	0	1,774,877	(55,732)		1,719,145
FL	22,167,700		10,884,375	6,389	137	797,878	33,856,478	(1)	(9)	0	(797,878)	33,058,590	0	33,856,478	(797,889)		33,058,590
GA	19,740,628		8,450,719	6,888	0	264,437,874	292,636,109	0	0	0	(264,437,874)	28,198,235	0	292,636,109	(264,437,874)		28,198,235
HI	963,041		250,587	0	0	9,325	1,222,953	0	0	0	(9,325)	1,213,628	0	1,222,953	(9,325)		1,213,628
IA	8,038,801		2,906,426	9	60	93,832	11,039,128	(1)	(4)	0	(93,832)	10,945,291	0	11,039,128	(93,837)		10,945,291
ID	5,437,387		2,659,231	0	0	130,475	8,227,094	0	0	0	(130,475)	8,096,619	0	8,227,094	(130,475)		8,096,619
IL	22,102,647		3,142,468	2,974	0	18,176,685	43,424,775	0	0	0	(18,176,685)	25,248,090	0	43,424,775	(18,176,685)		25,248,090
IN	15,007,505		13,075,529	5,658	0	665,444	28,754,136	0	0	0	(665,444)	28,088,692	0	28,754,136	(665,444)		28,088,692
KS	5,942,328		(40,201)	808	0	185,830	6,088,765	0	0	0	(185,830)	5,902,935	0	6,088,765	(185,830)		5,902,935
KY	11,698,489		1,213,621	5	0	90,836	13,002,952	0	0	0	(90,836)	12,912,116	0	13,002,952	(90,836)		12,912,116
LA	4,299,474		607,107	10	0	49,303	4,955,894	0	0	0	(49,303)	4,906,591	0	4,955,894	(49,303)		4,906,591
MA	3,700,446		584,237	6,098	0	531,941	4,822,722	0	0	0	(531,941)	4,290,781	0	4,822,722	(531,941)		4,290,781
MD	4,337,933		10,436,322	4,466	0	4,253,899	19,032,620	0	0	0	(4,253,899)	14,778,721	0	19,032,620	(4,253,899)		14,778,721
ME	1,995,387		121,144	1,634	0	189,776	2,307,941	0	0	0	(189,776)	2,118,165	0	2,307,941	(189,776)		2,118,165
MI	19,441,529		629,940	2,037	0	574,896	20,648,402	0	0	0	(574,896)	20,073,506	0	20,648,402	(574,896)		20,073,506
MN	10,817,524		2,223,484	4,064	0	568,154	13,613,226	0	0	0	(568,154)	13,045,072	0	13,613,226	(568,154)		13,045,072
MO	17,369,891		4,649,130	3,246	0	796,462	22,818,730	0	0	0	(796,462)	22,022,268	0	22,818,730	(796,462)		22,022,268
MS	5,238,983		642,277	15	0	67,148	5,948,423	0	0	0	(67,148)	5,881,275	0	5,948,423	(67,148)		5,881,275
MT	3,619,638		1,389,786	0	0	27,955	5,037,379	0	0	0	(27,955)	5,009,424	0	5,037,379	(27,955)		5,009,424
NC	14,874,848		2,050,926	5,503	0	922,759	17,854,036	0	0	0	(922,759)	16,931,277	0	17,854,036	(922,759)		16,931,277
ND	1,406,444		761,525	3,625	0	188,153	2,359,747	0	0	0	(188,153)	2,171,594	0	2,359,747	(188,153)		2,171,594
NE	4,432,464		1,295,067	2,440	0	147,329	5,877,301	0	0	0	(147,329)	5,729,972	0	5,877,301	(147,329)		5,729,972
NH	1,281,548		691,438	2,034	0	153,524	2,128,544	0	0	0	(153,524)	1,975,020	0	2,128,544	(153,524)		1,975,020
NJ	7,107,083		915,795	5,995	45	2,782,546	10,811,464	(0)	(3)	0	(2,782,546)	8,028,914	0	10,811,464	(2,782,550)		8,028,914
NM	6,006,121		220,840	2,417	0	298,112	6,527,490	0	0	0	(298,112)	6,229,378	0	6,527,490	(298,112)		6,229,378
NV	4,438,330		358,850	14	0	32,488	4,829,682	0	0	0	(32,488)	4,797,194	0	4,829,682	(32,488)		4,797,194
NY	17,965,244		2,510,849	11,730	0	1,245,545	21,733,368	0	0	0	(1,245,545)	20,487,823	0	21,733,368	(1,245,545)		20,487,823
OH	14,801,131		1,569,707	19	0	110,254	16,481,111	0	0	0	(110,254)	16,370,857	0	16,481,111	(110,254)		16,370,857
OK	10,148,112		1,358,418	108	0	3,045,166	14,551,804	0	0	0	(3,045,166)	11,506,638	0	14,551,804	(3,045,166)		11,506,638
OR	10,067,578		1,799,595	5	0	426,003	12,293,181	0	0	0	(426,003)	11,867,178	0	12,293,181	(426,003)		11,867,178
PA	15,678,469		(3,208,248)	4,098	0	1,395,638	13,869,957	0	0	0	(1,395,638)	12,474,319	0	13,869,957	(1,395,638)		12,474,319
RI	539,083		64,987	0	0	4,969	609,039	0	0	0	(4,969)	604,070	0	609,039	(4,969)		604,070
SC	7,128,602		648,542	2,046	0	276,089	8,055,278	0	0	0	(276,089)	7,779,189	0	8,055,278	(276,089)		7,779,189
SD	2,002,082		347,763	0	0	16,181	2,366,026	0	0	0	(16,181)	2,349,845	0	2,366,026	(16,181)		2,349,845
TN	10,912,767		(1,793,759)	2,769	0	465,471	9,587,248	0	0	0	(465,471)	9,121,777	0	9,587,248	(465,471)		9,121,777
TX	45,958,115		15,449,849	16,584	30,664	21,323,906	82,779,118	(265)	(2,120)	0	(21,323,906)	61,452,827	0	82,779,118	(21,326,291)		61,452,827
UT	6,882,312		1,783,209	817	0	370,640	9,036,978	0	0	0	(370,640)	8,666,338	0	9,036,978	(370,640)		8,666,338
VA	11,807,005		1,760,178	2,860	0	8,456,016	22,026,059	0	0	0	(8,456,016)	13,570,043	0	22,026,059	(8,456,016)		13,570,043
VT	2,574,304		115,373	0	0	19,549	2,709,226	0	0	0	(19,549)	2,689,677	0	2,709,226	(19,549)		2,689,677
WA	12,933,472		3,691,640	5,268	0	7,644,966	24,275,346	0	0	0	(7,644,966)	16,630,380	0	24,275,346	(7,644,966)		16,630,380
WI	10,583,394		2,317,852	5,428	17	281,072	13,187,763	(0)	(1)	0	(281,072)	12,906,689	0	13,187,763	(281,073)		12,906,689
WV	4,189,583		669,023	418	0	832,783	5,691,807	0	0	0	(832,783)	4,859,024	0	5,691,807	(832,783)		4,859,024
WY	1,937,529		361,223	0	0	11,487,194	13,785,946	0	0	0	(11,487,194)	2,298,752	0	13,785,946	(11,487,194)		2,298,752
4N	2,987,869		614,339	0	173,168,217	25,902,576	202,673,001	(1,494,352)	(11,972,739)	0	(25,902,576)	163,303,334	0	202,673,001	(39,369,667)		163,303,334
	514,363,558	0	127,462,634	129,992	173,733,064	1,031,797,395	1,847,486,643	(1,499,226)	(12,011,792)	0	(1,031,797,395)	802,178,230	36,939,009	1,884,425,652	(1,045,308,413)	(34,845,832)	804,271,407
								(1,499,226)	(12,011,792)	0	(1,031,797,395)					(34,845,832)	

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Service SalesSummary
Ungroup columns for zero amount companies
Tax Year 2005
Source of Sales - 2004 Proforma FITR

	CO111	CO112	CO115	CO134	CO154	CO166	CO167	CO177	CO184	CO185	CO189	CO191	CO192	WE TOTAL	DBC CO900 ELIM	ECC CO905 ELIM	ESC CO909 ELIM	WE AFTER ELIM	WW TOTAL	DOMESTIC ELIMS	WW AFTER ELIM
AK	0	0	34,670	0	0	0	0	0	0	0	0	0	0	34,670	(21,632)	0	0	13,038	34,670	(21,632)	13,038
AL	148,534,217	0	15,827,800	0	0	0	0	30,873	0	0	913,133	0	0	165,306,022	(9,875,576)	(108,886)	(5,176,439)	150,145,122	165,306,022	(15,160,900)	150,145,122
AR	155,485,324	0	13,956,618	0	0	0	0	2,418	0	0	586,119	0	0	170,030,479	(8,308,073)	(113,690)	(5,404,846)	155,803,869	170,030,479	(14,226,609)	155,803,869
AZ	0	0	16,458,156	0	0	0	0	0	0	0	0	0	0	16,458,156	(10,268,879)	0	0	6,189,276	16,458,156	(10,268,879)	6,189,276
CA	920,141,987	0	0	0	0	0	0	859,747	0	102,525,571	4,272,085	0	0	1,027,799,390	(63,909,646)	(674,004)	(32,042,282)	931,113,438	1,027,799,390	(96,685,951)	931,113,438
CO	196,131,847	7,298	24,631,981	12,474	0	131,255,918	11,602,378	9,167	286,551,088	0	764,775	0	6,041,280	657,008,206	(15,368,845)	(143,351,731)	(6,818,858)	491,468,773	657,008,206	(165,539,433)	491,468,773
CT	62,639,380	0	15,091,020	0	0	0	0	99,945	0	0	150,448	0	0	77,980,793	(9,415,871)	(45,811)	(2,177,876)	66,341,235	77,980,793	(11,639,558)	66,341,235
DC	0	0	642,856	0	0	0	0	0	0	0	0	0	0	642,856	(401,103)	0	0	241,753	642,856	(401,103)	241,753
DE	14,250,994	0	1,582,293	0	0	0	0	14,267	0	0	130,597	0	0	15,978,151	(987,254)	(10,486)	(498,529)	14,481,881	15,978,151	(1,496,269)	14,481,881
FL	344,499,992	0	62,116,523	0	0	0	0	710,998	0	0	2,323,580	0	0	409,651,092	(38,756,899)	(253,157)	(12,035,141)	358,605,895	409,651,092	(51,045,197)	358,605,895
GA	306,320,785	0	36,115,448	0	0	0	0	906,888	0	0	1,202,336	0	0	344,545,657	(22,533,824)	(224,672)	(10,680,955)	311,106,207	344,545,657	(33,439,450)	311,106,207
HI	15,196,441	0	583,643	0	0	0	0	3,587	0	0	78,358	0	0	15,862,029	(364,157)	(11,129)	(529,091)	14,957,651	15,862,029	(904,378)	14,957,651
IA	124,831,893	0	7,715,686	0	0	0	0	113,670	0	0	837,910	0	0	133,499,159	(4,814,115)	(91,625)	(4,355,888)	124,237,530	133,499,159	(9,261,629)	124,237,530
ID	84,248,657	0	7,236,389	0	0	0	0	6,471	0	0	272,686	0	0	91,764,203	(4,515,062)	(61,573)	(2,927,203)	84,260,365	91,764,203	(7,503,838)	84,260,365
IL	0	0	43,164,850	0	0	0	0	0	0	0	0	0	0	43,164,850	(26,932,218)	0	0	16,232,632	43,164,850	(26,932,218)	16,232,632
IN	0	0	27,649,838	0	0	0	0	0	0	0	0	0	0	27,649,838	(17,251,803)	0	0	10,398,036	27,649,838	(17,251,803)	10,398,036
KS	0	0	9,980,489	0	0	0	0	0	0	0	0	0	0	9,980,489	(6,227,213)	0	0	3,753,276	9,980,489	(6,227,213)	3,753,276
KY	0	0	14,222,581	0	0	0	0	0	0	0	0	0	0	14,222,581	(8,874,018)	0	0	5,348,563	14,222,581	(8,874,018)	5,348,563
LA	66,440,249	0	9,218,889	0	0	0	0	19,650	0	0	779,402	0	0	76,458,190	(5,752,021)	(48,980)	(2,328,501)	68,328,688	76,458,190	(8,129,501)	68,328,688
MA	0	0	8,933,439	0	0	0	0	0	0	0	0	0	0	8,933,439	(5,573,918)	0	0	3,359,521	8,933,439	(5,573,918)	3,359,521
MD	66,570,414	0	10,775,822	0	0	0	0	49,649	0	0	476,417	0	0	77,872,303	(6,723,452)	(48,876)	(2,323,553)	68,776,421	77,872,303	(9,095,882)	68,776,421
ME	0	0	3,557,786	0	0	0	0	0	0	0	0	0	0	3,557,786	(2,219,840)	0	0	1,337,946	3,557,786	(2,219,840)	1,337,946
MI	0	0	33,265,080	0	0	0	0	0	0	0	0	0	0	33,265,080	(20,755,369)	0	0	12,509,711	33,265,080	(20,755,369)	12,509,711
MN	168,329,673	0	14,759,714	0	0	0	0	70,775	0	0	594,477	0	0	183,754,639	(9,209,156)	(123,102)	(5,852,303)	168,570,078	183,754,639	(15,184,561)	168,570,078
MO	0	0	27,791,788	0	0	0	0	0	0	0	0	0	0	27,791,788	(17,340,371)	0	0	10,451,418	27,791,788	(17,340,371)	10,451,418
MS	0	0	12,253,016	0	0	0	0	0	0	0	0	0	0	12,253,016	(7,645,130)	0	0	4,607,886	12,253,016	(7,645,130)	4,607,886
MT	56,000,245	0	4,500,797	0	0	0	0	43,182	0	0	449,253	0	0	60,993,477	(2,808,221)	(41,151)	(1,956,345)	56,187,760	60,993,477	(4,805,717)	56,187,760
NC	231,784,636	0	26,364,107	0	0	0	0	0	0	0	0	0	0	258,148,743	(16,449,585)	(168,841)	(8,026,714)	233,503,603	258,148,743	(24,645,140)	233,503,603
ND	21,862,425	0	1,911,923	0	0	0	0	265,083	0	0	111,791	0	0	24,151,222	(1,192,423)	(16,260)	(770,148)	22,171,951	24,151,222	(1,979,271)	22,171,951
NE	0	0	5,601,936	0	0	0	0	0	0	0	0	0	0	5,601,936	(3,495,264)	0	0	2,106,672	5,601,936	(3,495,264)	2,106,672
NH	19,778,139	0	2,574,020	0	0	0	0	3,558	0	0	112,836	0	0	22,468,552	(1,606,030)	(14,492)	(688,949)	20,159,081	22,468,552	(2,309,471)	20,159,081
NJ	110,950,977	0	17,916,974	0	798,100	0	0	393,754	0	0	280,000	0	0	130,339,805	(11,179,092)	(81,312)	(3,865,570)	115,213,831	130,339,805	(15,125,974)	115,213,831
NM	93,336,939	0	8,235,801	0	0	0	0	82,581	0	0	259,104	0	0	101,914,425	(5,138,634)	(68,259)	(3,244,096)	93,463,456	101,914,425	(8,450,969)	93,463,456
NV	70,707,657	0	9,861,214	0	0	0	0	54,100	0	0	433,582	0	0	81,056,554	(6,152,793)	(51,861)	(2,465,498)	72,386,401	81,056,554	(8,670,152)	72,386,401
NY	277,870,842	0	38,434,394	0	0	0	0	592,690	0	0	1,430,297	0	0	318,328,223	(23,980,503)	(203,985)	(9,692,738)	284,450,896	318,328,223	(33,877,327)	284,450,896
OH	238,494,738	0	30,833,692	0	0	0	0	100,422	0	0	1,665,371	0	0	271,094,223	(19,238,352)	(175,015)	(8,326,235)	243,360,642	271,094,223	(27,733,582)	243,360,642
OK	0	0	16,481,709	0	0	0	0	0	0	0	21,102,366	0	0	37,584,075	(10,283,575)	(15,372)	(750,776)	26,554,353	37,584,075	(11,029,723)	26,554,353
OR	153,648,501	0	13,656,022	0	0	0	0	7,038	0	0	939,253	0	0	168,250,813	(8,520,526)	(112,613)	(5,553,626)	154,264,055	168,250,813	(13,986,758)	154,264,055
PA	0	0	28,061,282	0	0	0	0	0	0	0	0	0	0	28,061,282	(17,508,518)	0	0	10,552,764	28,061,282	(17,508,518)	10,552,764
RI	8,390,219	0	1,524,541	0	0	0	0	0	0	0	36,567	0	0	9,951,327	(951,220)	(6,138)	(291,820)	8,702,149	9,951,327	(1,249,178)	8,702,149
SC	0	0	12,969,388	0	0	0	0	0	0	0	0	0	0	12,969,388	(8,092,105)	0	0	4,877,286	12,969,388	(8,092,103)	4,877,286
SD	0	0	2,474,405	0	0	0	0	0	0	0	0	0	0	2,474,405	(1,543,877)	0	0	930,528	2,474,405	(1,543,877)	930,528
TN	0	0	16,326,232	0	0	0	0	0	0	0	0	0	0	16,326,232	(10,186,567)	0	0	6,139,665	16,326,232	(10,186,567)	6,139,665
TX	0	0	103,508,326	0	0	0	0	0	0	0	0	0	0	103,508,326	(64,582,844)	0	0	38,925,482	103,508,326	(64,582,844)	38,925,482
UT	0	0	7,912,185	0	0	0	0	0	0	0	0	0	0	7,912,185	(4,936,718)	0	0	2,975,467	7,912,185	(4,936,718)	2,975,467
VA	0	0	24,783,403	0	0	0	0	0	0	0	0	0	0	24,783,403	(15,463,323)	0	0	9,320,080	24,783,403	(15,463,323)	9,320,080
VT	0	0	2,829,839	0	0	0	0	0	0	0	0	0	0	2,829,839	(1,765,646)	0	0	1,064,193	2,829,839	(1,765,646)	1,064,193
WA	197,778,013	0	16,233,760	0	0	0	0	21,470	0	0	892,238	0	0	214,925,481	(10,128,870)	(144,735)	(6,880,705)	197,771,171	214,925,481	(17,154,310)	197,771,171
WI	170,615,889	0	16,809,423	0	0	0	0	78,920	0	0	1,238,058	0	0	188,742,290	(10,488,069)	(125,242)	(5,954,044)	172,174,955	188,742,290	(16,567,336)	172,174,955
WV	0	0	7,811,441	0	0	0	0	0	0	0	0	0	0	7,811,441	(4,873,860)	0	0	2,937,581	7,811,441	(4,873,860)	2,937,581
WY	3,866,618,246	0	2,819,780	0	0	0	0	5,527,306	0	0	1,698,804	652,442	0	49,978,205	(355)	(35,030)	(1,708,134)	48,233,785	49,978,205	(1,744,420)	48,233,785
4N	47,295,214	0	570	0	0	0	0	331,175	0	0	290,447	0	0	3,875,255,780	(1,759,370)	(2,820,828)	(134,102,665)	3,736,572,917	3,875,255,780	(138,682,863)	3,736,572,917
	8,238,754,534	7,298	838,003,540	12,474	798,100	131,255,918	11,602,378	10,399,382	286,551,088	102,525,571	44,322,492	652,442	6,041,280	9,670,926,497	(586,832,436)	(149,249,577)	(287,203,530)	8,647,640,934	9,670,926,497	(1,023,285,563)	8,647,640,934

	(586,832,436)
	(6,041,280)
	(131,255,918)
	(11,602,379)
	(252,250)
	(97,750)
	(149,249,577)

(287,203,530)

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SALES FACTOR - SC

APPORTIONMENT DATA

DESTINATION SALES	7300090		
FOREIGN	4N	1,494,352	
CALIFORNIA	CA	4,437	
COLORADO	CO	170	
FLORIDA	FL	1	
IOWA	IA	1	
TEXAS	TX	265	
SUBTOTAL		1,499,226	
Guides	7300092		
FOREIGN	4N	(5,207)	
ALASKA	AK	(24,471)	
ALABAMA	AL	(171,987)	
ARKANSAS	AR	(181,797)	
ARIZONA	AZ	(267,422)	
CALIFORNIA	CA	(1,695,580)	
COLORADO	CO	(332,244)	
CONNECTICUT	CT	(35,114)	
WASHINGTON DC	DC	(7,156)	
DELAWARE	DE	(25,175)	
FLORIDA	FL	(418,710)	
GEORGIA	GA	(399,820)	
HAWAII	HI	(4,503)	
IOWA	IA	(157,360)	
IDAHO	ID	(117,513)	
ILLINOIS	IL	(484,904)	
INDIANA	IN	(280,140)	
KANSAS	KS	(123,466)	
KENTUCKY	KY	(173,431)	
LOUISIANA	LA	(103,582)	
MASSACHUSETTS	MA	(57,669)	
MARYLAND	MD	(131,868)	
MAINE	ME	(46,498)	
MICHIGAN	MI	(369,010)	
MINNESOTA	MN	(191,081)	
MISSOURI	MO	(431,692)	
MISSISSIPPI	MS	(111,467)	
MONTANA	MT	(83,142)	
NORTH CAROLINA	NC	(243,786)	
NORTH DAKOTA	ND	(26,195)	
NEBRASKA	NE	(93,455)	
NEW HAMPSHIRE	NH	(32,376)	
NEW JERSEY	NJ	(104,220)	
NEW MEXICO	NM	(113,452)	
NEVADA	NV	(119,757)	
NEW YORK	NY	(417,426)	
OHIO	OH	(338,076)	
OKLAHOMA	OK	(205,676)	
OREGON	OR	(356,435)	
PENNSYLVANIA	PA	(331,449)	
RHODE ISLAND	RI	(9,420)	
SOUTH CAROLINA	SC	(139,249)	(139,249)
SOUTH DAKOTA	SD	(34,190)	
TENNESSEE	TN	(231,299)	
TEXAS	TX	(949,649)	
UTAH	UT	(113,308)	
VIRGINIA	VA	(278,663)	
VERMONT	VT	(38,819)	
WASHINGTON	WA	(434,649)	
WISCONSIN	WI	(239,438)	
WEST VIRGINIA	WV	(82,439)	
WYOMING	WY	(52,868)	
SUBTOTAL		(11,418,303)	
DTH Equipment	7300093		
FOREIGN	4N	(136,286)	
ALASKA	AK	(81,905)	
ALABAMA	AL	(428,494)	
ARKANSAS	AR	(592,369)	
ARIZONA	AZ	(462,020)	
CALIFORNIA	CA	(3,583,243)	
COLORADO	CO	(566,126)	
CONNECTICUT	CT	(550,944)	
WASHINGTON DC	DC	(10,633)	
DELAWARE	DE	(41,134)	
FLORIDA	FL	(994,024)	
GEORGIA	GA	(883,835)	
HAWAII	HI	(43,798)	
IOWA	IA	(360,158)	
IDAHO	ID	(243,102)	

DBS **SC**
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SALES FACTOR - SC

APPORTIONMENT DATA

ILLINOIS	IL	(1,432,862)	
INDIANA	IN	(903,007)	
KANSAS	KS	(411,729)	
KENTUCKY	KY	(526,635)	
LOUISIANA	LA	(191,788)	
MASSACHUSETTS	MA	(166,460)	
MARYLAND	MD	(192,198)	
MAINE	ME	(89,050)	
MICHIGAN	MI	(1,156,465)	
MINNESOTA	MN	(485,585)	
MISSOURI	MO	(1,120,547)	
MISSISSIPPI	MS	(234,334)	
MONTANA	MT	(161,593)	
NORTH CAROLINA	NC	(668,579)	
NORTH DAKOTA	ND	(63,067)	
NEBRASKA	NE	(198,273)	
NEW HAMPSHIRE	NH	(57,089)	
NEW JERSEY	NJ	(319,992)	
NEW MEXICO	NM	(269,286)	
NEVADA	NV	(241,834)	
NEW YORK	NY	(801,941)	
OHIO	OH	(840,881)	
OKLAHOMA	OK	(746,749)	
OREGON	OR	(443,752)	
PENNSYLVANIA	PA	(701,293)	
RHODE ISLAND	RI	(24,202)	
SOUTH CAROLINA	SC	(319,374)	(319,374)
SOUTH DAKOTA	SD	(89,930)	
TENNESSEE	TN	(488,132)	
TEXAS	TX	(3,469,753)	
UTAH	UT	(309,350)	
VIRGINIA	VA	(526,828)	
VERMONT	VT	(115,854)	
WASHINGTON	WA	(571,118)	
WISCONSIN	WI	(602,204)	
WEST VIRGINIA	WV	(187,689)	
WYOMING	WY	(86,116)	
SUBTOTAL		(28,193,600)	

DD Leases	7300094		
FOREIGN	4N	(2,846,375)	
ALASKA	AK	(1,710,601)	
ALABAMA	AL	(8,948,487)	
ARKANSAS	AR	(8,661,188)	
ARIZONA	AZ	(9,645,818)	
CALIFORNIA	CA	(50,920,435)	
COLORADO	CO	(11,822,255)	
CONNECTICUT	CT	(1,952,985)	
WASHINGTON DC	DC	(222,063)	
DELAWARE	DE	(859,090)	
FLORIDA	FL	(20,754,966)	
GEORGIA	GA	(18,456,973)	
HAWAII	HI	(914,740)	
IOWA	IA	(7,521,283)	
IDAHO	ID	(5,076,773)	
ILLINOIS	IL	(20,184,891)	
INDIANA	IN	(13,824,358)	
KANSAS	KS	(5,407,133)	
KENTUCKY	KY	(10,998,424)	
LOUISIANA	LA	(4,004,104)	
MASSACHUSETTS	MA	(3,476,317)	
MARYLAND	MD	(4,013,867)	
MAINE	ME	(1,859,838)	
MICHIGAN	MI	(17,916,053)	
MINNESOTA	MN	(10,140,858)	
MISSOURI	MO	(15,817,652)	
MISSISSIPPI	MS	(4,893,182)	
MONTANA	MT	(3,374,904)	
NORTH CAROLINA	NC	(13,962,484)	
NORTH DAKOTA	ND	(1,317,181)	
NEBRASKA	NE	(4,140,736)	
NEW HAMPSHIRE	NH	(1,192,083)	
NEW JERSEY	NJ	(6,682,871)	
NEW MEXICO	NM	(5,623,384)	
NEVADA	NV	(4,076,739)	
NEW YORK	NY	(16,745,877)	
OHIO	OH	(13,622,175)	
OKLAHOMA	OK	(9,195,687)	
OREGON	OR	(9,267,392)	
PENNSYLVANIA	PA	(14,645,728)	
RHODE ISLAND	RI	(505,461)	
SOUTH CAROLINA	SC	(6,669,978)	(6,669,978)

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SALES FACTOR - SC

APPORTIONMENT DATA

SOUTH DAKOTA	SD	(1,877,963)	
TENNESSEE	TN	(10,193,336)	
TEXAS	TX	(41,538,713)	
UTAH	UT	(6,459,654)	
VIRGINIA	VA	(11,001,514)	
VERMONT	VT	(2,419,631)	
WASHINGTON	WA	(11,927,705)	
WISCONSIN	WI	(9,741,753)	
WEST VIRGINIA	WV	(3,919,456)	
WYOMING	WY	(1,798,545)	
SUBTOTAL		(474,751,659)	
Installation Sales	7300096		
FOREIGN	4N	(614,339)	
ALASKA	AK	(373,635)	
ALABAMA	AL	(1,016,209)	
ARKANSAS	AR	(2,250,892)	
ARIZONA	AZ	(3,116,030)	
CALIFORNIA	CA	(16,520,855)	
COLORADO	CO	(2,880,231)	
CONNECTICUT	CT	(333,469)	
WASHINGTON DC	DC	(7,916)	
DELAWARE	DE	(793,746)	
FLORIDA	FL	(10,890,764)	
GEORGIA	GA	(8,457,607)	
HAWAII	HI	(250,587)	
IOWA	IA	(2,906,435)	
IDAHO	ID	(2,659,231)	
ILLINOIS	IL	(3,145,442)	
INDIANA	IN	(13,081,187)	
KANSAS	KS	39,393	
KENTUCKY	KY	(1,213,626)	
LOUISIANA	LA	(607,117)	
MASSACHUSETTS	MA	(590,335)	
MARYLAND	MD	(10,440,788)	
MAINE	ME	(122,778)	
MICHIGAN	MI	(631,977)	
MINNESOTA	MN	(2,227,548)	
MISSOURI	MO	(4,652,376)	
MISSISSIPPI	MS	(642,292)	
MONTANA	MT	(1,389,786)	
NORTH CAROLINA	NC	(2,056,429)	
NORTH DAKOTA	ND	(765,150)	
NEBRASKA	NE	(1,297,507)	
NEW HAMPSHIRE	NH	(693,472)	
NEW JERSEY	NJ	(921,790)	
NEW MEXICO	NM	(223,257)	
NEVADA	NV	(358,864)	
NEW YORK	NY	(2,522,579)	
OHIO	OH	(1,569,726)	
OKLAHOMA	OK	(1,358,526)	
OREGON	OR	(1,799,600)	
PENNSYLVANIA	PA	3,204,150	
RHODE ISLAND	RI	(64,987)	
SOUTH CAROLINA	SC	(650,588)	(650,588)
SOUTH DAKOTA	SD	(347,763)	
TENNESSEE	TN	1,790,990	
TEXAS	TX	(15,466,433)	
UTAH	UT	(1,784,026)	
VIRGINIA	VA	(1,763,038)	
VERMONT	VT	(115,373)	
WASHINGTON	WA	(3,696,908)	
WISCONSIN	WI	(2,323,280)	
WEST VIRGINIA	WV	(669,441)	
WYOMING	WY	(361,223)	
SUBTOTAL		(127,592,625)	
DESTINATION SALES	7300*	(640,456,961)	
RENTAL INCOME	7303090		
OKLAHOMA	OK	(11,769)	
DIVIDEND INCOME	7305090		
COLORADO	CO	(84,435)	Excluded
GROSS RECEIPTS FROM SALES OF	7306090		
FOREIGN	4N	(1,444,702)	
ALASKA	AK	(868,230)	
ALABAMA	AL	(4,541,881)	
ARKANSAS	AR	(4,396,033)	
ARIZONA	AZ	(4,895,817)	

SALES FACTOR - SC

APPORTIONMENT DATA

CALIFORNIA	CA	(25,844,925)	
COLORADO	CO	(6,013,486)	
CONNECTICUT	CT	(991,185)	
WASHINGTON DC	DC	(112,710)	
DELAWARE	DE	(436,039)	
FLORIDA	FL	(10,534,359)	
GEORGIA	GA	(9,367,993)	
HAWAII	HI	(464,284)	
IOWA	IA	(3,817,491)	
IDAHO	ID	(2,576,759)	
ILLINOIS	IL	(10,259,942)	
INDIANA	IN	(7,016,634)	
KANSAS	KS	(2,744,413)	
KENTUCKY	KY	(5,582,344)	
LOUISIANA	LA	(2,032,317)	
MASSACHUSETTS	MA	(1,764,434)	
MARYLAND	MD	(2,037,272)	
MAINE	ME	(943,977)	
MICHIGAN	MI	(9,093,399)	
MINNESOTA	MN	(5,147,079)	
MISSOURI	MO	(8,028,329)	
MISSISSIPPI	MS	(2,483,576)	
MONTANA	MT	(1,712,961)	
NORTH CAROLINA	NC	(7,086,777)	
NORTH DAKOTA	ND	(668,547)	
NEBRASKA	NE	(2,101,666)	
NEW HAMPSHIRE	NH	(605,052)	
NEW JERSEY	NJ	(3,391,948)	
NEW MEXICO	NM	(2,854,196)	
NEVADA	NV	(2,069,176)	
NEW YORK	NY	(8,499,512)	
OHIO	OH	(6,914,022)	
OKLAHOMA	OK	(4,667,302)	
OREGON	OR	(4,703,743)	
PENNSYLVANIA	PA	(7,433,563)	
RHODE ISLAND	RI	(256,551)	
SOUTH CAROLINA	SC	(3,385,404)	Excluded
SOUTH DAKOTA	SD	(953,176)	
TENNESSEE	TN	(5,173,714)	
TEXAS	TX	(21,083,102)	
UTAH	UT	(3,278,652)	
VIRGINIA	VA	(5,583,912)	
VERMONT	VT	(1,228,104)	
WASHINGTON	WA	(6,054,008)	
WISCONSIN	WI	(4,944,489)	
WEST VIRGINIA	WV	(1,989,353)	
WYOMING	WY	(917,187)	
SUBTOTAL		(240,995,727)	Excluded

OTHER GAINS AND LOSSES	7307090		
FOREIGN	4N	774,712	
ALASKA	AK	(121,629)	
ALABAMA	AL	(637,776)	
ARKANSAS	AR	(617,296)	
ARIZONA	AZ	2,768,942	
CALIFORNIA	CA	(3,628,279)	
COLORADO	CO	605,151	
CONNECTICUT	CT	(139,183)	
WASHINGTON DC	DC	(5,738)	
DELAWARE	DE	(61,229)	
FLORIDA	FL	(1,478,968)	
GEORGIA	GA	(1,238,123)	
HAWAII	HI	(64,834)	
IOWA	IA	(536,010)	
IDAHO	ID	(361,832)	
ILLINOIS	IL	(1,408,160)	
INDIANA	IN	(980,678)	
KANSAS	KS	(385,002)	
KENTUCKY	KY	(783,879)	
LOUISIANA	LA	(285,380)	
MASSACHUSETTS	MA	(247,679)	
MARYLAND	MD	(285,788)	
MAINE	ME	(132,554)	
MICHIGAN	MI	(1,276,906)	
MINNESOTA	MN	(722,759)	
MISSOURI	MO	(1,126,485)	
MISSISSIPPI	MS	(348,504)	
MONTANA	MT	(240,319)	
NORTH CAROLINA	NC	(994,120)	
NORTH DAKOTA	ND	(93,878)	
NEBRASKA	NE	(295,118)	
NEW HAMPSHIRE	NH	(84,962)	

DSH1213

SALES FACTOR - SC

APPORTIONMENT DATA

NEW JERSEY	NJ	(459,475)	
NEW MEXICO	NM	(399,933)	
NEVADA	NV	(290,239)	
NEW YORK	NY	(1,193,512)	
OHIO	OH	(970,875)	
OKLAHOMA	OK	(651,563)	
OREGON	OR	(660,152)	
PENNSYLVANIA	PA	(1,040,979)	
RHODE ISLAND	RI	(36,025)	
SOUTH CAROLINA	SC	(475,175)	(475,175)
SOUTH DAKOTA	SD	(133,846)	
TENNESSEE	TN	(723,955)	
TEXAS	TX	(2,936,592)	
UTAH	UT	(459,735)	
VIRGINIA	VA	(770,231)	
VERMONT	VT	(172,452)	
WASHINGTON	WA	(848,933)	
WISCONSIN	WI	(693,952)	
WEST VIRGINIA	WV	(272,539)	
WYOMING	WY	543,425	
SUBTOTAL		(27,081,001)	
OTHER INTEREST INCOME	7308090		
COLORADO	CO	(34,541,388)	
SALES	730*	(943,171,281)	(8,254,364)
SERVICE INCOME	7311090		
FOREIGN	4N	(47,617,274)	
ALASKA	AK	(13,038)	
ALABAMA	AL	(150,254,008)	
ARKANSAS	AR	(155,917,560)	
ARIZONA	AZ	(6,189,277)	
CALIFORNIA	CA	(829,261,871)	
COLORADO	CO	(199,350,067)	
CONNECTICUT	CT	(66,387,046)	
WASHINGTON DC	DC	(241,753)	
DELAWARE	DE	(14,492,368)	
FLORIDA	FL	(358,859,053)	
GEORGIA	GA	(311,330,878)	
HAWAII	HI	(14,968,781)	
IOWA	IA	(124,329,156)	
IDAHO	ID	(84,321,938)	
ILLINOIS	IL	(16,232,632)	
INDIANA	IN	(10,398,035)	
KANSAS	KS	(3,753,276)	
KENTUCKY	KY	(5,348,563)	
LOUISIANA	LA	(68,377,668)	
MASSACHUSETTS	MA	(3,359,521)	
MARYLAND	MD	(68,825,295)	
MAINE	ME	(1,337,946)	
MICHIGAN	MI	(12,509,711)	
MINNESOTA	MN	(168,693,180)	
MISSOURI	MO	(10,451,417)	
MISSISSIPPI	MS	(4,607,886)	
MONTANA	MT	(56,228,911)	
NORTH CAROLINA	NC	(233,672,444)	
NORTH DAKOTA	ND	(22,188,151)	
NEBRASKA	NE	(2,106,672)	
NEW HAMPSHIRE	NH	(20,173,574)	
NEW JERSEY	NJ	(114,497,043)	
NEW MEXICO	NM	(93,531,695)	
NEVADA	NV	(72,438,262)	
NEW YORK	NY	(284,654,782)	
OHIO	OH	(243,535,656)	
OKLAHOMA	OK	(26,569,724)	
OREGON	OR	(154,376,668)	
PENNSYLVANIA	PA	(10,552,764)	
RHODE ISLAND	RI	(8,708,287)	
SOUTH CAROLINA	SC	(4,877,285)	(4,877,285)
SOUTH DAKOTA	SD	(930,528)	
TENNESSEE	TN	(6,139,665)	
TEXAS	TX	(38,925,482)	
UTAH	UT	(2,975,467)	
VIRGINIA	VA	(9,320,080)	
VERMONT	VT	(1,064,193)	
WASHINGTON	WA	(197,915,908)	
WISCONSIN	WI	(172,300,197)	
WEST VIRGINIA	WV	(2,937,581)	
WYOMING	WY	(3,739,393,744)	
SUBTOTAL		(8,257,443,959)	(4,877,285)

DSH1214

SALES FACTOR - SC

APPORTIONMENT DATA

OTHER INCOME	7312090		
FOREIGN	4N	(1,147,644)	
ALASKA	AK	(689,758)	
ALABAMA	AL	(3,611,944)	
ARKANSAS	AR	(3,510,556)	
ARIZONA	AZ	(3,898,458)	
CALIFORNIA	CA	(20,528,665)	
COLORADO	CO	(317,126,615)	
CONNECTICUT	CT	(787,382)	
WASHINGTON DC	DC	(89,535)	
DELAWARE	DE	(346,381)	
FLORIDA	FL	(8,684,862)	
GEORGIA	GA	(7,455,010)	
HAWAII	HI	(368,818)	
IOWA	IA	(3,032,542)	
IDAHO	ID	(2,046,928)	
ILLINOIS	IL	(8,145,802)	
INDIANA	IN	(5,690,838)	
KANSAS	KS	(2,180,110)	
KENTUCKY	KY	(4,443,956)	
LOUISIANA	LA	(1,623,257)	
MASSACHUSETTS	MA	(1,401,633)	
MARYLAND	MD	(1,621,274)	
MAINE	ME	(749,877)	
MICHIGAN	MI	(7,229,053)	
MINNESOTA	MN	(4,088,744)	
MISSOURI	MO	(6,379,181)	
MISSISSIPPI	MS	(1,974,963)	
MONTANA	MT	(1,360,744)	
NORTH CAROLINA	NC	(5,629,600)	
NORTH DAKOTA	ND	(531,488)	
NEBRASKA	NE	(1,671,002)	
NEW HAMPSHIRE	NH	(480,641)	
NEW JERSEY	NJ	(2,694,499)	
NEW MEXICO	NM	(2,267,319)	
NEVADA	NV	(1,646,523)	
NEW YORK	NY	(6,752,768)	
OHIO	OH	(5,617,304)	
OKLAHOMA	OK	(3,733,301)	
OREGON	OR	(3,736,564)	
PENNSYLVANIA	PA	(6,054,890)	
RHODE ISLAND	RI	(203,799)	
SOUTH CAROLINA	SC	(2,693,578)	(2,693,578)
SOUTH DAKOTA	SD	(757,185)	
TENNESSEE	TN	(4,109,906)	
TEXAS	TX	(17,002,806)	
UTAH	UT	(2,616,647)	
VIRGINIA	VA	(4,453,236)	
VERMONT	VT	(975,585)	
WASHINGTON	WA	(4,809,188)	
WISCONSIN	WI	(3,965,931)	
WEST VIRGINIA	WV	(1,580,304)	
WYOMING	WY	(725,164)	
SUBTOTAL		(504,923,758)	(2,693,578)
OTHER SALES	731*	(8,762,367,717)	(7,570,863)

SC Sales Factor	(9,464,458,836)	(15,825,227)	0.16721%
	Total	SC	
	(8,257,443,959)		
	1,499,226		
PROGRAMMING:	(8,255,944,733)		

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DISH NETWORK CORP

FORM 10-K
(Annual Report)

Filed 02/24/11 for the Period Ending 12/31/10

Address	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
Telephone	3037231000
CIK	0001001082
Symbol	DISH
SIC Code	4841 - Cable and Other Pay Television Services
Industry	Broadcasting & Cable TV
Sector	Services
Fiscal Year	12/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM TO

Commission file number: 0-26176

DISH Network Corporation

(Exact name of registrant as specified in its charter)

Nevada	**88-0336997**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9601 South Meridian Boulevard Englewood, Colorado (Address of principal executive offices)	**80112** (Zip Code)

Registrant's telephone number, including area code: **(303) 723-1000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A common stock, $0.01 par value	The Nasdaq Stock Market L.L.C.

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No £

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. T

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2010, the aggregate market value of Class A common stock held by non-affiliates of the registrant was $3.7 billion based upon the closing price of the Class A common stock as reported on the Nasdaq Global Select Market as of the close of business on that date.

As of February 14, 2011, the registrant's outstanding common stock consisted of 204,870,905 shares of Class A common stock and 238,435,208 shares of Class B common stock, each $0.01 par value.

DSH1047

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated into this Form 10-K by reference:

Portions of the registrant's definitive Proxy Statement to be filed in connection with its 2011 Annual Meeting of Shareholders are incorporated by reference in Part III.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

We make "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 throughout this report. Whenever you read a statement that is not simply a statement of historical fact (such as when we describe what we "believe," "intend," "plan," "estimate," "expect" or "anticipate" will occur and other similar statements), you must remember that our expectations may not be achieved, even though we believe they are reasonable. We do not guarantee that any future transactions or events described herein will happen as described or that they will happen at all. You should read this report completely and with the understanding that actual future results may be materially different from what we expect. Whether actual events or results will conform with our expectations and predictions is subject to a number of risks and uncertainties. For further discussion see *Item 1A. Risk Factors*. The risks and uncertainties include, but are not limited to, the following:

- We face intense and increasing competition from satellite and cable television providers, telecommunications companies and providers of video content via the Internet, especially as the pay-TV industry matures, which may require us to increase subscriber acquisition and retention spending or accept lower subscriber acquisitions and higher subscriber churn.
- Competition from digital media companies that provide/facilitate the delivery of video content via the Internet, could materially adversely affect us.
- 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 would be subject to substantial liability and would be prohibited from offering DVR functionality that would result in a significant loss of subscribers and place us at a significant disadvantage to our competitors.
- If we do not improve our operational performance and customer satisfaction, our gross new subscriber additions may decrease and our subscriber churn may increase.
- If DISH Network gross new subscriber additions decrease, or if subscriber churn, subscriber acquisition costs or retention costs increase, our financial performance will be adversely affected.
- Economic weakness, including higher unemployment and reduced consumer spending, may adversely affect our ability to grow or maintain our business.
- Programming expenses are increasing and could adversely affect our future financial condition and results of operations.
- We depend on others to provide the programming that we offer to our subscribers and, if we lose access to this programming, our gross new subscriber additions may decline and subscriber churn may increase.
- We may be required to make substantial additional investments to maintain competitive programming offerings.
- Technology in our industry changes rapidly and could cause our services and products to become obsolete. We may have to upgrade or replace subscriber equipment and make substantial investments in our infrastructure to remain competitive.
- Increased distribution of video content via the Internet could expose us to regulatory risk.
- Our business depends on certain intellectual property rights and on not infringing the intellectual property rights of others.
- Any failure or inadequacy of our information technology infrastructure could harm our business.
- We may need additional capital, which may not be available on acceptable terms or at all, to continue investing in our business and to finance acquisitions and other strategic transactions.
- If Voom prevails in its breach of contract suit against us, we could be required to pay substantial damages, which would have a material adverse affect on our financial position and results of operations.

- A portion of our investment portfolio is invested in securities that have experienced limited or no liquidity and may not be immediately accessible to support our financing needs.
- We rely on EchoStar Corporation, or EchoStar, to design and develop all of our new set-top boxes and certain related components, and to provide transponder capacity, digital broadcast operations and other services to us. Our business would be adversely affected if EchoStar ceases to provide these services to us and we are unable to obtain suitable replacement services from third parties.
- We rely on one or a limited number of vendors, and the inability of these key vendors to meet our needs could have a material adverse effect on our business.
- Our programming signals are subject to theft, and we are vulnerable to other forms of fraud that could require us to make significant expenditures to remedy.
- We depend on third parties to solicit orders for DISH Network services that represent a significant percentage of our total gross subscriber acquisitions.
- Our competitors may be able to leverage their relationships with programmers so that they are able to reduce their programming costs and offer exclusive content that will place them at a competitive advantage to us.
- We depend on the Cable Act for access to programming from cable-affiliate programmers at cost-effective rates.
- We face increasing competition from other distributors of foreign language programming that may limit our ability to maintain our foreign language programming subscriber base.
- Our local programming strategy faces uncertainty because we may not be able to obtain necessary retransmission consents at acceptable rates from local network stations.
- The injunction against our retransmission of distant networks, currently waived, may be reinstated.
- We are subject to significant regulatory oversight and changes in applicable regulatory requirements, including any adoption or modification of laws or regulations relating to the Internet, which could adversely affect our business.
- We have made a substantial investment in certain 700 MHz wireless licenses and will be required to make significant additional investments or partner with others to commercialize these licenses.
- We have substantial debt outstanding and may incur additional debt.
- We have limited owned and leased satellite capacity and failures or reduced capacity could adversely affect our business.
- Our owned and leased satellites are subject to construction, launch, operational and environmental risks that could limit our ability to utilize these satellites.
- We generally do not have commercial insurance coverage on the satellites we use and could face significant impairment charges if one of our satellites fails.
- We may have potential conflicts of interest with EchoStar due to our common ownership and management.
- We rely on key personnel and the loss of their services may negatively affect our businesses.
- We are party to various lawsuits which, if adversely decided, could have a significant adverse impact on our business, particularly lawsuits regarding intellectual property.
- We may pursue acquisitions and other strategic transactions to complement or expand our business that may not be successful and we may lose up to the entire value of our investment in these acquisitions and transactions.
- Our business depends on Federal Communications Commission, or FCC, licenses that can expire or be revoked or modified and applications for FCC licenses that may not be granted.
- We are subject to digital HD "carry-one, carry-all" requirements that cause capacity constraints.

- It may be difficult for a third party to acquire us, even if doing so may be beneficial to our shareholders, because of our ownership structure.
- We are controlled by one principal stockholder who is also our Chairman, President and Chief Executive Officer.
- There can be no assurance that there will not be deficiencies leading to material weaknesses in our internal control over financial reporting.
- We may face other risks described from time to time in periodic and current reports we file with the Securities and Exchange Commission, or SEC.

All cautionary statements made herein should be read as being applicable to all forward-looking statements wherever they appear. Investors should consider the risks described herein and should not place undue reliance on any forward-looking statements. We assume no responsibility for updating forward-looking information contained or incorporated by reference herein or in other reports we file with the SEC.

In this report, the words "DISH Network," the "Company," "we," "our" and "us" refer to DISH Network Corporation and its subsidiaries, unless the context otherwise requires. "EchoStar" refers to EchoStar Corporation and its subsidiaries. "DDBS" refers to DISH DBS Corporation and its subsidiaries, a wholly owned, indirect subsidiary of DISH Network.

PART I

Item 1. BUSINESS

OVERVIEW

DISH Network Corporation is the nation's third largest pay-TV provider, with approximately 14.133 million customers across the United States as of December 31, 2010. We were organized in 1995 as a corporation under the laws of the State of Nevada and started offering DISH Network subscription television services in March 1996.

Our common stock is publicly traded on the Nasdaq Global Select Market under the symbol "DISH." Our principal executive offices are located at 9601 South Meridian Boulevard, Englewood, Colorado 80112 and our telephone number is (303) 723-1000.

On January 1, 2008, we completed the distribution of our technology and set-top box business and certain infrastructure assets (the "Spin-off") into a separate publicly-traded company, EchoStar Corporation ("EchoStar"). DISH Network and EchoStar operate 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, President and Chief Executive Officer or by certain trusts established by Mr. Ergen for the benefit of his family.

Business Strategy

Our business strategy is to be the best provider of video services in the United States by providing high-quality products, outstanding customer service, and great value. We promote the DISH Network programming packages as providing our subscribers with a better "price-to-value" relationship than those available from other subscription television providers. We believe that there continues to be unsatisfied demand for high-quality, reasonably priced television programming services.

- *High-Quality Products.* We offer a wide selection of local and national programming, featuring more national and local HD channels than most pay-TV providers. We have been a technology leader in our industry, introducing award-winning DVRs, dual tuner receivers, 1080p video on demand, and external hard drives. To maintain and enhance our competitiveness over the long term, we are promoting a suite of integrated products designed to maximize the convenience and ease of watching TV anytime and anywhere, referred to as "TV Everywhere." Our TV Everywhere ™ service utilizes, among other things, online access and Slingbox "placeshifting" technology.

- *Outstanding Customer Service.* We strive to provide outstanding customer service by improving the quality of the initial installation of subscriber equipment, improving the reliability of our equipment, better educating our customers about our products and services, and resolving customer problems promptly and effectively when they arise.

- *Great Value.* We have historically been viewed as the low-cost provider in the pay-TV industry in the U.S. because we seek to offer the lowest everyday prices available to consumers after introductory promotions expire.

Products and Services

Programming. We provide programming which includes more than 280 basic video channels, 60 Sirius Satellite Radio music channels, 30 premium movie channels, 35 regional and specialty sports channels, 2,800 local channels, 250 Latino and international channels, and 55 channels of pay-per-view content. In addition, we offer local HD channels in more than 160 markets and 215 national HD channels. Although we distribute over 2,800 local channels, a subscriber typically may only receive the local channels available in the subscriber's home market. As of December 31, 2010, we provided local channel coverage in standard definition to markets covering 100% of U.S.

TV households. In addition, we provided local HD channels to markets representing approximately 94% of U.S. TV households.

Receiver Systems. Our subscribers receive programming via equipment that includes a small satellite dish, digital set-top receivers, and remote controls. Some of our advanced receiver models feature DVRs, HD capability, dual tuners (which allow independent viewing on two separate televisions) and Internet-protocol compatibility, which allows consumers to view movies and other content on their televisions via the Internet and a broadband connection. We rely on EchoStar to design and manufacture all of our new receivers and certain related components. See "Item 1A — Risk Factors."

DISHOnline.com. DISHOnline.com gives DISH Network subscribers the ability to watch television programs, movies, and clips online at no additional charge with their paid subscription and compatible equipment. DISHOnline.com offers more than 150,000 movies, television shows, clips and trailers.

DISH Remote Access. DISH Network's free remote access ("DISH Remote Access") gives subscribers the ability to remotely manage their DVRs using compatible mobile devices such as smartphones, tablets and laptops through their broadband-connected receiver.

Google TV. Google TV combines search capabilities and content from the Internet with our DISH Network subscription television services to give DISH Network subscribers the ability to search the Internet, check e-mail, interact with social media, and find additional online programming content while simultaneously watching television.

Content Delivery

Digital Broadcast Operations Centers. The principal digital broadcast operations facilities we use are EchoStar's facilities located in Cheyenne, Wyoming and Gilbert, Arizona. We also use five regional digital broadcast operations facilities owned and operated by EchoStar that allow us to maximize the use of the spot beam capabilities of certain owned and leased satellites. Programming content is delivered to these facilities by fiber or satellite and processed, compressed, encrypted and then uplinked to satellites for delivery to consumers.

In connection with the Spin-off, we entered into a broadcast agreement pursuant to which EchoStar provides certain broadcast services to us, including teleport services such as transmission and downlinking, channel origination services, and channel management services for a period ending on January 1, 2012. We may terminate channel origination services and channel management services for any reason and without any liability upon at least 60 days notice to EchoStar. If we terminate teleport services for a reason other than EchoStar's breach, we are obligated to pay EchoStar the aggregate amount of the remainder of the expected cost of providing the teleport services.

Satellites. Our DISH Network programming is currently delivered to customers using satellites that operate in the "Ku" band portion of the microwave radio spectrum. The Ku-band is divided into two spectrum segments. The portion of the Ku-band that allows the use of higher power satellites – 12.2 to 12.7 GHz over the United States – is known as the Broadcast Satellite Service ("BSS") band, which is also referred to as the Direct Broadcast Satellite ("DBS") band. The portion of the Ku-band that utilizes lower power satellites – 11.7 to 12.2 GHz over the United States – is known as the Fixed Satellite Service ("FSS") band.

Most of our programming is currently delivered using DBS satellites. To accommodate the more bandwidth-intensive HD programming and other needs, we continue to explore opportunities to expand our satellite capacity through the acquisition of new spectrum, the launching of more technologically advanced satellites, and the more efficient use of existing spectrum via, among other things, better modulation and compression technologies.

We own or lease capacity on 13 satellites in geostationary orbit approximately 22,300 miles above the equator. For further information concerning these satellites and satellite anomalies, please see the table and discussion under "Satellites" below.

Conditional Access System . Our conditional access system secures our programming content using encryption so that only paying customers can access our programming. We use microchips embedded in credit card-sized access

cards, called "smart cards," or security chips in our receiver systems to control access to authorized programming content ("Security Access Devices").

Our signal encryption has been compromised in the past and may be compromised in the future even though we continue to respond with significant investment in security measures, such as Security Access Device replacement programs and updates in security software, that are intended to make signal theft more difficult. It has been our prior experience that security measures may only be effective for short periods of time or not at all and that we remain susceptible to additional signal theft. During 2009, we completed the replacement of our Security Access Devices and re-secured our system. We expect additional future replacements of these devices will be necessary to keep our system secure. We cannot ensure that we will be successful in reducing or controlling theft of our programming content and we may incur additional costs in the future if our system's security is compromised.

Distribution Channels

While we offer receiver systems and programming through direct sales channels, a majority of our new subscriber acquisitions are generated through independent third parties such as small satellite retailers, direct marketing groups, local and regional consumer electronics stores, nationwide retailers, and telecommunications companies. In general, we pay these independent third parties a mix of upfront and monthly incentives to solicit orders for our services. In addition, we partner with telecommunications companies to bundle DISH Network programming with broadband and voice services on a single bill.

Competition

As of December 31, 2010, our 14.133 million subscribers represent approximately 15% of pay-TV subscribers in the United States. We face substantial competition from established pay-TV providers and increasing competition from companies providing/facilitating the delivery of video content via the Internet to computers, televisions, and mobile devices.

- *Other Direct Broadcast Satellite Operators.* We compete directly with the DirecTV Group, Inc., or DirecTV, the largest satellite TV provider in the U.S. which had over 19.2 million subscribers at the end of 2010, representing approximately 20% of pay-TV subscribers.

- *Cable Television Companies.* We encounter substantial competition in the pay-TV industry from numerous cable television companies that operate via franchise licenses across the U.S. According to the National Cable & Telecommunications Association's 2009 Industry Overview, 98% of the 130 million U.S. housing units are passed by cable. More than 95 million households subscribe to a pay-TV service and approximately 63% of pay-TV subscribers receive their programming from a cable operator. Cable companies are typically able to bundle their video services with broadband Internet access and voice services and many have significant investments in companies that provide programming content.

- *Telecommunications Companies* . Large telecommunications companies have upgraded older copper wire lines with fiber optic lines in their larger markets. These fiber optic lines provide high capacity bandwidth, enabling telecommunications companies to offer video content that can be bundled with their broadband Internet access and voice services. In particular, AT&T and Verizon have built fiber-optic based networks to provide video services in substantial portions of their service areas.

- *Internet Delivered Video.* We face competition from content providers who distribute video directly to consumers over the Internet. Programming offered over the Internet has become more prevalent as the speed and quality of broadband networks have improved. Significant changes in consumer behavior with regard to the means by which they obtain video entertainment and information in response to this emerging digital media competition could materially adversely affect our business, results of operations and financial condition or otherwise disrupt our business.

- *Wireless Mobile Video.* We also expect to face increasing competition from wireless telecommunications providers who offer mobile video offerings. We expect mobile video offerings will likely become more prevalent in the marketplace as wireless telecommunications providers implement the fourth generation of wireless communications.

Acquisition of New Subscribers

We incur significant upfront costs to acquire subscribers, including advertising, retailer incentives, equipment and installation. In addition, customer promotions to acquire new subscribers result in less revenue to us over the promotional period. While we attempt to recoup these upfront costs over the lives of their subscriptions, there can be no assurance that we will. We deploy business rules such as credit requirements and contractual commitments, and we strive to provide outstanding customer service, to increase the likelihood of customers keeping their DISH Network service over longer periods of time. Our subscriber acquisition costs may vary significantly from period to period.

***Advertising*.** We use print, radio, television and Internet media, on a local and national basis to motivate potential subscribers to call DISH Network, visit our website or contact independent third party retailers.

Retailer Incentives. We pay retailers an upfront incentive for each new subscriber they bring to DISH Network and, for certain retailers, we pay small monthly incentives for up to 60 months provided, among other things, the customer continuously subscribes to qualified programming.

***Equipment*.** We incur significant upfront costs to provide our new subscribers with in-home equipment, including advanced HD and DVR receivers, which most of our new subscribers lease from us. While we seek to recoup these upfront equipment costs mostly through monthly fees, there can be no assurance that we will be successful in achieving that objective. In addition, upon deactivation of a subscriber we may refurbish and redeploy their equipment which lowers future upfront costs. However, our ability to capitalize on these cost savings may be limited as technological advances and consumer demand for new features may render the returned equipment obsolete.

Installation. We incur significant upfront costs to install satellite dishes and receivers in the homes of our new customers.

New Customer Promotions. We often offer free programming and/or promotional pricing during introductory periods for new subscribers. While such promotional activities have an economic cost and reduce our subscriber-related revenue, they are not included in our definitions of subscriber acquisition costs or the SAC metric.

Customer Retention

We incur significant costs to retain our existing customers, mostly by upgrading their equipment to HD and DVR receivers. As with our subscriber acquisition costs, our retention upgrade spending includes the cost of equipment and installation. In certain circumstances, we also offer free programming and/or promotional pricing for limited periods for existing customers in exchange for a contractual commitment. A component of our retention efforts includes the installation of equipment for customers who move. Our subscriber retention costs may vary significantly from period to period.

Customer Service

***Customer Service Centers*.** We use both internally-operated and outsourced customer service centers to handle calls from prospective and existing customers. We strive to answer customer calls promptly and to resolve issues effectively on the first call. We intend to better use the Internet and other applications to provide our customers with more self-service capabilities over time.

***Installation and Other In-Home Service Operations*.** High - quality installations, upgrades, and in-home repairs are critical to providing good customer service. Such in-home service is performed by both DISH Network employees and a network of independent contractors and includes, among other things, priority technical support, replacement equipment, cabling and power surge repairs for a monthly fee.

***Subscriber Management*.** We presently use, and depend on, CSG Systems International, Inc.'s software system for the majority of DISH Network subscriber billing and related functions.

New Business Opportunities

From time to time we evaluate opportunities for strategic investments or acquisitions that may complement our current services and products, enhance our technical capabilities, improve or sustain our competitive position, or otherwise offer growth opportunities. We may make investments in or partner with others to expand our business into mobile and portable video, data and voice services.

In 2008, we paid $712 million to acquire certain 700 MHz wireless licenses, which were granted to us by the FCC in February 2009. To commercialize these licenses and satisfy FCC build-out requirements, we will be required to make significant additional investments or partner with others. Depending on the nature and scope of such commercialization and build-out, any such investment or partnership could vary significantly. Part or all of our licenses may be terminated for failure to satisfy FCC build-out requirements. We are currently performing a market test to evaluate different technologies and consumer acceptance.

SATELLITES

Most of our programming is currently delivered using DBS satellites. We continue to explore opportunities to expand our available satellite capacity through the use of other available spectrum. Increasing our available spectrum is particularly important as more bandwidth intensive HD programming is produced and to address new video and data applications consumers may desire in the future. We currently utilize satellites in geostationary orbit approximately 22,300 miles above the equator detailed in the table below.

Satellites	Launch Date	Degree Orbital Location	Original Useful Life (Years)	Lease Term (Years)
Owned:				
EchoStar I (1)	December 1995	77	12	
EchoStar VII	February 2002	119	12	
EchoStar X	February 2006	110	12	
EchoStar XI	July 2008	110	12	
EchoStar XIV	March 2010	119	15	
EchoStar XV	July 2010	61.5	15	
Leased from EchoStar:				
EchoStar VI (1)	July 2000	77	12	
EchoStar VIII (1)(2)	August 2002	77	12	
EchoStar IX (1)(2)(3)	August 2003	121	12	
EchoStar XII (1)	July 2003	61.5	10	
Nimiq 5 (1)(2)	September 2009	72.7	10	10
Leased from Other Third Party:				
Anik F3	April 2007	118.7	15	15
Ciel II	December 2008	129	10	10
Under Construction:				
Leased from EchoStar:				
QuetzSat-1	Late 2011	77	10	10
EchoStar XVI	2012	61.5	10	10

(1) See Note 17 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K for further discussion of our Related Party Agreements.
(2) We lease a portion of the capacity on these satellites.
(3) Leased on a month to month basis.

EchoStar XIV. Our EchoStar XIV satellite was launched on March 20, 2010 and commenced commercial operations at the 119 degree orbital location during May 2010. EchoStar XIV has both spot beam capabilities and the ability to provide service to the entire continental United States ("CONUS") that has allowed us, among other things, to expand our HD offerings.

EchoStar XV. Our EchoStar XV satellite was launched on July 10, 2010 and commenced commercial operations at the 61.5 degree orbital location during August 2010. EchoStar XV is a CONUS satellite that has allowed us, among other things, to expand our HD offerings. EchoStar XV is expected to be used as an in-orbit spare when EchoStar XVI commences commercial operations during the second half of 2012.

Satellites under Construction

We have agreed to lease capacity on two satellites from EchoStar that are currently under construction.

- *QuetzSat-1.* During 2008, we entered into a ten-year transponder service agreement with EchoStar to lease 24 DBS transponders on QuetzSat-1, a Mexican DBS satellite being constructed by SES Latin America S.A. ("SES"). QuetzSat-1 is expected to be launched during the second half of 2011 and 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. Upon a launch failure, in-orbit failure or end-of-life of the QuetzSat-1 satellite, and in certain other circumstances, we have certain rights to receive service from EchoStar on a replacement satellite. QuetzSat-1 will enable better bandwidth utilization, provide back-up protection for our existing offerings, and could allow us to offer other value-added services.

- *EchoStar XVI.* During 2009, we entered into a ten-year transponder service agreement with EchoStar to lease all of the capacity on EchoStar XVI, a DBS satellite. EchoStar XVI will replace the satellites currently at the 61.5 degree orbital location and will allow us to offer other value-added services. We will lease all of the satellite capacity from EchoStar 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, we have 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.

Satellite Anomalies

Operation of our programming service requires that we have adequate satellite transmission capacity for the programming we offer. Moreover, current competitive conditions require that we continue to expand our offering of new programming, particularly by expanding local HD coverage and offering more HD national channels. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited.

In the event of a failure or loss of any of our satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other satellites and use it as a replacement for the failed or lost satellite. Such a failure could result in a prolonged loss of critical programming or a significant delay in our plans to expand programming as necessary to remain competitive and thus may have a material adverse effect on our business, financial condition and results of operations.

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/or commercial operation of any of these satellites. See "Long-Lived Satellite Assets" below for further discussion of evaluation of impairment and Note 7 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K. 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 do

not anticipate carrying insurance for any of the in-orbit satellites that we use, and we will bear the risk associated with any in-orbit satellite failures. Recent developments with respect to certain of our satellites are discussed below.

Owned Satellites

EchoStar VII. EchoStar VII, which is being used as an in-orbit spare, was designed with four gyros, of which three are required to properly control the positioning of the satellite. During October 2010, EchoStar VII experienced an anomaly which caused one of its gyros to temporarily stop functioning. Testing during December 2010 confirmed that this gyro is functioning again. In addition, during July 2010, EchoStar VII experienced a thruster anomaly. Thrusters control spacecraft location and maintain spacecraft pointing. While these anomalies did not reduce the estimated useful life of the satellite to less than 12 years or impact commercial operation of the satellite, there can be no assurance that future anomalies will not reduce its useful life or impact its commercial operation.

EchoStar X. EchoStar X was designed with 49 spot beams which use up to 42 active 140 watt traveling wave tube amplifiers ("TWTAs") and 24 solar array circuits, of which approximately 22 are required to assure full power for the original minimum 12-year useful life of the satellite. During May and September of 2010, EchoStar X experienced anomalies which affected seven solar array circuits reducing the number of functional solar array circuits to 17. While these anomalies did not reduce the estimated useful life of the satellite to less than 12 years or impact commercial operation of the satellite based on the satellite's current configuration, there can be no assurance that future anomalies will not reduce its useful life or impact its commercial operation.

Leased Satellites

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.

Long-Lived Satellite Assets

We evaluate our satellite fleet for impairment as one asset group and test for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. While certain of the anomalies discussed above, and previously disclosed, may be considered to represent a significant adverse change in the physical condition of an individual satellite, based on the redundancy designed within each satellite and considering the asset grouping, these anomalies are not considered to be significant events that would require evaluation for impairment recognition. Unless and until a specific satellite is abandoned or otherwise determined to have no service potential, the net carrying amount related to the satellite would not be written off.

GOVERNMENT REGULATIONS

DBS operators are subject to significant government regulation, primarily by the FCC and, to a certain extent, by Congress, other federal agencies and foreign, state and local authorities. Depending upon the circumstances, noncompliance with legislation or regulations promulgated by these entities could result in the suspension or revocation of our licenses or registrations, the termination or loss of contracts or the imposition of contractual damages, civil fines or criminal penalties, any of which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, the adoption or modification of laws or regulations relating to the Internet or other areas of our business could limit or otherwise adversely affect the manner in which we currently conduct our business. If we become subject to new regulations or legislation or new interpretations of existing regulations or legislation that govern Internet network neutrality, we may be required to incur additional expenses or alter our business model. The manner in which legislation governing Internet network neutrality may be interpreted and enforced cannot be precisely determined, which in turn could have an adverse effect on our business, financial condition and results of operations.

The following summary of regulatory developments and legislation in the United States is not intended to describe all present and proposed government regulation and legislation affecting the satellite and video programming distribution industries. Government regulations that are currently the subject of judicial or administrative proceedings, legislative hearings or administrative proposals could change our industry to varying degrees. We cannot predict either the outcome of these proceedings or any potential impact they might have on the industry or on our operations.

FCC Regulation under the Communications Act

FCC Jurisdiction over our Operations. The Communications Act gives the FCC broad authority to regulate the operations of satellite companies. Specifically, the Communications Act gives the FCC regulatory jurisdiction over the following areas relating to communications satellite operations:

- the assignment of satellite radio frequencies and orbital locations, the licensing of satellites and earth stations, the granting of related authorizations, and evaluation of the fitness of a company to be a licensee;
- approval for the relocation of satellites to different orbital locations or the replacement of an existing satellite with a new satellite;
- ensuring compliance with the terms and conditions of such assignments, licenses, authorizations and approvals; including required timetables for construction and operation of satellites;
- avoiding interference with other radio frequency emitters; and
- ensuring compliance with other applicable provisions of the Communications Act and FCC rules and regulations.

To obtain FCC satellite licenses and authorizations, satellite operators must satisfy strict legal, technical and financial qualification requirements. Once issued, these licenses and authorizations are subject to a number of conditions including, among other things, satisfaction of ongoing due diligence obligations, construction milestones, and various reporting requirements. Necessary federal approval of these applications may not be granted, may not be granted in a timely manner, or may be granted subject to conditions which may be cumbersome.

Overview of our Satellites, Authorizations and Contractual Rights for Satellite Capacity. Our satellites are located in orbital positions, or slots, that are designated by their western longitude. An orbital position describes both a physical location and an assignment of spectrum in the applicable frequency band. Each DBS orbital position has 500 MHz of available Ku-band spectrum that is divided into 32 frequency channels. Through digital compression technology, we can currently transmit between nine and 13 standard definition digital video channels per DBS frequency channel. Several of our satellites also include spot-beam technology which enables us to increase the number of markets where we provide local channels, but reduces the number of video channels that could otherwise be offered across the entire United States.

The FCC has licensed us to operate a total of 82 DBS frequencies at the following orbital locations:

- 21 DBS frequencies at the 119 degree orbital location, capable of providing service to CONUS;
- 29 DBS frequencies at the 110 degree orbital location, capable of providing service to CONUS; and
- 32 DBS frequencies at the 148 degree orbital location, capable of providing service to the Western United States.

We currently do not have any satellites positioned at the 148 degree orbital location as a result of the retirement of EchoStar V. While we have requested the necessary approval from the FCC for the continued use of this orbital location, there can be no assurance that the FCC will determine that our proposed future use of this orbital location complies fully with all licensing requirements.

In addition, we currently lease or have entered into agreements to lease capacity on satellites using the following spectrum at the following orbital locations:

- 500 MHz of Ku-band FSS spectrum that is divided into 32 frequency channels (each of which is capable of transmitting between five and eight standard definition digital video channels) at the 118.7 degree orbital location, which is a Canadian FSS slot that is capable of providing service to the continental United States, Alaska and Hawaii;
- 32 DBS frequencies at the 129 degree orbital location, which is a Canadian DBS slot that is capable of providing service to most of the United States;
- 32 DBS frequencies at the 61.5 degree orbital location, capable of providing service to most of the United States;
- 24 DBS frequencies at the 77 degree orbital location, which is a Mexican DBS slot that is capable of providing service to most of the United States and Mexico; and
- 32 DBS frequencies at the 72.7 degree orbital location, which is a Canadian DBS slot that is capable of providing service to the United States. We and EchoStar 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.

We also have month-to-month FSS capacity available from EchoStar on satellites located at the 105 and 121 degree orbital locations.

700 MHz Spectrum. In 2008, we paid $712 million to acquire certain 700 MHz wireless licenses, which were granted to us by the FCC in February 2009. To commercialize these licenses and satisfy FCC build-out requirements, we will be required to make significant additional investments or partner with others. Depending on the nature and scope of such commercialization and build-out, any such investment or partnership could vary significantly. Part or all of our licenses may be terminated for failure to satisfy FCC build-out requirements. We are currently performing a market test to evaluate different technologies and consumer acceptance.

Other Wireless Spectrum. In 2010, we purchased all of South.com L.L.C., which is an entity that holds Multichannel Video Distribution & Data Service ("MVDDS") licenses in 37 markets in the United States.

Duration of our DBS Satellite Licenses. Generally speaking, all of our satellite licenses are subject to expiration unless renewed by the FCC. The term of each of our DBS licenses is ten years. Our licenses are currently set to expire at various times. In addition, our special temporary authorization is granted for a period of only 180 days or less, subject again to possible renewal by the FCC. Generally, our FCC licenses and special temporary authorization have been renewed by the FCC on a routine basis but, there can be no assurance that the FCC will continue to do so.

Opposition and other Risks to our Licenses. Several third parties have opposed, and we expect them to continue to oppose, some of our FCC satellite authorizations and pending requests to the FCC for extensions, modifications, waivers and approvals of our licenses. In addition, we may not have fully complied with all of the FCC reporting, filing and other requirements in connection with our satellite authorizations. Consequently, it is possible the FCC could revoke, terminate, condition or decline to extend or renew certain of our authorizations or licenses.

FCC Actions Affecting our Licenses and Applications . A number of our other applications have been denied or dismissed without prejudice by the FCC, or remain pending. We cannot be sure that the FCC will grant any of our outstanding applications, or that the authorizations, if granted, will not be subject to onerous conditions. Moreover, the cost of building, launching and insuring a satellite can be as much as $300 million or more. If we are unable to construct and launch any of the satellites for which we have requested authorizations, it may result in further FCC restrictions on our operations.

4.5 Degree Spacing Tweener Satellites . The FCC has proposed to allow so-called "tweener" DBS operations — DBS satellites operating from orbital locations 4.5 degrees (half of the usual nine degrees) away from other DBS satellites. The FCC has already granted authorizations to Spectrum Five and EchoStar for tweener satellites at the 114.5 and 86.5 degree orbital locations, respectively. Certain tweener operations, as proposed, could cause harmful interference into our service and constrain our future operations. The FCC has not completed its rulemaking on the operating and service rules for tweener satellites.

Interference from Other Services Sharing Satellite Spectrum . The FCC has adopted rules that allow non-geostationary orbit fixed satellite services to operate on a co-primary basis in the same frequency band as DBS and Ku-band-based fixed satellite services. The FCC has also authorized the use of MVDDS in the DBS band. MVDDS licenses were auctioned in 2004. Despite regulatory provisions to protect DBS operations from harmful interference, there can be no assurance that operations by other satellites or terrestrial communication services in the DBS band will not interfere with our DBS operations and adversely affect our business.

International Satellite Competition and Interference . DirecTV and Spectrum Five have obtained FCC authority to provide service to the United States from a Canadian DBS orbital slot, and EchoStar has obtained authority to provide service to the United States from both a Mexican and a Canadian DBS orbital slot. Further, we have also received authority to do the same from a Canadian DBS orbital slot at 129 degrees and a Canadian FSS orbital slot at 118.7 degrees. The possibility that the FCC will allow service to the U.S. from additional foreign slots may permit additional competition against us from other satellite providers. It may also provide a means by which to increase our available satellite capacity in the United States. In addition, a number of administrations, such as Great Britain and the Netherlands, have requested to add orbital locations serving the U.S. close to our licensed slots. Such operations could cause harmful interference to our satellites and constrain our future operations.

Rules Relating to Broadcast Services . The FCC imposes different rules for "subscription" and "broadcast" services. We believe that because we offer a subscription programming service, we are not subject to many of the regulatory obligations imposed upon broadcast licensees. However, we cannot be certain whether the FCC will find in the future that we must comply with regulatory obligations as a broadcast licensee, and certain parties have requested that we be treated as a broadcaster. If the FCC determines that we are a broadcast licensee, it could require us to comply with all regulatory obligations imposed upon broadcast licensees, which in certain respects are subject to more burdensome regulation than subscription television service providers.

Public Interest Requirements . The FCC imposes certain public interest obligations on our DBS licenses. These obligations require us to set aside four percent of our channel capacity exclusively for noncommercial programming for which we must charge programmers below-cost rates and for which we may not impose additional charges on subscribers. The Satellite Television Extension and Localism Act of 2010 ("STELA") requires the FCC to decrease this set-aside to 3.5 percent for satellite carriers who provide retransmission of state public affairs networks in 15 states and are otherwise qualified. The FCC, however, has not yet determined whether we qualify for this decrease in set-aside. The obligation to provide noncommercial programming may displace programming for which we could earn commercial rates and could adversely affect our financial results. We cannot be sure that, if the FCC were to review our methodology for processing public interest carriage requests, computing the channel capacity we must set aside or determining the rates that we charge public interest programmers, it would find them in compliance with the public interest requirements.

Separate Security, Plug and Play . Cable companies are required by law to separate the security from the other functionality of their set-top boxes. Set-top boxes used by DBS providers are not currently subject to such separate security requirement. However, the FCC is considering a possible expansion of that requirement to DBS set-top boxes. Also, the FCC has adopted the so-called "plug and play" standard for compatibility between digital television sets and cable systems. That standard was developed through negotiations involving the cable and

consumer electronics industries, but not us. The FCC is considering various proposals to establish two-way digital cable "plug and play" rules. That proceeding also asks about means to incorporate all pay-TV providers into its "plug and play" rules. The cable industry and consumer electronics companies have reached a "tru2way" commercial arrangement to resolve many of the outstanding issues in this docket. We cannot predict whether the FCC will impose rules on our DBS operations that are based on cable system architectures or the private cable/consumer electronics tru2way commercial arrangement. Complying with the separate security and other "plug and play" requirements would require potentially costly modifications to our set-top boxes and operations. We cannot predict the timing or outcome of this FCC proceeding.

Retransmission Consent. The Copyright Act generally gives satellite companies a statutory copyright license to retransmit local broadcast channels by satellite back into the market from which they originated, subject to obtaining the retransmission consent of local network stations that do not elect "must carry" status, as required by the Communications Act. If we fail to reach retransmission consent agreements with such broadcasters, we cannot carry their signals. This could have an adverse effect on our strategy to compete with cable and other satellite companies that provide local signals. While we have been able to reach retransmission consent agreements with most of these local network stations, there remain stations with which we have not been able to reach an agreement. We cannot be sure that we will secure these agreements or that we will secure new agreements on acceptable terms (or at all) upon the expiration of our current retransmission consent agreements, some of which are short-term. In recent years, national broadcasters have used their ownership of certain local broadcast stations to attempt to require us to carry additional cable programming in exchange for retransmission consent of their local broadcast stations. These requirements may place constraints on available capacity on our satellites for other programming. Furthermore, the rates we are charged for retransmitting local channels have been increasing. We may be unable to pass these increased programming costs on to our customers, which could have a material adverse effect on our financial condition and results of operations.

Digital HD Carry-One, Carry-All Requirement. To provide any full-power local broadcast signal in any market, we are required to retransmit all qualifying broadcast signals in that market ("carry-one, carry-all"). The FCC has adopted digital carriage rules that require DBS providers to phase in carry-one, carry-all obligations with respect to the carriage of full-power broadcasters' HD signals by February 2013 in markets in which DISH Network elects to provide local channels in HD. In addition, STELA has imposed accelerated HD carriage requirements for noncommercial educational stations on DBS providers that do not have a certain contractual relationship with a certain number of such stations. DISH Network has entered into an agreement with a number of PBS stations to comply with the requirements. DISH Network has also challenged the constitutionality of this provision but has not prevailed in its effort to obtain temporary injunctive relief. The carriage of additional HD signals on our DBS system could cause us to experience significant capacity constraints and prevent us from carrying additional popular national programs and/or carrying those national programs in HD.

In addition, there is a pending rulemaking before the FCC regarding whether to require DBS providers to carry all broadcast stations in a local market in both standard definition and HD if they carry any station in that market in both standard definition and HD. If we were required to carry multiple versions of each broadcast station, we would have to dedicate more of our finite satellite capacity to each broadcast station. We cannot predict the outcome or timing of that rulemaking process.

Distant Signals . Pursuant to STELA, we have been able to obtain a waiver of a court injunction that previously prevented us from retransmitting certain distant network signals under a statutory copyright license. Because of that waiver, we may once again provide distant network signals to eligible subscribers. To qualify for that waiver, we are required to provide local service in all 210 local markets in the U.S. on an ongoing basis. This condition poses a significant strain on our capacity. Moreover, we may lose that waiver if we are found to have failed to provide local service in any of the 210 local markets. If we lose the waiver, the injunction could be reinstated. Furthermore, depending on the severity of the failure, we may also be subject to other sanctions, which may include, among other things, damages. Our compliance with certain conditions for the waiver is subject to examination and review.

Dependence on Cable Act for Program Access . We purchase a large percentage of our programming from cable-affiliated programmers. The provisions of the Cable Act of 1992, as amended ("Cable Act"), prohibiting exclusive contracting practices with cable-affiliated programmers, were extended for another five-year period in September 2007. Cable companies appealed the FCC's decision, and while that decision was upheld by the United States Court

of Appeals for the District of Columbia Circuit ("D.C. Circuit") in March 2010, that court indicated if the market continues to evolve, it is expected that the exclusivity prohibition may no longer be necessary. Any change in the Cable Act and the FCC's rules that permit the cable industry or cable-affiliated programmers to discriminate against competing businesses, such as ours, in the sale of programming could adversely affect our ability to acquire cable-affiliated programming at all or to acquire programming on a cost-effective basis. As a result, we may be limited in our ability to obtain access on nondiscriminatory terms to programming from programmers that are affiliated with cable system operators. In the case of certain types of programming affiliated with Comcast, Time-Warner Cable, and Liberty, the terms of access to the programming are subject to arbitration if we and the programmer cannot reach agreement on terms, subject to FCC review. We cannot be sure that this procedure will result in favorable terms for us or that the FCC conditions that establish this procedure will be allowed to expire on their own terms.

In addition, affiliates of certain cable providers have denied us access to sports programming they feed to their cable systems terrestrially, rather than by satellite. The FCC recently held that new denials of such service are unfair if they have the purpose or effect of significantly hindering us from providing programming to consumers. However, we cannot be sure that we can prevail in a complaint related to such programming and gain access to it. Our continuing failure to access such programming could materially and adversely affect our ability to compete in regions serviced by these cable providers.

MDU Exclusivity . The FCC has found that cable companies should not be permitted to have exclusive relationships with multiple dwelling units (e.g., apartment buildings). In May 2009, the D.C. Circuit upheld the FCC's decision. While the FCC requested comments in November 2007 on whether DBS and Private Cable Operators ("PCOs") should be prohibited from having similar relationships with multiple dwelling units, it has yet to make a formal decision. If the cable exclusivity ban were to be extended to DBS providers, our ability to serve these types of buildings and communities would be adversely affected. We cannot predict the timing or outcome of the FCC's consideration of this proposal.

Net Neutrality. The FCC has recently imposed rules of nondiscrimination and transparency upon wireline broadband providers. While this decision provides certain protection from discrimination by wireline broadband providers against our distribution of video content via the Internet, it may still permit wireline broadband providers to provide certain services over their wireline broadband network that are not subject to these requirements. Although the FCC imposed similar transparency requirements on wireless broadband providers, it declined to impose the same nondiscrimination rule. Instead, wireless broadband Internet providers are prohibited from blocking websites and applications that compete with voice and video telephony services. The FCC's net neutrality rules have been challenged in federal court and could be overturned if those challenges are successful. Furthermore, it is uncertain how these requirements may be interpreted and enforced by the FCC; therefore, we cannot predict the practical effect of these rules on our ability to distribute our video content via the Internet.

Comcast/NBC Universal Transaction . Comcast and General Electric have joined their programming properties, including NBC, Bravo and many others, in a venture to be controlled by Comcast. In January 2011, the transaction was approved by the FCC and the Department of Justice. The FCC conditioned its approval on, among other things, Comcast complying with the terms of the FCC's recent order on network neutrality (even if that order is vacated by judicial or legislative action) and Comcast licensing its affiliated content to us, other traditional pay-TV providers and certain providers of video services over the Internet on fair and nondiscriminatory terms and conditions, including, among others, price. If Comcast does not license its affiliated content to us on fair and nondiscriminatory terms and conditions, we can seek arbitration and continue to carry such content while the arbitration is pending. However, it is uncertain how these conditions may be interpreted and enforced by the FCC; therefore, we cannot predict the practical effect of these conditions.

The International Telecommunication Union

Our DBS system also must conform to the ITU broadcasting satellite service plan for Region 2 (which includes the United States). If any of our operations are not consistent with this plan, the ITU will only provide authorization on a non-interference basis pending successful modification of the plan or the agreement of all affected administrations to the non-conforming operations. Accordingly, unless and until the ITU modifies its broadcasting satellite service plan to include the technical parameters of DBS applicants' operations, our satellites, along with those of other DBS operators, must not cause harmful electrical interference with other assignments that are in conformance with the

plan. Further, certain of our DBS satellites are not presently entitled to any protection from other satellites that are in conformance with the plan.

Export Control Regulation

The delivery of satellites and related technical information for the purpose of launch by foreign launch services providers is subject to strict export control and prior approval requirements.

PATENTS AND OTHER INTELLECTUAL PROPERTY

Many entities, including some of our competitors, have or may in the future obtain patents and other intellectual property rights that cover or affect products or services that we offer. In general, if a court determines that one or more of our products or services infringes on intellectual property held by others, we may be required to cease developing or marketing those products or services, to obtain licenses from the holders of the intellectual property at a material cost, or to redesign those products or services in such a way as to avoid infringing the patent claims. If those intellectual property rights are held by a competitor, we may be unable to obtain the intellectual property at any price, which could adversely affect our competitive position.

We may not be aware of all intellectual property rights that our products or services may potentially infringe. In addition, patent applications in the United States are confidential until the Patent and Trademark Office either publishes the application or issues a patent (whichever arises first) and, accordingly, our products may infringe claims contained in pending patent applications of which we are not aware. Further, the process of determining definitively whether a claim of infringement is valid often involves expensive and protracted litigation, even if we are ultimately successful on the merits.

We cannot estimate the extent to which we may be required in the future to obtain intellectual property licenses or the availability and cost of any such licenses. Those costs, and their impact on our results of operations, could be material. Damages in patent infringement cases may also be trebled in certain circumstances. To the extent that we are required to pay unanticipated royalties to third parties, these increased costs of doing business could negatively affect our liquidity and operating results. We are currently defending multiple patent infringement actions. We cannot be certain the courts will conclude these companies do not own the rights they claim, that our products 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 to avoid infringement. See "Item 3. Legal Proceedings."

ENVIRONMENTAL REGULATIONS

We are subject to the requirements of federal, state, local and foreign environmental and occupational safety and health laws and regulations. These include laws regulating air emissions, water discharge and waste management. We attempt to maintain compliance with all such requirements. We do not expect capital or other expenditures for environmental compliance to be material in 2011 or 2012. Environmental requirements are complex, change frequently and have become more stringent over time. Accordingly, we cannot provide assurance that these requirements will not change or become more stringent in the future in a manner that could have a material adverse effect on our business.

SEGMENT REPORTING DATA AND GEOGRAPHIC AREA DATA

Following the Spin-off, we operate in only one reportable segment, the DISH Network segment, which provides a DBS subscription television service in the United States.

EMPLOYEES

We had approximately 22,000 employees at December 31, 2010, most of whom are located in the United States. We generally consider relations with our employees to be good.

Approximately 64 employees in three of our field offices have voted to have a union represent them in contract negotiations. While we are not currently a party to any collective bargaining agreements, we are currently negotiating collective bargaining agreements at these offices.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act and accordingly file our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other information with the SEC. The public may read and copy any materials filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information on the operation of the Public Reference Room. As an electronic filer, our public filings are also maintained on the SEC's Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that website is http://www.sec.gov.

WEBSITE ACCESS

Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act also may be accessed free of charge through our website as soon as reasonably practicable after we have electronically filed such material with, or furnished it to, the SEC. The address of that website is http://www.dishnetwork.com.

We have adopted a written code of ethics that applies to all of our directors, officers and employees, including our principal executive officer and senior financial officers, in accordance with Section 406 of the Sarbanes-Oxley Act of 2002 and the rules of the SEC promulgated thereunder. Our code of ethics is available on our corporate website at http://www.dishnetwork.com. In the event that we make changes in, or provide waivers of, the provisions of this code of ethics that the SEC requires us to disclose, we intend to disclose these events on our website.

EXECUTIVE OFFICERS OF THE REGISTRANT

(furnished in accordance with Item 401 (b) of Regulation S-K, pursuant to General Instruction G(3) of Form 10-K)

The following table and information below sets forth the name, age and position with DISH Network of each of our executive officers, the period during which each executive officer has served as such, and each executive officer's business experience during the past five years:

Name	Age	Position
Charles W. Ergen	57	Chairman, President, Chief Executive Officer and Director
W. Erik Carlson	41	Executive Vice President, DNS and Service Operations
Thomas A. Cullen	51	Executive Vice President, Sales, Marketing and Programming
James DeFranco	58	Executive Vice President and Director
R. Stanton Dodge	43	Executive Vice President, General Counsel and Secretary
Bernard L. Han	46	Executive Vice President and Chief Operating Officer
Michael Kelly	49	Executive Vice President, Direct, Commercial and Advertising Sales
Roger J. Lynch	48	Executive Vice President, Advanced Technologies
Robert E. Olson	51	Executive Vice President and Chief Financial Officer
Stephen W. Wood	52	Executive Vice President, Human Resources

Charles W. Ergen. Mr. Ergen has been Chairman of the Board of Directors and Chief Executive Officer of DISH Network since its formation and, during the past five years, has held various executive officer and director positions with DISH Network's subsidiaries. Mr. Ergen also serves as Chairman of EchoStar. Mr. Ergen was appointed President of DISH Network in February 2008. Mr. Ergen, along with his spouse, Cantey Ergen, and James DeFranco, was a co-founder of DISH Network in 1980.

W. Erik Carlson. Mr. Carlson has served as our Executive Vice President, DNS and Service Operations since February 2008 and is responsible for overseeing our residential and commercial installations, customer billing and equipment retrieval and refurbishment operations. Mr. Carlson previously was Senior Vice President of Retail

Services, a position he held since mid-2006. He joined DISH Network in 1995 and has held progressively larger operating roles over the years.

Thomas A. Cullen. Mr. Cullen has served as our Executive Vice President, Sales, Marketing and Programming since April 2009. Mr. Cullen served as our Executive Vice President, Corporate Development from December 2006 until April 2009. Before joining DISH Network, Mr. Cullen served as President of TensorComm, a venture-backed wireless technology company. From August 2003 to April 2005, Mr. Cullen was with Charter Communications Inc. ("Charter"), serving as Senior Vice President, Advanced Services and Business Development from August 2003 until he was promoted to Executive Vice President in August 2004.

James DeFranco . Mr. DeFranco is one of our Executive Vice Presidents and has been one of our vice presidents and a member of the Board of Directors since our formation. During the past five years he has held various executive officer and director positions with our subsidiaries. Mr. DeFranco co-founded DISH Network with Charles W. Ergen and Cantey Ergen, in 1980.

R. Stanton Dodge. Mr. Dodge has served as our Executive Vice President, General Counsel and Secretary of DISH Network since June 2007 and is responsible for legal and government affairs, human resources and corporate communication for DISH Network and its subsidiaries. Mr. Dodge also serves as EchoStar's Executive Vice President, General Counsel and Secretary and is responsible for all legal and government affairs for EchoStar and its subsidiaries pursuant to a management services agreement between DISH Network and EchoStar. Since joining DISH Network in November 1996, he has held various positions of increasing responsibility in DISH Network's legal department.

Bernard L. Han. Mr. Han has served as our Executive Vice President and Chief Operating Officer since April 2009 and is in charge of operations, information technology, accounting and finance functions of DISH Network. Mr. Han served as Executive Vice President and Chief Financial Officer of DISH Network from September 2006 until April 2009. Mr. Han also served as EchoStar's Executive Vice President and Chief Financial Officer from January 2008 to June 2010 pursuant to a management services agreement between DISH Network and EchoStar. From October 2002 to May 2005, Mr. Han served as Executive Vice President and Chief Financial Officer of Northwest Airlines, Inc.

Michael Kelly. Mr. Kelly is currently the Executive Vice President, Direct, Commercial and Advertising Sales. Mr. Kelly served as the Executive Vice President of DISH Network Service L.L.C. and Customer Service from February 2004 until December 2005.

Roger J. Lynch. Mr. Lynch has served as our Executive Vice President, Advanced Technologies since November 2009. Mr. Lynch also serves as Executive Vice President, Advanced Technologies at EchoStar. Prior to joining DISH Network, Mr. Lynch served as Chairman and CEO of Video Networks International, Ltd., an IPTV technology company in the United Kingdom from 2002 until 2009.

Robert E. Olson. Mr. Olson has served as our Executive Vice President and Chief Financial Officer since April 2009. Mr. Olson was the Chief Financial Officer of Trane Commercial Systems, the largest operating division of American Standard, from April 2006 to August 2008. From April 2003 to January 2006, Mr. Olson served as the Chief Financial Officer of AT&T's Consumer Services division and later its Business Services division.

Stephen W. Wood. Mr. Wood has served as our Executive Vice President, Human Resources since May 2006 and is responsible for all human resource functions of DISH Network and its subsidiaries. Prior to joining DISH Network, Mr. Wood served as an Executive Vice President for Gate Gourmet International from 2004 to 2006.

There are no arrangements or understandings between any executive officer and any other person pursuant to which any executive officer was selected as such. Pursuant to the Bylaws of DISH Network, executive officers serve at the discretion of the Board of Directors.

Item 1A. RISK FACTORS

The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we are unaware of or that we currently believe to be immaterial may also become important factors that affect us.

If any of the following events occur, our business, financial condition or results of operations could be materially and adversely affected.

We face intense and increasing competition from satellite and cable television providers, telecommunications companies and providers of video content via the Internet, especially as the pay-TV industry matures, which may require us to increase subscriber acquisition and retention spending or accept lower subscriber acquisitions and higher subscriber churn.

Our business is focused on providing pay-TV services and we have traditionally competed against satellite and cable television providers, some of whom have greater financial, marketing and other resources than we do. Many of these competitors offer video services bundled with broadband, telephony services, HD offerings, interactive services and video on demand services that consumers may find attractive. Moreover, mergers and acquisitions, joint ventures and alliances among cable television providers, telecommunications companies and others may result in, among other things, greater financial leverage and increase the availability of offerings from providers capable of bundling television, broadband and telephone services in competition with our services. We and our competitors increasingly must seek to attract a greater proportion of new subscribers from each other's existing subscriber bases rather than from first-time purchasers of pay-TV services. In addition, because other pay-TV providers may be seeking to attract a greater proportion of their new subscribers from our existing subscriber base we may be required to increase retention spending.

Competition has intensified in recent quarters as the pay-TV industry matures and the growth of video being delivered via the Internet and fiber-based pay-TV services offered by telecommunications companies such as Verizon and AT&T continues. These fiber-based pay-TV services have significantly greater capacity, enabling the telecommunications companies to offer substantial HD programming content as well as bundled services. In addition, the recent growth of video content being delivered via the Internet has made alternatives to traditional pay-TV services available to customers. This increasingly competitive environment may require us to increase subscriber acquisition and retention spending or accept lower subscriber acquisitions and higher subscriber churn.

Competition from digital media companies that provide/facilitate the delivery of video content via the Internet, could materially adversely affect us.

Our business is focused on pay-TV services, and we face competition from providers of digital media, including those companies that offer online services distributing movies, television shows and other video programming. Moreover, new technologies have been, and will likely continue to be, developed that further increase the number of competitors we face with respect to video services. For example, online platforms that provide for the distribution and viewing of video programming compete with our pay-TV services. These online platforms may cause our subscribers to disconnect our services. In addition, even if our subscribers do not disconnect our services, they may purchase a certain portion of the services that they would have historically purchased from us through these online platforms, such as pay per view movies, resulting in less revenue to us. Some of these companies have greater financial, marketing and other resources than we do. In particular, programming offered over the Internet has become more prevalent as the speed and quality of broadband and wireless networks have improved. In addition, consumers are spending an increasing amount of time accessing video content via the Internet on their mobile devices. These technological advancements and changes in consumer behavior with regard to the means by which they obtain video content could materially adversely affect our business, results of operations and financial condition or otherwise disrupt our business.

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 would be subject to substantial liability and would be prohibited from offering DVR functionality that would result in a significant loss of subscribers and place us at a significant disadvantage to our competitors.

In June 2009, the United States District Court granted Tivo's motion for contempt finding that our next-generation DVRs continue to infringe Tivo's intellectual property and awarded Tivo an additional $103 million in supplemental damages and interest for the period from September 2006 through April 2008. In September 2009, the District Court partially granted Tivo's motion for contempt sanctions. In partially granting Tivo's motion for contempt sanctions, the District Court 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 enforcement of the award has been stayed by the District Court pending DISH Network's appeal of the underlying June 2009 contempt order). As previously disclosed, we increased our accrual for the Tivo litigation to reflect both the supplemental damages award for the period September 2006 to April 2008 and for the estimated cost of alleged software infringement for the period from April 2008 through June 2009.

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 eliminate DVR functionality in all but approximately 192,000 digital set-top boxes in the field and cease distribution of digital set-top boxes with DVR functionality. In that event we would be at a significant disadvantage to our competitors who could continue offering DVR functionality, which would likely result in a significant decrease in new subscriber additions as well as a substantial loss of current subscribers. Furthermore, the inability to offer DVR functionality could cause certain of our distribution channels to terminate or significantly decrease their marketing of DISH Network services. The adverse effect on our financial position and results of operations if the District Court's contempt order is upheld is likely to be significant. Additionally, the awards described above do not include damages, contempt sanctions or interest for the period after June 2009. In the event that we are unsuccessful in our appeal, we could also have to pay substantial additional damages, contempt sanctions and interest. Depending on the amount of any additional damage or sanction award or any monetary settlement, we may be required to raise additional capital at a time and in circumstances in which we would normally not raise capital. 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. We believe the cost of such capital and its terms and conditions may be substantially less attractive than our previous financings.

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 or could be required to modify or eliminate our then-current DVR functionality in some or all set-top boxes in the field. 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. We could also have to pay substantial additional damages.

Because both we and EchoStar are defendants in the Tivo lawsuit, we and EchoStar are jointly and severally liable to Tivo for any final damages and sanctions that may be awarded by the District Court. We have determined that we are obligated under the agreements entered into in connection with the Spin-off to indemnify EchoStar for substantially all liability arising from this lawsuit. EchoStar contributed an amount equal to its $5 million intellectual property liability limit under the Receiver Agreement. We and EchoStar have further agreed that EchoStar's $5 million contribution would not exhaust EchoStar's liability to us for other intellectual property claims that may arise under the Receiver Agreement. We and EchoStar 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.

If we do not improve our operational performance and customer satisfaction, our gross new subscriber additions may decrease and our subscriber churn may increase.

If we are unable to improve our operational performance and customer satisfaction, we may experience a decrease in gross new subscriber additions and an increase in churn, which could have a material adverse effect on our business, financial condition and results of operations. To address our operational inefficiencies, we need to continue to make significant investments in staffing, training, information systems, and other initiatives, primarily in our call center and in-home service operations. These investments are intended to help combat inefficiencies introduced by the increasing complexity of our business, improve customer satisfaction, reduce churn, increase productivity, and allow us to scale better over the long run. We cannot, however, be certain that our spending will ultimately be successful in addressing our operational inefficiencies. In the meantime, we may continue to incur higher costs as a result of both our operational inefficiencies and levels of spending. While we believe that these costs will be outweighed by longer-term benefits, there can be no assurance when or if we will realize these benefits at all.

If DISH Network gross new subscriber additions decrease, or if subscriber churn, subscriber acquisition costs or retention costs increase, our financial performance will be adversely affected.

We have not always met and may continue to fail to meet our own standards for performing high-quality installations, effectively resolving subscriber issues when they arise, answering subscriber calls in an acceptable timeframe, effectively communicating with our subscriber base, reducing calls driven by the complexity of our business, improving the reliability of certain systems and subscriber equipment, and aligning the interests of certain third party retailers and installers to provide high-quality service.

Most of these factors have affected both gross new subscriber additions as well as existing subscriber churn. Our future gross new subscriber additions and subscriber churn may continue to be negatively impacted by these factors, which could in turn adversely affect our revenue growth and results of operations.

We may incur increased costs to acquire new and retain existing subscribers. Our subscriber acquisition costs could increase as a result of increased spending for advertising and the installation of more HD and DVR receivers, which are generally more expensive than other receivers. Meanwhile, retention costs may be driven higher by a faster rate of upgrading existing subscribers' equipment to HD and DVR receivers. Additionally, certain of our promotions, including, among others, pay-in-advance, allow consumers with relatively lower credit scores to become subscribers. These subscribers typically churn at a higher rate.

Our subscriber acquisition costs and our subscriber retention costs can vary significantly from period to period and can cause material variability to our net income (loss) and free cash flow. Any material increase in subscriber acquisition or retention costs from current levels could have a material adverse effect on our business, financial position and results of operations.

Economic weakness, including higher unemployment and reduced consumer spending, may adversely affect our ability to grow or maintain our business.

A substantial majority of our revenue comes from residential customers whose spending patterns may be affected by sustained economic weakness and uncertainty. Economic weakness and uncertainty persisted during 2010. Our ability to grow or maintain our business may be adversely affected by sustained economic weakness and uncertainty, including the effect of wavering consumer confidence, high unemployment and other factors that may adversely affect the pay-TV industry. In particular, economic weakness and uncertainty could result in the following:

- ***Fewer gross new subscriber additions and increased churn.*** We could face fewer gross new subscriber additions and increased churn due to, among other things: (i) the sustained weak housing market in the United States combined with lower discretionary spending; (ii) increased price competition for our products and services; and (iii) the potential loss of retailers, who generate a significant portion of our new subscribers, because many of them are small businesses that are more susceptible to the negative effects of economic weakness. In particular, subscriber churn may increase with respect to subscribers who purchase

our lower tier programming packages and who may be more sensitive to sustained economic weakness, including, among others, our pay-in-advance subscribers.

- ***Lower average monthly revenue per subscriber ("ARPU")***. Our ARPU could be negatively impacted by more aggressive introductory offers by our competitors and the growth of video content being delivered via the Internet. Furthermore, due to lower levels of disposable income, our customers may downgrade to lower cost programming packages, elect not to purchase premium services or pay per view movies or may disconnect our services and choose to replace them with less expensive alternatives such as video content delivered via the Internet, including, among others, video on demand.

- ***Higher subscriber acquisition and retention costs***. Our profits may be adversely affected by increased subscriber acquisition and retention costs necessary to attract and retain subscribers during a period of economic weakness.

Programming expenses are increasing and could adversely affect our future financial condition and results of operations.

Our programming costs currently represent the largest component of our total expense and we expect these costs to continue to increase. The pay-TV industry has continued to experience an increase in the cost of programming, especially local broadcast channels and sports programming. Our ability to compete successfully will depend on our ability to continue to obtain desirable programming and deliver it to our subscribers at competitive prices.

When offering new programming, or upon expiration of existing contracts, programming suppliers have historically attempted to increase the rates they charge us for programming. We expect this practice to continue, which, if successful, would increase our programming costs. As a result, our margins may face further pressure if we are unable to renew our long-term programming contracts on favorable pricing and other economic terms.

In addition, increases in programming costs could cause us to increase the rates that we charge our subscribers, which could in turn cause our existing subscribers to disconnect our service or cause potential new subscribers to choose not to subscribe to our service. Therefore, we may be unable to pass increased programming costs on to our customers, which could have a material adverse effect on our financial condition and results of operations.

We depend on others to provide the programming that we offer to our subscribers and, if we lose access to this programming, our gross new subscriber additions may decline and subscriber churn may increase.

We depend on third parties to provide us with programming services. Our programming agreements have remaining terms ranging from less than one to up to several years and contain various renewal and cancellation provisions. We may not be able to renew these agreements on favorable terms or at all, and these agreements may be canceled prior to expiration of their original term. Certain programmers have, in the past, temporarily limited our access to their programming. For example, during the fourth quarter of 2010, our gross subscriber activations and subscriber churn were negatively impacted as a result of multiple programming interruptions related to contract disputes with several content providers. If we are unable to renew any of these agreements or the other parties cancel the agreements, there can be no assurance that we would be able to obtain substitute programming, or that such substitute programming would be comparable in quality or cost to our existing programming. In addition, loss of access to programming could have a material adverse effect on our business, financial condition and results of operations, including, among other things, our gross subscriber additions and subscriber churn rate.

We may be required to make substantial additional investments to maintain competitive programming offerings.

We believe that the availability and extent of HD programming continues to be a significant factor in consumers' choice among pay-TV providers. Other pay-TV providers may have more successfully marketed and promoted their HD programming packages and may also be better equipped and have greater resources to increase their HD offerings to respond to increasing consumer demand for this content. In addition, even though it remains a small portion of the market, consumer demand for 3D televisions and programming will likely increase in the future. We may be required to make substantial additional investments in infrastructure to respond to competitive pressure to

deliver additional programming, and there can be no assurance that we will be able to compete effectively with programming offerings from other pay-TV providers.

Technology in our industry changes rapidly and could cause our services and products to become obsolete. We may have to upgrade or replace subscriber equipment and make substantial investments in our infrastructure t o remain competitive.

Technology in the pay-TV industry changes rapidly as new technologies are developed, which could cause our services and products to become obsolete. Our operating results are dependent to a significant extent upon our ability to continue to introduce new products and services on a timely basis and to reduce costs of our existing products and services. We may not be able to successfully identify new product or service opportunities or develop and market these opportunities in a timely or cost-effective manner. The success of new product development depends on many factors, including proper identification of customer need, cost, timely completion and introduction, differentiation from offerings of competitors and market acceptance. New technologies could also create new competitors for us. For instance, we face increasing consumer demand for the delivery of digital video services via the Internet, including providing TV Everywhere. We expect to continue to face increased threats from companies who use the Internet to deliver digital video services as the speed and quality of broadband and wireless networks continues to improve.

We and our suppliers may not be able to keep pace with technological developments. If the new technologies on which we intend to focus our research and development investments fail to achieve acceptance in the marketplace, our competitive position could be negatively impacted causing a reduction in our revenues and earnings. We may also be at a competitive disadvantage in developing and introducing complex new products and technologies because of the substantial costs we may incur in making these products or technologies available across our installed base of over 14 million subscribers. For example, our competitors could use proprietary technologies that are perceived by the market as being superior. Further, after we have incurred substantial costs, one or more of the technologies under our development, or under development by one or more of our strategic partners, could become obsolete prior to it being widely adopted. In addition, delays in the delivery of components or other unforeseen problems associated with our technology may occur that could materially and adversely affect our ability to generate revenue, offer new services and remain competitive.

Technological innovation is important to our success and depends, to a significant degree, on the work of technically skilled employees. We rely on EchoStar to design and develop set-top boxes with advanced features and functionality and solutions for providing digital video services via the Internet. If EchoStar is unable to attract and retain appropriately technically skilled employees, our competitive position could be materially and adversely affected.

In addition, our competitive position depends in part on our ability to offer new subscribers and upgrade existing subscribers with more advanced equipment, such as receivers with DVR and HD technology and by otherwise making additional infrastructure investments, such as those related to our information technology and call centers. Furthermore, the continued demand for HD programming continues to require investments in additional satellite capacity. We may not be able to pass on to our subscribers the entire cost of these upgrades and infrastructure investments.

Increased distribution of video content via the Internet could expose us to regulatory risk.

As a result of recent updates to certain of our programming agreements which allow us to, among other things, deliver certain authenticated content via the Internet, we are increasingly distributing content to our subscribers via the Internet. The ability to continue this strategy may depend in part on the FCC's success in implementing rules prohibiting discrimination of content that is distributed over the networks owned by broadband and wireless Internet providers. For more information, see "Item 1. Business — Government Regulations — FCC Regulations under the Communications Act — Net Neutrality" of this Annual Report on Form 10-K.

Our business depends on certain intellectual property rights and on not infringing the intellectual property rights of others.

We rely on our patents, copyrights, trademarks and trade secrets, as well as licenses and other agreements with our vendors and other parties, to use our technologies, conduct our operations and sell our products and services. Legal challenges to our intellectual property rights and claims of intellectual property infringement by third parties could require that we enter into royalty or licensing agreements on unfavorable terms, incur substantial monetary liability or be enjoined preliminarily or permanently from further use of the intellectual property in question or from the continuation of our businesses as currently conducted, which could require us to change our business practices or limit our ability to compete effectively or could have an adverse effect on our results of operations. Even if we believe any such challenges or claims are without merit, they can be time-consuming and costly to defend and divert management's attention and resources away from our business. Moreover, because of the rapid pace of technological change, we rely on technologies developed or licensed by third parties, and if we are unable to obtain or continue to obtain licenses from these third parties on reasonable terms, our business, financial position and results of operations could be adversely affected.

Any failure or inadequacy of our information technology infrastructure could harm our business.

The capacity, reliability and security of our information technology hardware and software infrastructure (including our billing systems) are important to the operation of our current business, which would suffer in the event of system failures. Likewise, our ability to expand and update our information technology infrastructure in response to our growth and changing needs is important to the continued implementation of our new service offering initiatives. Our inability to expand or upgrade our technology infrastructure could have adverse consequences, which could include the delayed implementation of new service offerings, service or billing interruptions, and the diversion of development resources. For example, during 2011, we expect to begin implementing new interactive voice response, scheduling of in-home service and customer care systems. During 2011, we also plan to begin development and testing of a new billing system that is likely to be installed in 2012. We are relying on third parties for developing key components of these systems and ongoing service after their implementation. Third parties may experience errors or disruptions that could adversely impact us and over which we may have limited control. Interruption, failure and/or delay in transitioning to any of these new systems could disrupt our operations and damage our reputation thus adversely impacting our ability to provide our services, retain our current subscribers and attract new subscribers. As a result, an unsuccessful transition to these new systems could have a material adverse effect on our business, financial condition and results of operations.

In addition, although we take protective measures and endeavor to modify them as circumstances warrant, our information technology hardware and software infrastructure may be vulnerable to unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact. If one or more of such events occur, this potentially could jeopardize our customer and other information processed and stored in, and transmitted through, our information technology hardware and software infrastructure, or otherwise cause interruptions or malfunctions in our operations, which could result in significant losses or reputational damage. We may be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures, and we may be subject to litigation and financial losses.

We may need additional capital, which may not be available on acceptable terms or at all, to continue investing in our business and to finance acquisitions and other strategic transactions.

We may need to raise additional capital in the future, which may not be available on acceptable terms or at all, to among other things, continue investing in our business, construct and launch new satellites, and to pursue acquisitions and other strategic transactions.

Furthermore, weakness in the equity markets could make it difficult for us to raise equity financing without incurring substantial dilution to our existing shareholders. In addition, sustained economic weakness or weak results of operations may limit our ability to generate sufficient internal cash to fund these investments, capital expenditures, acquisitions and other strategic transactions. As a result, these conditions make it difficult for us to

accurately forecast and plan future business activities because we may not have access to funding sources necessary for us to pursue organic and strategic business development opportunities.

If Voom prevails in its breach of contract suit against us, we could be required to pay substantial damages, which would have a material adverse affect on our financial position and results of operations.

In January 2008, Voom HD Holdings ("Voom") filed a lawsuit against us in New York Supreme Court, alleging breach of contract and other claims arising from our termination of the affiliation agreement governing carriage of certain Voom HD channels on the DISH Network satellite TV service. At that time, Voom also sought a preliminary injunction to prevent us from terminating the agreement. The Court denied Voom's request, finding, among other things, that Voom had not demonstrated that it was likely to prevail on the merits. In April 2010, we and Voom each filed motions for summary judgment. Voom later filed two motions seeking discovery sanctions. On November 9, 2010, the Court issued a decision denying both motions for summary judgment, but granting Voom's motions for discovery sanctions. The Court's decision provides for an adverse inference jury instruction at trial and precludes our damages expert from testifying at trial. We appealed the grant of Voom's motion for discovery sanctions to the New York State Supreme Court, Appellate Division, First Department. On February 15, 2011, the appellate Court granted our motion to stay the trial pending our appeal. Voom is claiming over $2.5 billion in damages. If we are unsuccessful in our suit with Voom, we may be required to pay substantial damages, which would have a material adverse affect on our financial position and results of operations.

A portion of our investment portfolio is invested in securities that have experienced limited or no liquidity and may not be immediately accessible to support our financing needs.

A portion of our investment portfolio is invested in auction rate securities, mortgage backed securities, and strategic investments, and as a result a portion of our portfolio has restricted liquidity. Liquidity in the markets for these investments has been adversely impacted. If the credit ratings of these securities deteriorate or the lack of liquidity in the marketplace continues, we may be required to record impairment charges. Moreover, the sustained uncertainty of domestic and global financial markets has greatly affected the volatility and value of our marketable investment securities. To the extent we require access to funds, we may need to sell these securities under unfavorable market conditions, record further impairment charges and fall short of our financing needs.

We rely on EchoStar to design and develop all of our new set-top boxes and certain related components, and to provide transponder capacity, digital broadcast operations and other services to us. Our business would be adversely affected if EchoStar ceases to provide these services to us and we are unable to obtain suitable replacement services from third parties.

EchoStar is our sole supplier of digital set-top boxes and digital broadcast operations. In addition, EchoStar is a key supplier of transponder capacity and related services to us. Our digital set-top box purchases are made and digital broadcast operations are received pursuant to contracts that generally expire on January 1, 2012. EchoStar has no obligation to supply digital set-top boxes or digital broadcast operations to us after that date. We may be unable to renew agreements for digital set-top boxes or digital broadcast operations with EchoStar on acceptable terms or at all. Equipment, transponder leasing and digital broadcast operation costs may increase beyond our current expectations. EchoStar's inability to develop and produce, or our inability to obtain, equipment with the latest technology, or our inability to obtain transponder capacity and digital broadcast operations and other services from third parties, could affect our subscriber acquisition and churn and cause related revenue to decline.

Furthermore, due to the lack of compatibility of our infrastructure with the set-top boxes of a provider other than EchoStar, any transition to a new supplier of set-top boxes could take a significant period of time to complete, cause us to incur significant costs and negatively affect our gross new subscriber additions and subscriber churn. For example, the proprietary nature of the Sling technology and certain other technology used in EchoStar's set-top boxes may significantly limit our ability to obtain set-top boxes with the same or similar features from any other provider of set-top boxes.

If we were to switch to another provider of set-top boxes, we may have to implement additional infrastructure to support the set-top boxes purchased from such new provider, which could significantly increase our costs. In

addition, differences in, among other things, the user interface between set-top boxes provided by EchoStar and those of any other provider could cause subscriber confusion, which could increase our costs and have a material adverse effect on our gross new subscriber additions and subscriber churn. Furthermore, switching to a new provider of set-top boxes may cause a reduction in our supply of set-top boxes and thus delay our ability to ship set-top boxes, which could have a material adverse effect on our gross new subscriber additions and subscriber churn rate.

We rely on one or a limited number of vendors, and the inability of these key vendors to meet our needs could have a material adverse effect on our business.

We have contracted with a limited number of vendors to provide certain key products or services to us such as information technology support, billing systems, and security access devices. Our dependence on these vendors makes our operations vulnerable to such third parties' failure to perform adequately. In addition, we have historically relied on a single source for certain items. If these vendors are unable to meet our needs because they are no longer in business, they are experiencing shortages or they discontinue a certain product or service we need, our business, financial position and results of operations may be adversely affected. Our inability to develop alternative sources quickly and on a cost-effective basis could materially impair our ability to timely deliver our products to our subscribers or operate our business. Furthermore, our vendors may request changes in pricing, payment terms or other contractual obligations between the parties, which could cause us to make substantial additional investments.

Our programming signals are subject to theft, and we are vulnerable to other forms of fraud that could require us to make significant expenditures to remedy.

Increases in theft of our signal or our competitors' signals could, in addition to reducing new subscriber activations, also cause subscriber churn to increase. We use microchips embedded in credit card-sized cards, called "smart cards," or security chips in our receiver systems to control access to authorized programming content ("Security Access Devices").

Our signal encryption has been compromised in the past and may be compromised in the future even though we continue to respond with significant investment in security measures, such as Security Access Device replacement programs and updates in security software, that are intended to make signal theft more difficult. It has been our prior experience that security measures may only be effective for short periods of time or not at all and that we remain susceptible to additional signal theft. During 2009, we completed the replacement of our Security Access Devices and re-secured our system. We expect additional future replacements of these devices will be necessary to keep our system secure. We cannot ensure that we will be successful in reducing or controlling theft of our programming content and we may incur additional costs in the future if our system's security is compromised.

We are also vulnerable to other forms of fraud. While we are addressing certain fraud through a number of actions, including terminating retailers that we believe were in violation of DISH Network's business rules, there can be no assurance that we will not continue to experience fraud which could impact our subscriber growth and churn. Sustained economic weakness may create greater incentive for signal theft and other forms of fraud, which could lead to higher subscriber churn and reduced revenue.

We depend on third parties to solicit orders for DISH Network services that represent a significant percentage of our total gross subscriber acquisitions.

Most of our retailers are not exclusive to us and may favor our competitors' products and services over ours based on the relative financial arrangements associated with selling our products and those of our competitors. Furthermore, most of these retailers are significantly smaller than we are and may be more susceptible to sustained economic weaknesses that make it more difficult for them to operate profitably. Because our retailers receive most of their incentive value at activation and not over an extended period of time, our interests in obtaining and retaining subscribers through good customer service may not always be aligned with our retailers. It may be difficult to better align our interests with our resellers' because of their capital and liquidity constraints. Loss of these relationships could have an adverse effect on our subscriber base and certain of our other key operating metrics because we may not be able to develop comparable alternative distribution channels.

Our competitors may be able to leverage their relationships with programmers so that they are able to reduce their programming costs and offer exclusive content that will place them at a competitive advantage to us.

The cost of programming represents the largest percentage of our overall costs. Certain of our competitors own directly or are affiliated with companies that own programming content that may enable them to obtain lower programming costs or offer exclusive programming that may be attractive to prospective subscribers. Unlike our larger cable and satellite competitors, we have not made significant investments in programming providers. For example, Comcast and General Electric have joined their programming properties, including NBC, Bravo and many others that are available in the majority of our programming packages, in a venture to be controlled by Comcast. This transaction may affect us adversely by, among other things, making it more difficult for us to obtain access to their programming networks on nondiscriminatory and fair terms, or at all. The transaction was approved by the FCC and the Department of Justice in January 2011. The FCC conditioned its approval on, among other things, Comcast complying with the terms of the FCC's recent order on network neutrality (even if that order is vacated by judicial or legislative action) and Comcast licensing its affiliated content to us, other traditional pay-TV providers and certain providers of video services over the Internet on fair and nondiscriminatory terms and conditions, including, among others, price. If Comcast does not license its affiliated content to us on fair and nondiscriminatory terms and conditions, we can seek arbitration and continue to carry such content while the arbitration is pending. However, it is uncertain how these conditions may be interpreted and enforced by the FCC; therefore, we cannot predict the practical effect of these conditions.

We depend on the Cable Act for access to programming from cable-affiliate programmers at cost-effective rates.

We purchase a large percentage of our programming from cable-affiliated programmers. The provisions of the Cable Act prohibiting exclusive contracting practices with cable-affiliated programmers were extended for another five-year period in September 2007. Cable companies appealed the FCC's decision, and while that decision was upheld by the D.C. Circuit in March 2010, that court indicated if the market continues to evolve, it is expected that the exclusivity prohibition may no longer be necessary. Any change in the Cable Act and the FCC's rules that permit the cable industry or cable-affiliated programmers to discriminate against competing businesses, such as ours, in the sale of programming could adversely affect our ability to acquire cable-affiliated programming at all or to acquire programming on a cost-effective basis. As a result, we may be limited in our ability to obtain access on nondiscriminatory terms to programming from programmers that are affiliated with cable system operators. In the case of certain types of programming affiliated with Comcast, Time-Warner Cable, and Liberty, the terms of access to the programming are subject to arbitration if we and the programmer cannot reach agreement on terms, subject to FCC review. We cannot be sure that this procedure will result in favorable terms for us or that the FCC conditions that establish this procedure will be allowed to expire on their own terms.

In addition, affiliates of certain cable providers have denied us access to sports programming they feed to their cable systems terrestrially, rather than by satellite. The FCC recently held that new denials of such service are unfair if they have the purpose or effect of significantly hindering us from providing programming to consumers. However, we cannot be sure that we can prevail in a complaint related to such programming, and gain access to it. Our continuing failure to access such programming could materially and adversely affect our ability to compete in regions serviced by these cable providers.

We face increasing competition from other distributors of foreign language programming that may limit our ability to maintain our foreign language programming subscriber base.

We face increasing competition from other distributors of foreign language programming, including programming distributed over the Internet. There can be no assurance that we will maintain subscribers in our foreign language programming services. In addition, the increasing availability of foreign language programming from our competitors, which in certain cases has resulted from our inability to renew programming agreements on an exclusive basis or at all, could contribute to an increase in our subscriber churn. Our agreements with distributors of foreign language programming have varying expiration dates, and some agreements are on a month-to-month basis. There can be no assurance that we will be able to grow or maintain our foreign language programming subscriber base.

Our local programming strategy faces uncertainty because we may not be able to obtain necessary retransmission consents at acceptable rates from local network stations.

The Copyright Act generally gives satellite companies a statutory copyright license to retransmit local broadcast channels by satellite back into the market from which they originated, subject to obtaining the retransmission consent of local network station that do not elect "must carry" status, as required by the Communications Act. If we fail to reach retransmission consent agreements with such broadcasters, we cannot carry their signals. This could have an adverse effect on our strategy to compete with cable and other satellite companies that provide local signals. While we have been able to reach retransmission consent agreements with most of these local network stations, there remain stations with which we have not been able to reach an agreement. We cannot be sure that we will secure these agreements or that we will secure new agreements on acceptable terms (or at all) upon the expiration of our current retransmission consent agreements, some of which are short-term. In recent years, national broadcasters have used their ownership of certain local broadcast stations to require us to carry additional cable programming in exchange for retransmission consent of their local broadcast stations. These requirements may place constraints on available capacity on our satellites for other programming. Furthermore, the rates we are charged for retransmitting local channels have been increasing. We may be unable to pass these increased programming costs on to our customers, which could have a material adverse effect on our financial condition and results of operations.

The injunction against our retransmission of distant networks, currently waived, may be reinstated.

Pursuant to STELA, we have been able to obtain a waiver of a court injunction that previously prevented us from retransmitting certain distant network signals under a statutory copyright license. Because of that waiver, we may once again provide distant network signals to eligible subscribers. To qualify for that waiver, we are required to provide local service in all 210 local markets in the U.S. on an ongoing basis. This condition poses a significant strain on our capacity. Moreover, we may lose that waiver if we are found to have failed to provide local service in any of the 210 local markets. If we lose the waiver, the injunction could be reinstated. Furthermore, depending on the severity of the failure, we may also be subject to other sanctions, which may include, among other things, damages. Our compliance with certain conditions for the waiver is subject to examination and review.

We are subject to significant regulatory oversight and changes in applicable regu l atory requirements, including any adoption or modification of laws or regulations relating to the Internet, which could adversely affect our business.

DBS operators are subject to significant government regulation, primarily by the FCC and, to a certain extent, by Congress, other federal agencies and foreign, state and local authorities. Depending upon the circumstances, noncompliance with legislation or regulations promulgated by these entities could result in the suspension or revocation of our licenses or registrations, the termination or loss of contracts or the imposition of contractual damages, civil fines or criminal penalties, any of which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, the adoption or modification of laws or regulations relating to the Internet or other areas of our business could limit or otherwise adversely affect the manner in which we currently conduct our business. If we become subject to new regulations or legislation or new interpretations of existing regulations or legislation that govern Internet network neutrality, we may be required to incur additional expenses or alter our business model. The manner in which legislation governing Internet network neutrality may be interpreted and enforced cannot be precisely determined, which in turn could have an adverse effect on our business, financial condition and results of operations. You should review the regulatory disclosures under the caption " *Item 1. Business — Government Regulation — FCC Regulation under the Communication Act"* of this Annual Report on Form 10-K.

We have made a substantial investment in certain 700 MHz wireless licenses and will be required to make significant additional investments or partner with others to commercialize these licenses.

In 2008, we paid $712 million to acquire certain 700 MHz wireless licenses, which were granted to us by the FCC in February 2009. To commercialize these licenses and satisfy FCC build-out requirements, we will be required to make significant additional investments or partner with others. Depending on the nature and scope of such

commercialization and build-out, any such investment or partnership could vary significantly. Part or all of our licenses may be terminated for failure to satisfy FCC build-out requirements. We are currently performing a market test to evaluate different technologies and consumer acceptance.

There can be no assurance that we will be able to develop and implement a business model that will realize a return on these investments and profitably deploy the spectrum represented by the 700 MHz licenses.

Furthermore, the fair values of wireless licenses may vary significantly in the future. In particular, valuation swings could occur if:

- consolidation in the wireless industry allows or requires wireless carriers to sell significant portions of their wireless spectrum holdings, which could in turn reduce the value of our spectrum holdings; or
- a sudden large sale of spectrum by one or more wireless providers occurs.

In addition, the fair value of wireless licenses could decline as a result of the FCC's pursuit of policies, including auctions, designed to increase the number of wireless licenses available in each of our markets. If the fair value of our 700 MHz licenses were to decline significantly, the value of our 700 MHz licenses could be subject to non-cash impairment charges. We assess potential impairments to our indefinite-lived intangible assets, including our 700 MHz licenses annually to determine whether there is evidence that events or changes in circumstances indicate that an impairment condition may exist.

We have substantial debt outstanding and may incur additional debt.

As of December 31, 2010, our total debt, including the debt of our subsidiaries, was $6.515 billion. Our debt levels could have significant consequences, including:

- requiring us to devote a substantial portion of our cash to make interest and principal payments on our debt, thereby reducing the amount of cash available for other purposes. As a result, we would have limited financial and operating flexibility in responding to changing economic and competitive conditions;
- limiting our ability to raise additional debt because it may be more difficult for us to obtain debt financing on attractive terms; and
- placing us at a disadvantage compared to our competitors that have less debt.

In addition, we may incur substantial additional debt in the future. The terms of the indentures relating to our senior notes permit us to incur additional debt. If new debt is added to our current debt levels, the risks we now face could intensify.

We have limited owned and leased satellite capacity and failures or reduced capacity could adversely affect our business.

Operation of our programming service requires that we have adequate satellite transmission capacity for the programming we offer. Moreover, current competitive conditions require that we continue to expand our offering of new programming, particularly by expanding local HD coverage and offering more HD national channels. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited.

Our ability to earn revenue depends on the usefulness of our satellites, each of which has a limited useful life. A number of factors affect the useful lives of the satellites, including, among other things, the quality of their construction, the durability of their component parts, the ability to continue to maintain proper orbit and control over the satellite's functions, the efficiency of the launch vehicle used, and the remaining on-board fuel following orbit insertion. Generally, the minimum design life of each of our satellites ranges from 12 to 15 years. We can provide no assurance, however, as to the actual useful lives of the satellites. Our operating results could be adversely affected if the useful life of any of our satellites were significantly shorter than 12 years from the launch date.

In the event of a failure or loss of any of our satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other satellites and use it as a replacement for the failed or lost satellite, any of which could have a material adverse effect on our business, financial condition and results of operations. Such a failure could result in a prolonged loss of critical programming or a significant delay in our plans to expand programming as necessary to remain competitive. A relocation would require FCC approval and, among other things, a showing to the FCC that the replacement satellite would not cause additional interference compared to the failed or lost satellite. We cannot be certain that we could obtain such FCC approval. If we choose to use a satellite in this manner, this use could adversely affect our ability to meet the operation deadlines associated with our authorizations. Failure to meet those deadlines could result in the loss of such authorizations, which would have an adverse effect on our ability to generate revenues.

Our owned and leased satellites are subject to construction, launch, operational and environmental risks that could limit our ability to utilize these satellites.

Construction and launch risks. A key component of our business strategy is our ability to expand our offering of new programming and services, including increased local and HD programming. To accomplish this goal, we need to construct and launch satellites. Satellite construction and launch is subject to significant risks, including construction and launch delays, launch failure and incorrect orbital placement. Certain launch vehicles that may be used by us have either unproven track records or have experienced launch failures in the recent past. The risks of launch delay and failure are usually greater when the launch vehicle does not have a track record of previous successful flights. Launch failures result in significant delays in the deployment of satellites because of the need both to construct replacement satellites, which can take more than three years, and to obtain other launch opportunities. Significant construction or launch delays could materially and adversely affect our ability to generate revenues. If we were unable to obtain launch insurance, or obtain launch insurance at rates we deem commercially reasonable, and a significant launch failure were to occur, it could have a material adverse effect on our ability to generate revenues and fund future satellite procurement and launch opportunities.

In addition, the occurrence of future launch failures may delay the deployment of our satellites and materially and adversely affect our ability to insure the launch of our satellites at commercially reasonable premiums, if at all. Please see further discussion under the caption " *We generally do not have commercial insurance coverage on the satellites we use and could face significant impairment charges if one of our satellites fails* " below.

Operational risks . Satellites are subject to significant operational risks while in orbit. These risks include malfunctions, commonly referred to as anomalies, that have occurred in our satellites and the satellites of other operators as a result of various factors, such as satellite manufacturers' errors, problems with the power systems or control systems of the satellites and general failures resulting from operating satellites in the harsh environment of space.

Although we work closely with the satellite manufacturers to determine and eliminate the cause of anomalies in new satellites and provide for redundancies of many critical components in the satellites, we may experience anomalies in the future, whether of the types described above or arising from the failure of other systems or components.

Any single anomaly or series of anomalies could materially and adversely affect our operations and revenues and our relationship with current customers, as well as our ability to attract new customers for our multi-channel video services. In particular, future anomalies may result in the loss of individual transponders on a satellite, a group of transponders on that satellite or the entire satellite, depending on the nature of the anomaly. Anomalies may also reduce the expected useful life of a satellite, thereby reducing the channels that could be offered using that satellite, or create additional expenses due to the need to provide replacement or back-up satellites. You should review the disclosures relating to satellite anomalies set forth under Note 7 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K.

Environmental risks. Meteoroid events pose a potential threat to all in-orbit satellites. The probability that meteoroids will damage those satellites increases significantly when the Earth passes through the particulate stream left behind by comets. Occasionally, increased solar activity also poses a potential threat to all in-orbit satellites.

Some decommissioned spacecraft are in uncontrolled orbits which pass through the geostationary belt at various points, and present hazards to operational spacecraft, including our satellites. We may be required to perform maneuvers to avoid collisions and these maneuvers may prove unsuccessful or could reduce the useful life of the satellite through the expenditure of fuel to perform these maneuvers. The loss, damage or destruction of any of our satellites as a result of an electrostatic storm, collision with space debris, malfunction or other event could have a material adverse effect on our business, financial condition and results of operations.

We generally do not have commercial insurance coverage on the satellites we use and could face significant impairment charges if one of our satellites fails.

Generally, we do not carry launch or in-orbit insurance on the satellites we use. We currently do not carry in-orbit insurance on any of our satellites and generally do not use commercial insurance to mitigate the potential financial impact of launch or in-orbit failures because we believe that the cost of insurance premiums is uneconomical relative to the risk of such failures. If one or more of our in-orbit satellites fail, we could be required to record significant impairment charges.

We may have potential conflicts of interest with EchoStar due to our common ownership and management.

Questions relating to conflicts of interest may arise between EchoStar and us in a number of areas relating to our past and ongoing relationships. Areas in which conflicts of interest between EchoStar and us could arise include, but are not limited to, the following:

- *Cross officerships, directorships and stock ownership* . We have significant overlap in directors and executive officers with EchoStar, which may lead to conflicting interests. Two of our officers provide management services to EchoStar pursuant to a management services agreement between EchoStar and us and two executive officers are employees of both us and EchoStar. These individuals may have actual or apparent conflicts of interest with respect to matters involving or affecting each company. Furthermore, our Board of Directors and executive officers include persons who are members of the Board of Directors of EchoStar, including Charles W. Ergen, who serves as the Chairman of EchoStar and us. The executive officers and the members of our Board of Directors who overlap with EchoStar have fiduciary duties to EchoStar's shareholders. For example, there is the potential for a conflict of interest when we or EchoStar look at acquisitions and other corporate opportunities that may be suitable for both companies. In addition, certain of our directors and officers own EchoStar stock and options to purchase EchoStar stock, which they acquired or were granted prior to the Spin-off of EchoStar from us, including Mr. Ergen, who owns approximately 43.8% of the total equity (assuming conversion of only the Class B Common Stock held by Mr. Ergen into Class A Common Stock) and controls approximately 56.0% of the voting power of EchoStar. Mr. Ergen's beneficial ownership of EchoStar excludes 18,900,405 shares of its Class A Common Stock issuable upon conversion of shares of its Class B Common Stock currently held by certain trusts established by Mr. Ergen for the benefit of his family. These trusts beneficially own approximately 33.5% of EchoStar's total equity securities (assuming conversion of only the Class B Common Stock held by such trusts into Class A Common Stock) and possess approximately 36.7% of EchoStar's total voting power. These ownership interests could create actual, apparent or potential conflicts of interest when these individuals are faced with decisions that could have different implications for us and EchoStar.

- *Intercompany agreements related to the Spin-off.* We have entered into certain agreements with EchoStar pursuant to which we provide EchoStar with certain management, administrative, accounting, tax, legal and other services, for which EchoStar pays us our cost plus a fixed margin. In addition, we have entered into a number of intercompany agreements covering matters such as tax sharing and EchoStar's responsibility for certain liabilities previously undertaken by us for certain of EchoStar's businesses. We have also entered into certain commercial agreements with EchoStar pursuant to which EchoStar, among other things, sells set-top boxes and related equipment to us at specified prices. The terms of certain of these agreements were established while EchoStar was a wholly-owned subsidiary of us and were not the result of arm's length negotiations. The allocation of assets, liabilities, rights, indemnifications and other obligations between EchoStar and us under the separation and other intercompany agreements we entered into with EchoStar in connection with the Spin-off of EchoStar may have been different if agreed to by two unaffiliated parties. Had these agreements been negotiated with unaffiliated third parties, their terms may have been more favorable, or less favorable, to us. In addition, conflicts could arise between us and EchoStar in the interpretation or any extension or renegotiation of these existing agreements.

- *Additional intercompany transactions.* EchoStar or its affiliates have and will continue to enter into transactions with us or our subsidiaries or other affiliates. Although the terms of any such transactions will be established based upon negotiations between EchoStar and us and, when appropriate, subject to the approval of a committee of the non-interlocking directors or in certain instances non-interlocking management, there can be no assurance that the terms of any such transactions will be as favorable to us or our subsidiaries or affiliates as may otherwise be obtained between unaffiliated parties.

- *Business opportunities.* We have retained interests in various companies that have subsidiaries or controlled affiliates that own or operate domestic or foreign services that may compete with services offered by EchoStar. We may also compete with EchoStar when we participate in auctions for spectrum or orbital slots for our satellites. In addition, EchoStar may in the future use its satellites, uplink and transmission assets to compete directly against us in the subscription television business.

We may not be able to resolve any potential conflicts, and, even if we do so, the resolution may be less favorable to us than if we were dealing with an unaffiliated party.

We also do not have any agreements with EchoStar that would prevent either company from competing with the other.

We rely on key personnel and the loss of their services may negatively affect our businesses.

We believe that our future success will depend to a significant extent upon the performance of Charles W. Ergen, our Chairman, President and Chief Executive Officer and certain other executives. The loss of Mr. Ergen or of certain other key executives could have a material adverse effect on our business, financial condition and results of operations. Although all of our executives have executed agreements limiting their ability to work for or consult with competitors if they leave us, we do not have employment agreements with any of them. Pursuant to a management services agreement with EchoStar entered into at the time of the Spin-off, two of our officers provide services to EchoStar. In addition, Roger J. Lynch also serves as Executive Vice President, Advanced Technologies of EchoStar. To the extent Mr. Lynch and such other officers are performing services for EchoStar, this may divert their time and attention away from our business and may therefore adversely affect our business.

We are party to various lawsuits which, if adversely decided, could have a significant adverse impact on our business, particularly lawsuits regarding intellectual property.

We are subject to various legal proceedings and claims which arise in the ordinary course of business, including among other things, disputes with programmers regarding fees. Many entities, including some of our competitors, have or may in the future obtain patents and other intellectual property rights that cover or affect products or services related to those that we offer. In general, if a court determines that one or more of our products or services infringes on intellectual property held by others, we may be required to cease developing or marketing those products or services, to obtain licenses from the holders of the intellectual property at a material cost, or to redesign those products or services in such a way as to avoid infringing the intellectual property. If those intellectual property rights are held by a competitor, we may be unable to obtain the intellectual property at any price, which could adversely affect our competitive position. Please see further discussion under *Item 1. Business — Patents and Trademarks* of this Annual Report on Form 10-K.

We may not be aware of all intellectual property rights that our services or the products used in connection with our services may potentially infringe. In addition, patent applications in the United States are confidential until the Patent and Trademark Office issues a patent. Therefore, it is difficult to evaluate the extent to which our services or the products used in connection with our services may infringe claims contained in pending patent applications. Further, it is often not possible to determine definitively whether a claim of infringement is valid.

We may pursue acquisitions and other strategic transactions to complement or expand our business that may not be successful and we may lose up to the entire value of our investment in these acquisitions and transactions.

Our future success may depend on opportunities to buy other businesses or technologies that could complement, enhance or expand our current business or products or that might otherwise offer us growth opportunities. We may

not be able to complete such transactions and such transactions, if executed, pose significant risks and could have a negative effect on our operations. Any transactions that we are able to identify and complete may involve a number of risks, including:

- the diversion of our management's attention from our existing business to integrate the operations and personnel of the acquired or combined business or joint venture;
- possible adverse effects on our operating results during the integration process;
- a high degree of risk involved in these transactions, which could become substantial over time, and higher exposure to significant financial losses if the underlying ventures are not successful; and
- our possible inability to achieve the intended objectives of the transaction.

In addition, we may not be able to successfully or profitably integrate, operate, maintain and manage our newly acquired operations or employees. We may not be able to maintain uniform standards, controls, procedures and policies, and this may lead to operational inefficiencies.

New acquisitions, joint ventures and other transactions may require the commitment of significant capital that would otherwise be directed to investments in our existing businesses or be distributed to shareholders. Commitment of this capital may cause us to defer or suspend any share repurchases that we otherwise may have made.

Our business depends on FCC licenses that can expire or be revoked or modified and applications for FCC licenses that may not be granted.

If the FCC were to cancel, revoke, suspend, restrict, significantly condition, or fail to renew any of our licenses or authorizations, or fail to grant our applications for FCC licenses, it could have a material adverse effect on our business, financial condition and results of operations. Specifically, loss of a frequency authorization would reduce the amount of spectrum available to us, potentially reducing the amount of services available to our subscribers. The materiality of such a loss of authorizations would vary based upon, among other things, the location of the frequency used or the availability of replacement spectrum. In addition, Congress often considers and enacts legislation that affects us and FCC proceedings to implement the Communications Act and enforce its regulations are ongoing. We cannot predict the outcomes of these legislative or regulatory proceedings or their effect on our business.

We are subject to digital HD "carry-one, carry-all" requirements that cause capacity constraints.

To provide any full-power local broadcast signal in any market, we are required to retransmit all qualifying broadcast signals in that market ("carry-one, carry-all"). The FCC has adopted digital carriage rules that require DBS providers to phase in carry-one, carry-all obligations with respect to the carriage of full-power broadcasters' HD signals by February 2013 in markets in which DISH Network elects to provide local channels in HD. In addition, STELA has imposed accelerated HD carriage requirements for noncommercial educational stations on DBS providers that do not have a certain contractual relationship with a certain number of such stations. DISH Network has entered into an agreement with a number of PBS stations to comply with the requirements. DISH Network has also challenged the constitutionality of this provision but has not prevailed in its effort to obtain temporary injunctive relief. The carriage of additional HD signals on our DBS system could cause us to experience significant capacity constraints and prevent us from carrying additional popular national programs and/or carrying those national programs in HD.

In addition, there is a pending rulemaking before the FCC regarding whether to require DBS providers to carry all broadcast stations in a local market in both standard definition and HD if they carry any station in that market in both standard definition and HD. If we were required to carry multiple versions of each broadcast station, we would have to dedicate more of our finite satellite capacity to each broadcast station. We cannot predict the outcome or timing of that rulemaking process.

It may be difficult for a third party to acquire us, even if doing so may be beneficial to our shareholders, because of our ownership structure.

Certain provisions of our certificate of incorporation and bylaws may discourage, delay or prevent a change in control of our company that a shareholder may consider favorable. These provisions include the following:

- a capital structure with multiple classes of common stock: a Class A that entitles the holders to one vote per share, a Class B that entitles the holders to ten votes per share, a Class C that entitles the holders to one vote per share, except upon a change in control of our company in which case the holders of Class C are entitled to ten votes per share;
- a provision that authorizes the issuance of "blank check" preferred stock, which could be issued by our Board of Directors to increase the number of outstanding shares and thwart a takeover attempt;
- a provision limiting who may call special meetings of shareholders; and
- a provision establishing advance notice requirements for nominations of candidates for election to our Board of Directors or for proposing matters that can be acted upon by shareholders at shareholder meetings.

In addition, pursuant to our certificate of incorporation we have a significant amount of authorized and unissued stock which would allow our Board of Directors to issue shares to persons friendly to current management, thereby protecting the continuity of its management, or which could be used to dilute the stock ownership of persons seeking to obtain control of us.

We are controlled by one principal stockholder who is also our Chairman, President and Chief Executive Officer.

Charles W. Ergen, our Chairman, President and Chief Executive Officer, currently beneficially owns approximately 53.6% of our total equity securities (assuming conversion of only the Class B Common Stock held by Mr. Ergen into Class A Common Stock) and possesses approximately 90.5% of the total voting power. Mr. Ergen's beneficial ownership of shares of Class A Common Stock excludes 4,245,151 shares of Class A Common Stock issuable upon conversion of shares of Class B Common Stock currently held by certain trusts established by Mr. Ergen for the benefit of his family. These trusts beneficially own approximately 2.0% of our total equity securities (assuming conversion of only the Class B Common Stock held by such trusts into Class A Common Stock) and possess approximately 1.6% of the total voting power. Through his voting power, Mr. Ergen has the ability to elect a majority of our directors and to control all other matters requiring the approval of our stockholders. As a result, DISH Network is a "controlled company" as defined in the Nasdaq listing rules and is, therefore, not subject to Nasdaq requirements that would otherwise require us to have (i) a majority of independent directors; (ii) a nominating committee composed solely of independent directors; (iii) compensation of our executive officers determined by a majority of the independent directors or a compensation committee composed solely of independent directors; and (iv) director nominees selected, or recommended for the Board's selection, either by a majority of the independent directors or a nominating committee composed solely of independent directors.

There can be no assurance that there will not be deficiencies leading to material weaknesses in our internal control over financial reporting.

We periodically evaluate and test our internal control over financial reporting to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act. Our management has concluded that our internal control over financial reporting was effective as of December 31, 2010. If in the future we are unable to report that our internal control over financial reporting is effective (or if our auditors do not agree with our assessment of the effectiveness of, or are unable to express an opinion on, our internal control over financial reporting), investors, customers and business partners could lose confidence in the accuracy of our financial reports, which could in turn have a material adverse effect on our business, investor confidence in our financial results may weaken, and our stock price may suffer.

We may face other risks described from time to time in periodic and current reports we file with the SEC.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

The following table sets forth certain information concerning our principal properties, all of which are used by DISH Network, our only business segment.

		Leased From	
Description/Use/Location	Owned	EchoStar (1)	Other Third Party
Corporate headquarters, Englewood, Colorado		X	
Customer call center and general offices, Pine Brook, New Jersey			X
Customer call center and general offices, Tulsa, Oklahoma			X
Customer call center, Alvin, Texas			X
Customer call center, Bluefield, West Virginia	X		
Customer call center, Christiansburg, Virginia	X		
Customer call center, College Point, New York			X
Customer call center, Harlingen, Texas	X		
Customer call center, Hilliard, Ohio			X
Customer call center, Littleton, Colorado		X	
Customer call center, Phoenix, Arizona			X
Customer call center, Thornton, Colorado	X		
Customer call center, warehouse and service center, El Paso, Texas	X		
Service center, Englewood, Colorado		X	
Service center, Spartanburg, South Carolina			X
Warehouse and distribution center, Denver, Colorado			X
Warehouse and distribution center, Sacramento, California	X		
Warehouse, Denver, Colorado	X		
Warehouse, distribution and service center, Atlanta, Georgia			X

(1) See Note 17 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K for further discussion of our Related Party Agreements.

In addition to the principal properties listed above, we operate several DISH Network service centers strategically located in regions throughout the United States. Furthermore, we own or lease capacity on 13 satellites which are a major component of our DISH Network DBS System. See further discussion under "Item 1. Business — Satellites" in this Annual Report on Form 10-K.

Item 3. LEGAL PROCEEDINGS

In connection with the Spin-off, we entered into a separation agreement with EchoStar, which provides, among other things, for the division of certain liabilities, including liabilities resulting from litigation. Under the terms of the separation agreement, EchoStar has assumed certain liabilities that relate to its 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, EchoStar will only be liable for its acts or omissions following the Spin-off and we will indemnify EchoStar for any liabilities or damages resulting from intellectual property claims relating to the period prior to the Spin-off as well as our acts or omissions following the Spin-off.

Acacia

During 2004, Acacia Media Technologies ("Acacia") filed a lawsuit against us and EchoStar 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 Appeals or petition the United States Supreme Court for certiorari has now expired.

Broadcast Innovation, L.L.C.

During 2001, Broadcast Innovation, L.L.C. ("Broadcast Innovation") filed a lawsuit against us, 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 us 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 cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Channel Bundling Class Action

During 2007, a purported class of cable and satellite subscribers filed an antitrust action against us in the United States District Court for the Central District of California. The suit also names as defendants DirecTV, Comcast, Cablevision, Cox, Charter, Time Warner, Inc., Time Warner Cable, NBC Universal, Viacom, Fox Entertainment Group and Walt Disney Company. The suit alleges, among other things, that the defendants engaged in a conspiracy to provide customers with access only to bundled channel offerings as opposed to giving customers the ability to purchase channels on an "a la carte" basis. On October 16, 2009, the District Court granted defendants'

motion to dismiss with prejudice. The plaintiffs have appealed. We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

ESPN

During 2008, we filed a lawsuit against ESPN, Inc., ESPN Classic, Inc., ABC Cable Networks Group, Soapnet L.L.C. and International Family Entertainment (collectively, "ESPN") for breach of contract in New York State Supreme Court. Our complaint alleges that ESPN failed to provide us with certain high-definition feeds of the Disney Channel, ESPN News, Toon and ABC Family. ESPN asserted a counterclaim, and then filed a motion for summary judgment, alleging that we owed approximately $35 million under the applicable affiliation agreements. We brought a motion to amend our complaint to assert that ESPN was in breach of certain most-favored-nation provisions under the applicable affiliation agreements. On April 15, 2009, the New York State Supreme Court granted our motion to amend the complaint, and granted, in part, ESPN's motion on the counterclaim, finding that we are liable for some of the amount alleged to be owing but that the actual amount owing is disputed. We appealed the partial grant of ESPN's motion to the New York State Supreme Court, Appellate Division, First Department. After the partial grant of ESPN's motion, ESPN sought an additional $30 million under the applicable affiliation agreements. On March 15, 2010, the New York State Supreme Court affirmed the prior grant of ESPN's motion and ruled that we owe the full amount of approximately $65 million under the applicable affiliation agreement. There can be no assurance that ESPN will not seek, and that the New York State Supreme Court, Appellate Division, First Department will not award a higher amount. On December 29, 2010, the New York State Supreme Court, Appellate Division, First Department affirmed the partial grant of ESPN's motion on the counterclaim. However, it did not rule on the amount that we owe ESPN pursuant to its counterclaim. The appellate court will determine this amount as part of a separate proceeding. For the year ended December 31, 2010, we recorded $42 million as a "Litigation accrual" on our Consolidated Balance Sheets and in "Litigation expense" on our Consolidated Statements of Operations and Comprehensive Income (Loss), which reflects our estimated exposure for ESPN's counterclaim. We intend to vigorously prosecute and defend this case.

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 EchoStar, 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, EchoStar 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, EchoStar and NagraStar without prejudice. We also agreed to dismiss our Declaratory Judgment action without prejudice.

Ganas L.L.C.

During August 2010, Ganas, L.L.C. ("Ganas") filed suit against DISH DBS Corporation, our indirect wholly owned subsidiary, Sabre Holdings Corporation, SAP America, Inc., SAS Institute Inc., Scottrade, Inc., TD Ameritrade, Inc., The Charles Schwab Corporation, Tivo Inc., Unicoi Systems Inc., Xerox Corporation, Adobe Systems Inc., AOL Inc., Apple Inc., Axibase Corporation, DirecTV, E*Trade Securities L.L.C., Exinda Networks, Fidelity Brokerage Services L.L.C., Firstrade Securities Inc., Hewlett-Packard Company, iControl Inc., International Business Machines Corporation and JPMorgan Chase & Co. in the United States District Court for the Eastern District of Texas alleging infringement of United States Patent Nos. 7,136,913, 7,325,053, and 7,734,756. The patents relate to hypertext transfer protocol and simple object access protocol. Ganas 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 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.

Katz Communications

During 2007, Ronald A. Katz Technology Licensing, L.P. ("Katz") filed a patent infringement action against us in the United States District Court for the Northern District of California. The suit alleges infringement of 19 patents owned by Katz. The patents relate to interactive voice response, or IVR, technology.

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 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, EchoStar 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 cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Olympic Developments

On January 20, 2011, Olympic Developments AG, LLC ("Olympic") filed suit against us, Atlantic Broadband, Inc., Bright House Networks, LLC, Cable One, Inc., Cequel Communications Holdings I, LLC, CSC Holdings, LLC, GCI Communication Corp., Insight Communications Company, Inc., Knology, Inc., Mediacom Communications Corporation and RCN Telecom Services, LLC in the United States District Court for the Central District of California alleging infringement of United States Patent Nos. 5,475,585 and 6,246,400. The patents relate to on-demand services. Olympic 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 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 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.

Personalized Media Communications

During 2008, Personalized Media Communications, Inc. ("PMC") filed suit against us, EchoStar 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 cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Retailer Class Actions

During 2000, lawsuits were filed by retailers in Colorado state and federal courts attempting to certify nationwide classes on behalf of certain of our retailers. The plaintiffs requested that the Courts declare certain provisions of, and changes to, alleged agreements between us and the retailers invalid and unenforceable, and to award damages for lost incentives and payments, charge backs and other compensation. On September 20, 2010, we agreed to a settlement of both lawsuits that provides, among other things, for mutual releases of the claims underlying the litigation, payment by us of up to $60 million, and the option for certain class members to elect to reinstate certain monthly incentive payments, which the parties agreed have an aggregate maximum value of $23 million. We cannot predict with any degree of certainty how many class members will elect to reinstate these monthly incentive payments. As a result, we recorded $60 million as a "Litigation accrual" on our Consolidated Balance Sheets and in "Litigation expense" for the year ended December 31, 2010 on our Consolidated Statements of Operations and Comprehensive Income (Loss). On February 9, 2011, the court granted final approval of the settlement; however, our payment of the settlement amount is still subject to the satisfaction of certain conditions, including the lapse of all applicable appeal periods.

Suomen Colorize Oy

During October 2010, Suomen Colorize Oy ("Suomen") filed suit against DISH Network L.L.C., our indirect wholly owned subsidiary, and EchoStar 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 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 EchoStar 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 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. As of September 2008, we had recorded a total accrual of $132 million on our Consolidated Balance Sheets to reflect the April 2006 jury verdict, supplemental damages through September 2006 and pre-judgment interest awarded by the Texas court, together with the estimated cost of potential further software infringement prior to implementation of our alternative technology, discussed below, plus interest subsequent to entry of the judgment. 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, approximately $105 million of the total $132 million accrual was released from an escrow account 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 our original alternative technology still infringed the software claims, and that even if our original alternative technology was "non-infringing," the original injunction by its terms required that we 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. We 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 we 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. During the year ended December 31, 2009, we increased our total accrual by $361 million to reflect the supplemental damages and interest for the period from implementation of our original alternative technology through April 2008 and for the estimated cost of alleged software infringement (including contempt sanctions for the period from April 2008 through June 2009) for the period from April 2008 through December 2009 plus interest. During the years ended December 31, 2010 and 2009, we recorded $124 million and $361 million, respectively, of "Litigation expense" on our Consolidated Statements of Operations and Comprehensive Income (Loss). During the year ended December 31, 2008, we did not record any litigation expense related to this case. Our total accrual at December 31, 2010 was $517 million and is included in "Litigation accrual" on our Consolidated Balance Sheets.

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 EchoStar's development process, EchoStar 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. Although we have accrued our best estimate of damages, contempt sanctions and interest through December 31, 2010, there can be no assurance that Tivo will not seek, and that the court will not award, an amount that exceeds our accrual.

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 eliminate DVR functionality in all but approximately 192,000 digital set-top boxes in the field and cease distribution of digital set-top boxes with DVR functionality. In that event we would be at a significant disadvantage to our competitors who could continue offering DVR functionality, which would likely result in a significant decrease in new subscriber additions as well as a substantial loss of current subscribers. Furthermore, the inability to offer DVR functionality could cause certain of our distribution channels to terminate or significantly decrease their marketing of DISH Network services. The adverse effect on our financial position and results of operations if the District Court's contempt order is upheld is likely to be significant. Additionally, the supplemental damage award of $103 million and further award of approximately $200 million does not include damages, contempt sanctions or interest for the period after June 2009. In the event that we are unsuccessful in our appeal, we could also have to pay substantial additional damages, contempt sanctions and interest. Depending on the amount of any additional damage or sanction award or any monetary settlement, we may be required to raise additional capital at a time and in circumstances in which we would normally not raise capital. 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. We believe the cost of such capital and its terms and conditions may be substantially less attractive than our previous financings.

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 or could be required to modify or eliminate our then-current DVR functionality in some or all set-top boxes in the field. 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. We could also have to pay substantial additional damages.

Because both we and EchoStar are defendants in the Tivo lawsuit, we and EchoStar are jointly and severally liable to Tivo for any final damages and sanctions that may be awarded by the District Court. We have determined that we are obligated under the agreements entered into in connection with the Spin-off to indemnify EchoStar for substantially all liability arising from this lawsuit. EchoStar contributed an amount equal to its $5 million intellectual property liability limit under the Receiver Agreement. We and EchoStar have further agreed that EchoStar's $5 million contribution would not exhaust EchoStar's liability to us for other intellectual property claims that may arise under the Receiver Agreement. We and EchoStar 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.

Voom

In January 2008, Voom HD Holdings ("Voom") filed a lawsuit against us in New York Supreme Court, alleging breach of contract and other claims arising from our termination of the affiliation agreement governing carriage of certain Voom HD channels on the DISH Network satellite TV service. At that time, Voom also sought a preliminary injunction to prevent us from terminating the agreement. The Court denied Voom's request, finding, among other things, that Voom had not demonstrated that it was likely to prevail on the merits. In April 2010, we and Voom each filed motions for summary judgment. Voom later filed two motions seeking discovery sanctions. On November 9, 2010, the Court issued a decision denying both motions for summary judgment, but granting Voom's motions for discovery sanctions. The Court's decision provides for an adverse inference jury instruction at trial and precludes our damages expert from testifying at trial. We appealed the grant of Voom's motion for discovery sanctions to the New York State Supreme Court, Appellate Division, First Department. On February 15, 2011, the appellate Court granted our motion to stay the trial pending our appeal. Voom is claiming over $2.5 billion in damages. We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

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, including, among other things, disputes with programmers regarding fees. 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.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Market Information. Our Class A common stock is quoted on the Nasdaq Global Select Market under the symbol "DISH." The high and low closing sale prices of our Class A common stock during 2010 and 2009 on the Nasdaq Global Select Market (as reported by Nasdaq) are set forth below. The sales prices of our Class A common stock reported below are not adjusted to reflect the dividend paid on December 2, 2009, discussed below.

2010	High	Low
First Quarter	$ 21.80	$ 17.75
Second Quarter	23.15	18.15
Third Quarter	20.84	17.44
Fourth Quarter	20.81	17.97

2009	High	Low
First Quarter	$ 13.91	$ 9.07
Second Quarter	17.92	11.54
Third Quarter	19.30	14.50
Fourth Quarter	22.15	17.28

As of February 14, 2011, there were approximately 10,715 holders of record of our Class A common stock, not including stockholders who beneficially own Class A common stock held in nominee or street name. As of February 14, 2011, 234,190,057 of the 238,435,208 outstanding shares of our Class B common stock were held by Charles W. Ergen, our Chairman, President and Chief Executive Officer and the remaining 4,245,151 were held in trusts established by Mr. Ergen for the benefit of his family. There is currently no trading market for our Class B common stock.

Dividend. On December 2, 2009, we paid a cash dividend of $2.00 per share, or approximately $894 million, on our outstanding Class A and Class B common stock to shareholders of record at the close of business on November 20, 2009.

While we currently do not intend to declare additional dividends on our common stock, we may elect to do so from time to time. Payment of any future dividends will depend upon our earnings and capital requirements, restrictions in our debt facilities, and other factors the Board of Directors considers appropriate. We currently intend to retain our earnings, if any, to support future growth and expansion although we expect to repurchases shares of our common stock from time to time. See further discussion under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" in this Annual Report on Form 10-K.

Securities Authorized for Issuance Under Equity Compensation Plans. See "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" in this Annual Report on Form 10-K.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information regarding purchases of our Class A common stock made by us for the period from October 1, 2010 through December 31, 2010.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (1)
		(In thousands, except share data)		
October 1, 2010 - October 31, 2010	—	$ —	—	$ 893,317
November 1, 2010	—	$ —	—	$ 893,317
November 2, 2010 - November 30, 2010	—	$ —	—	$ 1,000,000
December 1, 2010 - December 31, 2010	21,974	$ 18.01	21,974	$ 999,604
Total	21,974	$ 18.01	21,974	$ 999,604

(1) Our Board of Directors previously authorized stock repurchases of up to $1.0 billion of our Class A common stock. On November 2, 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 $1.0 billion of our outstanding shares of our Class A common stock through and including December 31, 2011. Purchases under our repurchase program may be made through open market purchases, privately negotiated transactions, or Rule 10b5-1 trading plans, subject to market conditions and other factors. We may elect not to purchase the maximum amount of shares allowable under this program and we may also enter into additional share repurchase programs authorized by our Board of Directors.

Item 6. SELECTED FINANCIAL DATA

The selected consolidated financial data as of and for each of the five years ended December 31, 2010 have been derived from, and are qualified by reference to our Consolidated Financial Statements. Certain prior year amounts have been reclassified to conform to the current year presentation. See further discussion under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Explanation of Key Metrics and Other Items" in this Annual Report on Form 10-K. This data should be read in conjunction with our Consolidated Financial Statements and related Notes thereto for the three years ended December 31, 2010, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this report.

	As of December 31,				
Balance Sheet Data	**2010**	**2009**	**2008**	**2007**	**2006**
			(In thousands)		
Cash, cash equivalents and current marketable investment securities	$ 2,940,377	$ 2,139,336	$ 559,132	$ 2,788,196	$ 3,032,570
Total assets	9,632,153	8,295,343	6,460,047	10,086,529	9,768,696
Long-term debt and capital lease obligations (including current portion)	6,514,936	6,496,564	5,007,756	6,125,704	6,967,321
Total stockholders' equity (deficit)	(1,133,443)	(2,091,688)	(1,949,106)	639,989	(219,383)

	For the Years Ended December 31,				
Statements of Operations Data	**2010**	**2009**	**2008**	**2007**	**2006**
			(In thousands, except per share amounts)		
Total revenue	$ 12,640,744	$ 11,664,151	$ 11,617,187	$ 11,090,375	$ 9,818,486
Total costs and expenses	10,699,916	10,277,221	9,561,007	9,516,971	8,601,115
Operating income (loss)	$ 1,940,828	$ 1,386,930	$ 2,056,180	$ 1,573,404	$ 1,217,371
Net income (loss) attributable to DISH Network common shareholders	$ 984,729	$ 635,545	$ 902,947	$ 756,054	$ 608,272
Basic net income (loss) per share attributable to DISH Network common shareholders	$ 2.21	$ 1.42	$ 2.01	$ 1.69	$ 1.37
Diluted net income (loss) per share attributable to DISH Network common shareholders	$ 2.20	$ 1.42	$ 1.98	$ 1.68	$ 1.37
Cash dividend per common share	$ —	$ 2.00	$ —	$ —	$ —

	For the Years Ended December 31,				
Other Data	**2010**	**2009**	**2008**	**2007**	**2006**
DISH Network subscribers, as of period end (in millions)	14.133	14.100	13.678	13.780	13.105
DISH Network subscriber additions, gross (in millions)	3.052	3.118	2.966	3.434	3.516
DISH Network subscriber additions, net (in millions)	0.033	0.422	(0.102)	0.675	1.065
Average monthly subscriber churn rate	1.76%	1.64%	1.86%	1.70%	1.64%
Average monthly revenue per subscriber ("ARPU")	$ 73.32	$ 70.04	$ 69.27	$ 65.83	$ 62.78
Average subscriber acquisition cost per subscriber ("SAC")	$ 776	$ 697	$ 720	$ 656	$ 686
Net cash flows from (in thousands):					
Operating activities	$ 2,139,802	$ 2,194,543	$ 2,188,344	$ 2,616,720	$ 2,279,242
Investing activities	$ (1,477,521)	$ (2,605,556)	$ (1,597,471)	$ (2,470,832)	$ (2,148,968)
Financing activities	$ (127,453)	$ 418,283	$ (1,411,841)	$ (976,016)	$ 1,022,147

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the audited consolidated financial statements and notes to the financial statements included elsewhere in this annual report. This management's discussion and analysis is intended to help provide an understanding of our financial condition, changes in financial condition and results of our operations and contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in this report, including under the caption "Item 1A. Risk Factors" in this Annual Report on Form 10-K.

EXECUTIVE SUMMARY

Overview

DISH Network added approximately 33,000 net new subscribers during the year ended December 31, 2010, compared to approximately 422,000 net new subscribers during the same period in 2009. This decrease primarily resulted from increased churn. Our average monthly subscriber churn rate for the year ended December 31, 2010 was 1.76%, compared to 1.64% for the same period in 2009. Churn increased during the year as a result of the increasingly competitive nature of our industry, the current economic conditions, multiple programming interruptions related to contract disputes with several content providers during the fourth quarter of 2010, and our 2010 price increases. In general, our churn rate is impacted by the quality of subscribers acquired in past quarters, our ability to provide strong customer service, and our ability to control piracy. Historically, we have experienced slightly higher churn in the months following the expiration of commitments for new subscribers. In February 2008, we extended our new subscriber commitment from 18 to 24 months. Consequently, during the second half of 2009, churn was positively impacted by, among other things, this increase in our new subscriber commitment period.

During the year ended December 31, 2010, DISH Network added approximately 3.052 million gross new subscribers compared to approximately 3.118 million gross new subscribers during the same period in 2009, a decrease of 2.1%. Our gross activations in 2010 were negatively impacted relative to 2009 by increased competitive pressures, including the aggressive marketing and the effectiveness of certain competitors' promotional offers, which included an increased level of discounts.

Programming costs continue to represent an increasing percentage of our "Subscriber-related expenses." Going forward, our margins may face further pressure if we are unable to renew our long-term programming contracts on favorable pricing and other economic terms. Additionally, our gross new subscriber additions and subscriber churn rate may be negatively impacted if we are unable to renew our long-term programming contracts before they expire. During the fourth quarter of 2010, our gross subscriber activations and subscriber churn were negatively impacted as a result of multiple programming interruptions related to contract disputes with several content providers.

As the pay-TV industry matures, we and our competitors increasingly must seek to attract a greater proportion of new subscribers from each other's existing subscriber bases rather than from first-time purchasers of pay-TV services. Some of our competitors have been especially aggressive by offering discounted programming and services for both new and existing subscribers. Furthermore, although we seek to remain the low cost provider in the pay-TV industry in the U.S., our price increases during 2010 along with our inability to effectively market our low cost position contributed to increased churn. In addition, programming offered over the Internet has become more prevalent as the speed and quality of broadband networks have improved. Significant changes in consumer behavior with regard to the means by which they obtain video entertainment and information in response to digital media competition could materially adversely affect our business, results of operations and financial condition or otherwise disrupt our business.

While economic factors have impacted the entire pay-TV industry, our relative performance has also been driven by issues specific to DISH Network. In the past, our subscriber growth has been adversely affected by signal theft and other forms of fraud and by operational inefficiencies at DISH Network.

To combat signal theft and improve the security of our broadcast system, we completed the replacement of our security access devices to re-secure our system during 2009. We expect that additional future replacements of these

devices will be necessary to keep our system secure. To combat other forms of fraud, we continue to monitor our third party distributors to ensure adherence to our business rules.

While we have made improvements in responding to and dealing with customer service issues, we continue to focus on the prevention of these issues, which is critical to our business, financial position and results of operations. To address our operational inefficiencies, we continue to focus on simplifying and standardizing our operations. For example, we have streamlined our hardware offerings and continue to make significant investments in staffing, training, information systems, and other initiatives, primarily in our call center and in-home service operations. These investments are intended to help combat inefficiencies introduced by the increasing complexity of our business, improve customer satisfaction, reduce churn, increase productivity and allow us to scale better over the long run. We cannot, however, be certain that our increased spending will ultimately be successful in yielding such returns.

We have been investing more in advanced technology equipment as part of our subscriber acquisition and retention efforts. Initiatives to transmit certain programming only in MPEG-4 and to activate most new subscribers only with MPEG-4 receivers have accelerated our deployment of MPEG-4 receivers. To meet current demand, we have increased the rate at which we upgrade existing subscribers to HD and DVR receivers. While these efforts may increase our subscriber acquisition and retention costs, we believe that they will help mitigate subscriber churn in the future and reduce costs over the long run.

We are also continuing to change equipment for certain subscribers to make more efficient use of transponder capacity in support of HD and other initiatives. We expect to continue these initiatives through 2011. We believe that the benefit from the increase in available transponder capacity outweighs the short-term cost of these equipment changes.

To maintain and enhance our competitiveness over the long term, we are promoting a suite of integrated products designed to maximize the convenience and ease of watching TV anytime and anywhere, referred to as "TV Everywhere." TV Everywhere utilizes, among other things, online access and Slingbox "placeshifting" technology. There can be no assurance that these integrated products will positively affect our results of operations or our gross new subscriber additions.

Liquidity Drivers

Like many companies, we make general investments in property such as satellites, information technology and facilities that support our overall business. As a subscriber-based company, however, we also make subscriber-specific investments to acquire new subscribers and retain existing subscribers. While the general investments may be deferred without impacting the business in the short-term, the subscriber-specific investments are less discretionary. Our overall objective is to generate sufficient cash flow over the life of each subscriber to provide an adequate return against the upfront investment. Once the upfront investment has been made for each subscriber, the subsequent cash flow is generally positive.

There are a number of factors that impact our future cash flow compared to the cash flow we generate at a given point in time. The first factor is how successful we are at retaining our current subscribers. As we lose subscribers from our existing base, the positive cash flow from that base is correspondingly reduced. The second factor is how successful we are at maintaining our subscriber-related margins. To the extent our "Subscriber-related expenses" grow faster than our "Subscriber-related revenue," the amount of cash flow that is generated per existing subscriber is reduced. The third factor is the rate at which we acquire new subscribers. The faster we acquire new subscribers, the more our positive ongoing cash flow from existing subscribers is offset by the negative upfront cash flow associated with new subscribers. Finally, our future cash flow is impacted by the rate at which we make general investments and any cash flow from financing activities.

Our subscriber-specific investments to acquire new subscribers have a significant impact on our cash flow. While fewer subscribers might translate into lower ongoing cash flow in the long-term, cash flow is actually aided, in the short-term, by the reduction in subscriber-specific investment spending. As a result, a slow down in our business due to external or internal factors does not introduce the same level of short-term liquidity risk as it might in other industries.

Availability of Credit and Effect on Liquidity

The ability to raise capital has generally existed for DISH Network despite the weak economic conditions. Because of the cash flow of our company and the absence of any material debt payments until October 2011, modest fluctuations in the cost of capital will not impact our current operational plans. Currently, we have no existing lines of credit, nor have we historically.

Future Liquidity

Our "Subscriber-related expenses" as a percentage of "Subscriber-related revenue" was 53.2% during the year ended December 31, 2010 compared to 55.1% during the same period in 2009. ARPU was positively impacted by price increases in February and June 2010. "Subscriber-related expenses" continued to be negatively impacted by increased programming costs and initiatives to improve customer service. We continue to focus on addressing operational inefficiencies specific to DISH Network, which we believe will contribute to long-term subscriber growth.

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 eliminate DVR functionality in all but approximately 192,000 digital set-top boxes in the field and cease distribution of digital set-top boxes with DVR functionality. In that event we would be at a significant disadvantage to our competitors who could continue offering DVR functionality, which would likely result in a significant decrease in new subscriber additions as well as a substantial loss of current subscribers. Furthermore, the inability to offer DVR functionality could cause certain of our distribution channels to terminate or significantly decrease their marketing of DISH Network services. The adverse effect on our financial position and results of operations if the District Court's contempt order is upheld is likely to be significant. Additionally, the supplemental damage award of $103 million and further award of approximately $200 million does not include damages, contempt sanctions or interest for the period after June 2009. In the event that we are unsuccessful in our appeal, we could also have to pay substantial additional damages, contempt sanctions and interest. Depending on the amount of any additional damage or sanction award or any monetary settlement, we may be required to raise additional capital at a time and in circumstances in which we would normally not raise capital. 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. We believe the cost of such capital and its terms and conditions may be substantially less attractive than our previous financings.

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 or could be required to modify or eliminate our then-current DVR functionality in some or all set-top boxes in the field. 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. We could also have to pay substantial additional damages.

Because both we and EchoStar are defendants in the Tivo lawsuit, we and EchoStar are jointly and severally liable to Tivo for any final damages and sanctions that may be awarded by the District Court. We have determined that we are obligated under the agreements entered into in connection with the Spin-off to indemnify EchoStar for substantially all liability arising from this lawsuit. EchoStar contributed an amount equal to its $5 million intellectual property liability limit under the Receiver Agreement. We and EchoStar have further agreed that EchoStar's $5 million contribution would not exhaust EchoStar's liability to us for other intellectual property claims that may arise under the Receiver Agreement. We and EchoStar 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.

If Voom prevails in its breach of contract suit against us, we could be required to pay substantial damages, which would have a material adverse affect on our financial position and results of operations. In January 2008, Voom HD Holdings ("Voom") filed a lawsuit against us in New York Supreme Court, alleging breach of contract and other

claims arising from our termination of the affiliation agreement governing carriage of certain Voom HD channels on the DISH Network satellite TV service. At that time, Voom also sought a preliminary injunction to prevent us from terminating the agreement. The Court denied Voom's request, finding, among other things, that Voom had not demonstrated that it was likely to prevail on the merits. In April 2010, we and Voom each filed motions for summary judgment. Voom later filed two motions seeking discovery sanctions. On November 9, 2010, the Court issued a decision denying both motions for summary judgment, but granting Voom's motions for discovery sanctions. The Court's decision provides for an adverse inference jury instruction at trial and precludes our damages expert from testifying at trial. We appealed the grant of Voom's motion for discovery sanctions to the New York State Supreme Court, Appellate Division, First Department. On February 15, 2011, the appellate Court granted our motion to stay the trial pending our appeal. Voom is claiming over $2.5 billion in damages.

We entered into an $87.5 million Credit Facility with DBSD North America on February 1, 2011. The Credit Facility remains subject to approval by the Bankruptcy Court. In addition, on February 1, 2011 we committed to acquire 100% of the equity of reorganized DBSD North America for approximately $1.0 billion subject to certain adjustments, including interest accruing on DBSD North America's existing debt. This transaction is to be completed upon satisfaction of certain conditions, including approval by the FCC and DBSD North America's emergence from bankruptcy. See Note 18 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K for further discussion.

The Spin-off. On January 1, 2008, we completed the distribution of our technology and set-top box business and certain infrastructure assets (the "Spin-off") into a separate publicly-traded company, EchoStar. DISH Network and EchoStar operate 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, President and Chief Executive Officer or by certain trusts established by Mr. Ergen for the benefit of his family.

EXPLANATION OF KEY METRICS AND OTHER ITEMS

Subscriber-related revenue . "Subscriber-related revenue" consists principally of revenue from basic, premium movie, local, HD programming, pay-per-view, Latino and international subscription television services, equipment rental fees and other hardware related fees, including fees for DVRs, equipment upgrade fees and additional outlet fees from subscribers with multiple receivers, advertising services, fees earned from our in-home service operations and other subscriber revenue. Certain of the amounts included in "Subscriber-related revenue" are not recurring on a monthly basis.

Equipment sales and other revenue . "Equipment sales and other revenue" principally includes the non-subsidized sales of DBS accessories to retailers and other third-party distributors of our equipment domestically and to DISH Network subscribers.

Equipment sales, services and other revenue — EchoStar. "Equipment sales, services and other revenue — EchoStar" includes revenue related to equipment sales, professional services, and other agreements with EchoStar.

Subscriber-related expenses . "Subscriber-related expenses" principally include programming expenses, costs incurred in connection with our in-home service and call center operations, billing costs, refurbishment and repair costs related to receiver systems, subscriber retention and other variable subscriber expenses.

Satellite and transmission expenses — EchoStar . "Satellite and transmission expenses — EchoStar" includes the cost of leasing satellite and transponder capacity from EchoStar and the cost of digital broadcast operations provided to us by EchoStar, including satellite uplinking/downlinking, signal processing, conditional access management, telemetry, tracking and control, and other professional services.

Satellite and transmission expenses — other . "Satellite and transmission expenses — other" includes executory costs associated with capital leases and costs associated with transponder leases and other related services.

Equipment, services and other cost of sales. "Equipment, services and other cost of sales" principally includes the cost of non-subsidized sales of DBS accessories to retailers and other third-party distributors of our equipment

domestically and to DISH Network subscribers. In addition, this category includes costs related to equipment sales, professional services, and other agreements with EchoStar.

Subscriber acquisition costs . In addition to leasing receivers, we generally subsidize installation and all or a portion of the cost of our receiver systems to attract new DISH Network subscribers. Our "Subscriber acquisition costs" include the cost of our receiver systems sold to retailers and other third-party distributors of our equipment, the cost of receiver systems sold directly by us to subscribers, including net costs related to our promotional incentives, costs related to our direct sales efforts and costs related to installation and acquisition advertising. We exclude the value of equipment capitalized under our lease program for new subscribers from "Subscriber acquisition costs."

SAC. Subscriber acquisition cost measures are commonly used by those evaluating companies in the pay-TV industry. We are not aware of any uniform standards for calculating the "average subscriber acquisition costs per new subscriber activation," or SAC, and we believe presentations of SAC may not be calculated consistently by different companies in the same or similar businesses. Our SAC is calculated as "Subscriber acquisition costs," plus the value of equipment capitalized under our lease program for new subscribers, divided by gross new subscriber additions. We include all the costs of acquiring subscribers (e.g., subsidized and capitalized equipment) as our management believes it is a more comprehensive measure of how much we are spending to acquire subscribers. We also include all new DISH Network subscribers in our calculation, including DISH Network subscribers added with little or no subscriber acquisition costs.

General and administrative expenses . "General and administrative expenses" consists primarily of employee-related costs associated with administrative services such as legal, information systems, accounting and finance, including non-cash, stock-based compensation expense. It also includes outside professional fees (e.g., legal, information systems and accounting services) and other items associated with facilities and administration.

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" primarily includes interest expense, prepayment premiums and amortization of debt issuance costs associated with our senior debt and convertible subordinated debt securities (net of capitalized interest), and interest expense associated with our capital lease obligations.

Other, net. The main components of "Other, net" are gains and losses realized on the sale of investments, impairment of marketable and non-marketable investment securities, unrealized gains and losses from changes in fair value of marketable and non-marketable strategic investments accounted for at fair value, and equity in earnings and losses of our affiliates.

Earnings before interest, taxes, depreciation and amortization ("EBITDA"). EBITDA is defined as "Net income (loss) attributable to DISH Network common shareholders" plus "Interest expense, net of amounts capitalized" net of "Interest income," "Taxes" and "Depreciation and amortization." This "non-GAAP measure" is reconciled to "Net income (loss) attributable to DISH Network common shareholders" in our discussion of "Results of Operations" below.

DISH Network subscribers. We include customers obtained through direct sales, third-party retailers and other third-party distribution relationships in our DISH Network subscriber count. We also provide DISH Network service to hotels, motels and other commercial accounts. For certain of these commercial accounts, we divide our total revenue for these commercial accounts by an amount approximately equal to the retail price of our America's Top 120 programming package (but taking into account, periodically, price changes and other factors), and include the resulting number, which is substantially smaller than the actual number of commercial units served, in our DISH Network subscriber count.

Average monthly revenue per subscriber ("ARPU") . We are not aware of any uniform standards for calculating ARPU and believe presentations of ARPU may not be calculated consistently by other companies in the same or similar businesses. We calculate average monthly revenue per subscriber, or ARPU, by dividing average monthly "Subscriber-related revenue" for the period (total "Subscriber-related revenue" during the period divided by the number of months in the period) by our average DISH Network subscribers for the period. Average DISH Network subscribers are calculated for the period by adding the average DISH Network subscribers for each month and

dividing by the number of months in the period. Average DISH Network subscribers for each month are calculated by adding the beginning and ending DISH Network subscribers for the month and dividing by two.

Average monthly subscriber churn rate. We are not aware of any uniform standards for calculating subscriber churn rate and believe presentations of subscriber churn rates may not be calculated consistently by different companies in the same or similar businesses. We calculate subscriber churn rate for any period by dividing the number of DISH Network subscribers who terminated service during the period by the average DISH Network subscribers for the same period, and further dividing by the number of months in the period. When calculating subscriber churn, the same methodology for calculating average DISH Network subscribers is used as when calculating ARPU.

Free cash flow . We define free cash flow as "Net cash flows from operating activities" less "Purchases of property and equipment," as shown on our Consolidated Statements of Cash Flows.

RESULTS OF OPERATIONS

Year Ended December 31, 2010 Compared to the Year Ended December 31, 2009.

Statements of Operations Data	For the Years Ended December 31, 2010	2009	Variance Amount	%
		(In thousands)		
Revenue:				
Subscriber-related revenue	$ 12,543,794	$ 11,538,729	$ 1,005,065	8.7
Equipment sales and other revenue	59,770	97,863	(38,093)	(38.9)
Equipment sales, services and other revenue - EchoStar	37,180	27,559	9,621	34.9
Total revenue	12,640,744	11,664,151	976,593	8.4
Costs and Expenses:				
Subscriber-related expenses	6,676,145	6,359,329	316,816	5.0
% of Subscriber-related revenue	**53.2%**	**55.1%**		
Satellite and transmission expenses - EchoStar	418,358	319,752	98,606	30.8
% of Subscriber-related revenue	**3.3%**	**2.8%**		
Satellite and transmission expenses - Other	40,249	33,672	6,577	19.5
% of Subscriber-related revenue	**0.3%**	**0.3%**		
Equipment, services and other cost of sales	76,406	121,238	(44,832)	(37.0)
Subscriber acquisition costs	1,653,494	1,539,562	113,932	7.4
General and administrative expenses	625,843	602,611	23,232	3.9
% of Total revenue	**5.0%**	**5.2%**		
Litigation expense	225,456	361,024	(135,568)	(37.6)
Depreciation and amortization	983,965	940,033	43,932	4.7
Total costs and expenses	10,699,916	10,277,221	422,695	4.1
Operating income (loss)	1,940,828	1,386,930	553,898	39.9
Other Income (Expense):				
Interest income	25,158	30,034	(4,876)	(16.2)
Interest expense, net of amounts capitalized	(454,777)	(388,425)	(66,352)	(17.1)
Other, net	30,996	(15,707)	46,703	NM
Total other income (expense)	(398,623)	(374,098)	(24,525)	(6.6)
Income (loss) before income taxes	1,542,205	1,012,832	529,373	52.3
Income tax (provision) benefit, net	(557,473)	(377,429)	(180,044)	(47.7)
Effective tax rate	**36.1%**	**37.3%**		
Net income (loss)	984,732	635,403	349,329	55.0
Less: Net income (loss) attributable to noncontrolling interest	3	(142)	145	NM
Net income (loss) attributable to DISH Network common shareholders	$ 984,729	$ 635,545	$ 349,184	54.9
Other Data:				
DISH Network subscribers, as of period end (in millions)	14.133	14.100	0.033	0.2
DISH Network subscriber additions, gross (in millions)	3.052	3.118	(0.066)	(2.1)
DISH Network subscriber additions, net (in millions)	0.033	0.422	(0.389)	(92.2)
Average monthly subscriber churn rate	1.76%	1.64%	0.12%	7.3
Average monthly revenue per subscriber ("ARPU")	$ 73.32	$ 70.04	$ 3.28	4.7
Average subscriber acquisition cost per subscriber ("SAC")	$ 776	$ 697	$ 79	11.3
EBITDA	$ 2,955,786	$ 2,311,398	$ 644,388	27.9

DISH Network subscribers . As of December 31, 2010, we had approximately 14.133 million DISH Network subscribers compared to approximately 14.100 million subscribers at December 31, 2009, an increase of 0.2%. During the year ended December 31, 2010, DISH Network added approximately 3.052 million gross new subscribers compared to approximately 3.118 million gross new subscribers during the same period in 2009, a decrease of 2.1%. Our gross activations in 2010 were negatively impacted relative to 2009 by increased competitive pressures, including the aggressive marketing and the effectiveness of certain competitors' promotional offers, which included an increased level of discounts. DISH Network added approximately 33,000 net new subscribers during the year ended December 31, 2010, compared to approximately 422,000 net new subscribers during the same period in 2009. This decrease primarily resulted from increased churn.

Our average monthly subscriber churn rate for the year ended December 31, 2010 was 1.76%, compared to 1.64% for the same period in 2009. Churn increased during the year as a result of the increasingly competitive nature of our industry, the current economic conditions, multiple programming interruptions related to contract disputes with several content providers during the fourth quarter of 2010, and our 2010 price increases. In general, our churn rate is impacted by the quality of subscribers acquired in past quarters, our ability to provide strong customer service, and our ability to control piracy. Historically, we have experienced slightly higher churn in the months following the expiration of commitments for new subscribers. In February 2008, we extended our new subscriber commitment from 18 to 24 months. Consequently, during the second half of 2009, churn was positively impacted by, among other things, this increase in our new subscriber commitment period.

When the size of our subscriber base increases, even if our subscriber churn rate remains constant, increasing numbers of gross new DISH Network subscribers are required to sustain net subscriber growth.

We have not always met our own standards for performing high-quality installations, effectively resolving subscriber issues when they arise, answering subscriber calls in an acceptable timeframe, effectively communicating with our subscriber base, reducing calls driven by the complexity of our business, improving the reliability of certain systems and subscriber equipment, and aligning the interests of certain third party retailers and installers to provide high-quality service. Most of these factors have affected both gross new subscriber additions as well as existing subscriber churn. Our future gross new subscriber additions and subscriber churn may be negatively impacted by these factors, which could in turn adversely affect our revenue growth.

Subscriber-related revenue. DISH Network "Subscriber-related revenue" totaled $12.544 billion for the year ended December 31, 2010, an increase of $1.005 billion or 8.7% compared to the same period in 2009. This change was primarily related to the increase in "ARPU" discussed below as well as a larger average subscriber base during the year ended December 31, 2010 compared to the same period in 2009.

ARPU . "Average monthly revenue per subscriber" was $73.32 during the year ended December 31, 2010 versus $70.04 during the same period in 2009. The $3.28 or 4.7% increase in ARPU was primarily attributable to price increases in February and June 2010 and changes in the sales mix toward more advanced hardware offerings. ARPU increased as a result of higher hardware related fees which include rental fees, fees earned from our in-home service operations, and fees for DVRs. This increase was partially offset by increases in the amount of promotional discounts on programming offered to our new subscribers.

Equipment sales and other revenue . "Equipment sales and other revenue" totaled $60 million during the year ended December 31, 2010, a decrease of $38 million or 38.9% compared to the same period in 2009. The decrease in "Equipment sales and other revenue" primarily resulted from a decline in the sales of non-subsidized DBS receivers and accessories, and digital converter boxes in 2010 compared to the same period in 2009.

Subscriber-related expenses. "Subscriber-related expenses" totaled $6.676 billion during the year ended December 31, 2010, an increase of $317 million or 5.0% compared to the same period in 2009. The increase in "Subscriber-related expenses" was primarily attributable to higher programming costs. The increase in programming costs was driven by rate increases in certain of our programming contracts, including the renewal of certain contracts at higher rates and by a larger average subscriber base. This increase was partially offset by reduced costs related to our call centers, customer retention, and in-home service operations. We continue to address our operational inefficiencies by streamlining our hardware offerings and making significant investments in staffing, training, information systems and other initiatives, primarily in our call centers and in-home service operations. "Subscriber-related expenses"

represented 53.2% and 55.1% of "Subscriber-related revenue" during the years ended December 31, 2010 and 2009, respectively. The improvement in this expense to revenue ratio primarily resulted from an increase in "Subscriber-related revenue" and the reduced costs discussed above, partially offset by higher programming costs.

In the normal course of business, we enter into contracts to purchase programming content in which our payment obligations are fully contingent on the number of subscribers to whom we provide the respective content. Our programming expenses will continue to increase to the extent we are successful in growing our subscriber base. In addition, our "Subscriber-related expenses" may face further upward pressure from price increases and the renewal of long-term programming contracts on less favorable pricing terms.

Satellite and transmission expenses — EchoStar. "Satellite and transmission expenses — EchoStar" totaled $418 million during the year ended December 31, 2010, an increase of $99 million or 30.8% compared to the same period in 2009. The increase in "Satellite and transmission expenses — EchoStar" is related to an increase in transponder capacity leased from EchoStar primarily related to the Nimiq 5 satellite, which was placed into service in October 2009, an increase in monthly lease rates per transponder on certain satellites based on the terms of our amended lease agreements and the increase in uplink services. The increase in uplink services was primarily attributable to the launch of additional local channels and increased costs related to additional satellites being placed into service. See Note 17 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K for further discussion. "Satellite and transmission expenses — EchoStar" as a percentage of "Subscriber-related revenue" increased to 3.3% in 2010 from 2.8% in 2009 primarily as a result of the increase in expenses discussed above.

Equipment, services and other cost of sales. "Equipment, services and other cost of sales" totaled $76 million during the year ended December 31, 2010, a decrease of $45 million or 37.0% compared to the same period in 2009. This decrease in "Equipment, services and other cost of sales" primarily resulted from a decline in the sales of non-subsidized DBS receivers and accessories and in sales of digital converter boxes, and lower charges for slow moving and obsolete inventory in 2010 compared to the same period in 2009.

Subscriber acquisition costs. "Subscriber acquisition costs" totaled $1.653 billion for the year ended December 31, 2010, an increase of $114 million or 7.4% compared to the same period in 2009. This increase was primarily attributable to higher SAC discussed below, partially offset by the decline in gross new subscriber additions.

SAC. SAC was $776 during the year ended December 31, 2010 compared to $697 during the same period in 2009, an increase of $79 or 11.3%. This increase was primarily attributable to increased advertising and hardware costs per activation.

During the years ended December 31, 2010 and 2009, the amount of equipment capitalized under our lease program for new subscribers totaled $716 million and $634 million, respectively. This increase in capital expenditures under our lease program for new subscribers resulted primarily from an increase in hardware costs per activation, which was driven by an increase in the deployment of more advanced set-top boxes, such as HD receivers and HD DVRs, and a decrease in the redeployment of remanufactured receivers. The increase in the deployment of more advanced set-top boxes was partially driven by our HD Free for Life promotion, which began during June 2010.

Capital expenditures resulting from our equipment lease program for new subscribers were partially mitigated by the redeployment of equipment returned by disconnecting lease program subscribers. However, to remain competitive we upgrade or replace subscriber equipment periodically as technology changes, and the costs associated with these upgrades may be substantial. To the extent technological changes render a portion of our existing equipment obsolete, we would be unable to redeploy all returned equipment and consequently would realize less benefit from the SAC reduction associated with redeployment of that returned lease equipment.

Our SAC calculation does not reflect any benefit from payments we received in connection with equipment not returned to us from disconnecting lease subscribers and returned equipment that is made available for sale or used in our existing customer lease program rather than being redeployed through our new lease program. During the years ended December 31, 2010 and 2009, these amounts totaled $108 million and $94 million, respectively.

We have been deploying receivers that utilize 8PSK modulation technology and receivers that utilize MPEG-4 compression technology for several years. These technologies, when fully deployed, will allow more programming

channels to be carried over our existing satellites. A majority of our customers today, however, do not have receivers that use MPEG-4 compression and a smaller but still significant percentage do not have receivers that use 8PSK modulation. We may choose to invest significant capital to accelerate the conversion of customers to MPEG-4 and/or 8PSK to realize the bandwidth benefits sooner. In addition, given that all of our HD content is broadcast in MPEG-4, any growth in HD penetration will naturally accelerate our transition to these newer technologies and may increase our subscriber acquisition and retention costs. All new receivers that we have purchased from EchoStar since 2009 utilize MPEG-4 technology. Although we continue to refurbish and redeploy MPEG-2 receivers, as a result of our HD initiatives and current promotions, we currently activate most new customers with higher priced MPEG-4 technology. This limits our ability to redeploy MPEG-2 receivers and, to the extent that our promotions are successful, will accelerate the transition to MPEG-4 technology, resulting in an adverse effect on our SAC.

Our "Subscriber acquisition costs" and "SAC" may materially increase in the future to the extent that we transition to newer technologies, introduce more aggressive promotions, or provide greater equipment subsidies. See further discussion under *"Liquidity and Capital Resources — Subscriber Acquisition and Retention Costs."*

Litigation expense. "Litigation expense" totaled $225 million during the year ended December 31, 2010, a $136 million or 37.6% decrease compared to the same period in 2009. "Litigation expense" during 2009 included expense related to the Tivo litigation for the period from April 2008 to June 2009 for supplemental damages, contempt sanctions and interest expense. See Note 14 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K for further discussion.

Depreciation and amortization. "Depreciation and amortization" expense totaled $984 million during the year ended December 31, 2010, a $44 million or 4.7% increase compared to the same period in 2009. The change in "Depreciation and amortization" expense was primarily due to an increase in depreciation on satellites, as a result of EchoStar XIV and EchoStar XV being placed into service and on equipment leased to subscribers.

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" totaled $455 million during the year ended December 31, 2010, an increase of $66 million or 17.1% compared to the same period in 2009. This change primarily resulted from an increase in interest expense related to the issuance of debt during the second half of 2009.

Other, net. "Other, net" income totaled $31 million during the year ended December 31, 2010, an increase of $47 million compared to the same period in 2009. This increase primarily resulted from lower impairment charges on marketable and other investment securities of $28 million and higher realized and unrealized gains of marketable and other investment securities in 2010 compared to 2009.

Earnings before interest, taxes, depreciation and amortization . EBITDA was $2.956 billion during the year ended December 31, 2010, an increase of $644 million or 27.9% compared to the same period in 2009. The following table reconciles EBITDA to the accompanying financial statements.

	For the Years Ended December 31,	
	2010	2009
	(In thousands)	
EBITDA	$ 2,955,786	$ 2,311,398
Interest expense, net	(429,619)	(358,391)
Income tax (provision) benefit, net	(557,473)	(377,429)
Depreciation and amortization	(983,965)	(940,033)
Net income (loss) attributable to DISH Network common shareholders	$ 984,729	$ 635,545

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. EBITDA is used as a measurement of operating efficiency and overall financial performance and we believe it to be a helpful measure for those evaluating companies in the pay-TV industry. 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.

Income tax (provision) benefit, net. Our income tax provision was $557 million during the year ended December 31, 2010, an increase of $180 million compared to the same period in 2009. The increase in the provision was primarily related to the increase in "Income (loss) before income taxes."

Net income (loss) attributable to DISH Network common shareholders. " Net income (loss) attributable to DISH Network common shareholders" was $985 million during the year ended December 31, 2010, an increase of $349 million compared to $636 million for the same period in 2009. The increase was primarily attributable to the changes in revenue and expenses discussed above.

Year Ended December 31, 2009 Compared to the Year Ended December 31, 2008.

Statements of Operations Data	For the Years Ended December 31, 2009	2008	Variance Amount	%
		(In thousands)		
Revenue:				
Subscriber-related revenue	$ 11,538,729	$ 11,455,575	$ 83,154	0.7
Equipment sales and other revenue	97,863	124,261	(26,398)	(21.2)
Equipment sales, services and other revenue - EchoStar	27,559	37,351	(9,792)	(26.2)
Total revenue	11,664,151	11,617,187	46,964	0.4
Costs and Expenses:				
Subscriber-related expenses	6,359,329	5,977,355	381,974	6.4
% of Subscriber-related revenue	**55.1%**	**52.2%**		
Satellite and transmission expenses - EchoStar	319,752	305,322	14,430	4.7
% of Subscriber-related revenue	**2.8%**	**2.7%**		
Satellite and transmission expenses - Other	33,672	32,407	1,265	3.9
% of Subscriber-related revenue	**0.3%**	**0.3%**		
Equipment, services and other cost of sales	121,238	169,917	(48,679)	(28.6)
Subscriber acquisition costs	1,539,562	1,531,741	7,821	0.5
General and administrative expenses	602,611	544,035	58,576	10.8
% of Total revenue	**5.2%**	**4.7%**		
Litigation expense	361,024	—	361,024	NM
Depreciation and amortization	940,033	1,000,230	(60,197)	(6.0)
Total costs and expenses	10,277,221	9,561,007	716,214	7.5
Operating income (loss)	1,386,930	2,056,180	(669,250)	(32.5)
Other Income (Expense):				
Interest income	30,034	51,217	(21,183)	(41.4)
Interest expense, net of amounts capitalized	(388,425)	(369,878)	(18,547)	(5.0)
Other, net	(15,707)	(168,713)	153,006	90.7
Total other income (expense)	(374,098)	(487,374)	113,276	23.2
Income (loss) before income taxes	1,012,832	1,568,806	(555,974)	(35.4)
Income tax (provision) benefit, net	(377,429)	(665,859)	288,430	43.3
Effective tax rate	**37.3%**	**42.4%**		
Net income (loss)	635,403	902,947	(267,544)	(29.6)
Less: Net income (loss) attributable to noncontrolling interest	(142)	—	(142)	NM
Net income (loss) attributable to DISH Network common shareholders	$ 635,545	$ 902,947	$ (267,402)	(29.6)
Other Data:				
DISH Network subscribers, as of period end (in millions)	14.100	13.678	0.422	3.1
DISH Network subscriber additions, gross (in millions)	3.118	2.966	0.152	5.1
DISH Network subscriber additions, net (in millions)	0.422	(0.102)	0.524	NM
Average monthly subscriber churn rate	1.64%	1.86%	(0.22)%	(11.8)
Average monthly revenue per subscriber ("ARPU")	$ 70.04	$ 69.27	$ 0.77	1.1
Average subscriber acquisition cost per subscriber ("SAC")	$ 697	$ 720	$ (23)	(3.2)
EBITDA	$ 2,311,398	$ 2,887,697	$ (576,299)	(20.0)

DISH Network subscribers. As of December 31, 2009, we had approximately 14.100 million DISH Network subscribers compared to approximately 13.678 million subscribers at December 31, 2008, an increase of 3.1%. DISH Network added approximately 3.118 million gross new subscribers for the year ended December 31, 2009, compared to approximately 2.966 million during the same period in 2008, an increase of 5.1%.

DISH Network added approximately 422,000 net new subscribers during the year ended December 31, 2009, compared to a loss of approximately 102,000 net new subscribers during the same period in 2008 as a result of higher gross subscriber additions and reduced churn. Our increased gross subscriber additions were primarily a result of our sales and marketing promotions during the last half of 2009. Our average monthly subscriber churn rate for the year ended December 31, 2009 was 1.64%, compared to 1.86% for the same period in 2008. Churn was positively impacted by, among other things, the completion of our security access device replacement program, an increase in our new subscriber commitment period and initiatives to retain subscribers. Historically, we have experienced slightly higher churn in the months following the expiration of commitments for new subscribers. In February 2008, we extended the required new subscriber commitment from 18 to 24 months. During the last half of 2009, due to the change in promotional mix, we had fewer expiring new subscriber commitments.

Subscriber-related revenue. DISH Network "Subscriber-related revenue" totaled $11.539 billion for the year ended December 31, 2009, an increase of $83 million or 0.7% compared to the same period in 2008. This change was primarily related to the increase in "ARPU" discussed below, partially offset by the decline in our subscriber base from second quarter 2008 through first quarter 2009.

ARPU. "Average monthly revenue per subscriber" was $70.04 during the year ended December 31, 2009 versus $69.27 during the same period in 2008. The $0.77 or 1.1% increase in ARPU was primarily attributable to price increases in February 2009 and 2008 on some of our most popular programming packages and changes in the sales mix toward HD programming packages and advanced hardware offerings. As a result of our promotions, which provided an incentive for advanced hardware offerings, we continued to see increased hardware related fees, which included fees earned from our in-home service operations, rental fees and fees for DVRs. These increases were partially offset by increases in the amount of promotional discounts on programming offered to our new subscribers and retention initiatives offered to existing subscribers, and by decreases in premium movie revenue and pay-per-view buys.

Equipment sales and other revenue. "Equipment sales and other revenue" totaled $98 million during the year ended December 31, 2009, a decrease of $26 million or 21.2% compared to the same period during 2008. The decrease in "Equipment sales and other revenue" primarily resulted from a decrease in sales of non-subsidized DBS accessories.

Subscriber-related expenses. "Subscriber-related expenses" totaled $6.359 billion during the year ended December 31, 2009, an increase of $382 million or 6.4% compared to the same period 2008. The increase in "Subscriber-related expenses" was primarily attributable to higher costs for programming content and call center operations. The increase in programming content costs was primarily related to price increases in certain of our programming contracts and the renewal of certain contracts at higher rates. The increases related to call center operations were driven in part by our investments in staffing, training, information systems, and other initiatives. "Subscriber-related expenses" represented 55.1% and 52.2% of "Subscriber-related revenue" during the years ended December 31, 2009 and 2008, respectively.

Satellite and transmission expenses - EchoStar. "Satellite and transmission expenses - EchoStar" totaled $320 million during the year ended December 31, 2009, an increase of $14 million or 4.7% compared to 2008. The increase in "Satellite and transmission expenses — EchoStar" is primarily related to higher uplink center costs, partially offset by fewer transponders leased during the year ended December 31, 2009 compared to the same period in 2008. The higher uplink center costs were primarily associated with an increase in the charges from EchoStar related to infrastructure costs for new ground equipment to support our new satellites and the routine replacement of existing uplink equipment. The decline in transponder lease expense primarily relates to a reduction in the number of transponders leased as a result of the launch of an owned satellite. This decrease was partially offset by the increase in expense related to the Nimiq 5 satellite, which was placed in service in October 2009. "Satellite and transmission expenses - EchoStar" as a percentage of "Subscriber-related revenue" increased to 2.8% in 2009 from 2.7% in 2008.

Equipment, services and other cost of sales. "Equipment, services and other cost of sales" totaled $121 million during the year ended December 31, 2009, a decrease of $49 million or 28.6% compared to the same period in 2008. This decrease in "Equipment, services and other cost of sales" primarily resulted from lower non-subsidized sales of DBS accessories, a decline in charges for slow moving and obsolete inventory and a decrease in services provided to EchoStar under our transition services agreement with EchoStar.

Subscriber acquisition costs. "Subscriber acquisition costs" totaled $1.540 billion for the year ended December 31, 2009, an increase of $8 million or 0.5% compared to the same period in 2008. This increase was primarily attributable to the increase in gross new subscribers discussed previously, partially offset by lower SAC discussed below.

SAC. SAC was $697 during the year ended December 31, 2009 compared to $720 during the same period in 2008, a decrease of $23, or 3.2%. This decrease was primarily attributable to a change in sales channel mix and a decrease in hardware costs per activation, partially offset by an increase in advertising costs. The decrease in hardware cost per activation was driven by a reduction in manufacturing costs for new receivers and due to more cost-effective deployment of set-top boxes, requiring less equipment per subscriber. These decreases in hardware costs were partially offset by an increase in deployment of more advanced set-top boxes, such as HD receivers and HD DVRs.

During the years ended December 31, 2009 and 2008, the amount of equipment capitalized under our lease program for new subscribers totaled $634 million and $604 million, respectively. This increase in capital expenditures under our lease program for new subscribers resulted primarily from the increase in gross new subscribers.

Our SAC calculation does not reflect any benefit from payments we received in connection with equipment not returned to us from disconnecting lease subscribers and returned equipment that is made available for sale or used in our existing customer lease program rather than being redeployed through our new lease program. During the years ended December 31, 2009 and 2008, these amounts totaled $94 million and $128 million, respectively.

General and administrative expenses. "General and administrative expenses" totaled $603 million during the year ended December 31, 2009, an increase of $59 million or 10.8% compared to the same period in 2008. This increase was primarily attributable to additional costs to support the DISH Network television service including personnel costs and professional fees. "General and administrative expenses" represented 5.2% and 4.7% of "Total revenue" during the years ended December 31, 2009 and 2008, respectively. The increase in the ratio of the expenses to "Total revenue" was primarily attributable to the increase in expenses discussed above.

Litigation expense. We recorded $361 million of "Litigation expense" during the year ended December 31, 2009 for supplemental damages, contempt sanctions and interest. See Note 14 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K for further discussion.

Depreciation and amortization. "Depreciation and amortization" expense totaled $940 million during the year ended December 31, 2009, a $60 million or 6.0% decrease compared to the same period in 2008. The decrease in "Depreciation and amortization" expense was primarily due to the declines in depreciation expense related to set-top boxes used in our lease programs and the abandonment of a software development project during 2008 that was designed to support our IT systems. The decrease related to set-top boxes was primarily attributable to capitalization of a higher mix of new advanced equipment in 2009 compared to the same period in 2008, which has a longer estimated useful life. In addition, the satellite depreciation expense declined due to the retirements of certain satellites from commercial service, almost entirely offset by depreciation expense associated with satellites placed in service in 2008.

Interest income. "Interest income" totaled $30 million during the year ended December 31, 2009, a decrease of $21 million or 41.4% compared to the same period in 2008. This decrease principally resulted from lower percentage returns earned on our cash and marketable investment securities, partially offset by higher average cash and marketable investment securities balances during the year ended December 31, 2009.

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" totaled $388 million during the year ended December 31, 2009, an increase of $19 million or 5.0% compared to the same period in 2008. This change primarily resulted from an increase in interest expense related to the issuance of debt during 2009 and

2008 and the Ciel II capital lease, partially offset by a decrease in interest expense associated with 2008 debt redemptions.

Other, net. "Other, net" expense totaled $16 million during the year ended December 31, 2009 compared to $169 million in 2008, a decrease of $153 million. This decrease primarily resulted from $178 million less in impairment charges on marketable and other investment securities, partially offset by $33 million less in net gains on the sale and exchanges of investments in 2009 compared to 2008.

Earnings before interest, taxes, depreciation and amortization . EBITDA was $2.311 billion during the year ended December 31, 2009, a decrease of $576 million or 20.0% compared to the same period in 2008. EBITDA for the year ended December 31, 2009 was negatively impacted by the $361 million "Litigation expense." The following table reconciles EBITDA to the accompanying financial statements.

	For the Years Ended December 31,	
	2009	2008
	(In thousands)	
EBITDA	$ 2,311,398	$ 2,887,697
Interest expense, net	(358,391)	(318,661)
Income tax (provision) benefit, net	(377,429)	(665,859)
Depreciation and amortization	(940,033)	(1,000,230)
Net income (loss) attributable to DISH Network common shareholders	$ 635,545	$ 902,947

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. EBITDA is used as a measurement of operating efficiency and overall financial performance and we believe it to be a helpful measure for those evaluating companies in the pay-TV industry. 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.

Income tax (provision) benefit, net. Our income tax provision was $377 million during the year ended December 31, 2009, a decrease of $288 million compared to the same period in 2008. The decrease in the provision was primarily related to the decrease in "Income (loss) before income taxes" and a decrease in our effective tax rate. During the year ended December 31, 2008, our effective tax rate was negatively impacted by the establishment of an $80 million valuation allowance against deferred tax assets, which are capital in nature.

Net income (loss) attributable to DISH Network common shareholders. " Net income (loss) attributable to DISH Network common shareholders" was $636 million during the year ended December 31, 2009, a decrease of $267 million compared to $903 million for the same period in 2008. The decrease was primarily attributable to the changes in revenue and expenses discussed above.

LIQUIDITY AND CAPITAL RESOURCES

Cash, Cash Equivalents and Current Marketable Investment Securities

We consider all liquid investments purchased within 90 days of their maturity to be cash equivalents. See "Item 7A. — Quantitative and Qualitative Disclosures About Market Risk" for further discussion regarding our marketable investment securities. As of December 31, 2010, our cash, cash equivalents and current marketable investment securities totaled $2.940 billion compared to $2.139 billion as of December 31, 2009, an increase of $801 million. This increase in cash, cash equivalents and current marketable investment securities was primarily related to cash generated from operations of $2.140 billion, partially offset by capital expenditures of $1.216 billion, including the $103 million assignment from EchoStar of certain rights under a launch contract, and by repurchases of our Class A common stock totaling $107 million.

We have investments in various debt and equity instruments including corporate bonds, corporate equity securities, government bonds, and variable rate demand notes ("VRDNs"). 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. As of December 31, 2010 and 2009, we held VRDNs, within our current marketable investment securities portfolio, with fair values of $1.334 billion and $1.054 billion, respectively.

The following discussion highlights our cash flow activities during the years ended December 31, 2010, 2009 and 2008.

Free Cash Flow

We define free cash flow as "Net cash flows from operating activities" less "Purchases of property and equipment," as shown on our Consolidated Statements of Cash Flows. We believe free cash flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repay debt obligations, make investments, fund acquisitions and for certain other activities. Free cash flow is not a measure determined in accordance with GAAP and should not be considered a substitute for "Operating income," "Net income," "Net cash flows from operating activities" or any other measure determined in accordance with GAAP. Since free cash flow includes investments in operating assets, we believe this non-GAAP liquidity measure is useful in addition to the most directly comparable GAAP measure "Net cash flows from operating activities."

During the years ended December 31, 2010, 2009 and 2008, free cash flow was significantly impacted by changes in operating assets and liabilities and in "Purchases of property and equipment" as shown in the "Net cash flows from operating activities" and "Net cash flows from investing" sections, respectively, of our Consolidated Statements of Cash Flows included herein. Operating asset and liability balances can fluctuate significantly from period to period and there can be no assurance that free cash flow will not be negatively impacted by material changes in operating assets and liabilities in future periods, since these changes depend upon, among other things, management's timing of payments and control of inventory levels, and cash receipts. In addition to fluctuations resulting from changes in operating assets and liabilities, free cash flow can vary significantly from period to period depending upon, among other things, subscriber growth, subscriber revenue, subscriber churn, subscriber acquisition costs including amounts capitalized under our equipment lease programs, operating efficiencies, increases or decreases in purchases of property and equipment, and other factors.

The following table reconciles free cash flow to "Net cash flows from operating activities."

	For the Years Ended December 31,		
	2010	2009	2008
	(In thousands)		
Free cash flow	$ 923,670	$ 1,157,353	$ 1,058,454
Add back:			
Purchases of property and equipment	1,216,132	1,037,190	1,129,890
Net cash flows from operating activities	$ 2,139,802	$ 2,194,543	$ 2,188,344

The decrease in free cash flow from 2009 to 2010 of $234 million resulted from a decrease in "Net cash flows from operating activities" of $55 million or 2.5% and an increase in "Purchases of property and equipment" of $179 million or 17.3%. The decrease in "Net cash flows from operating activities" was primarily attributable to a $605 million decrease in cash resulting from changes in operating assets and liabilities, partially offset by a $543 million increase in net income, adjusted to exclude non-cash changes in "Deferred tax expense (benefit)," "Realized and unrealized losses (gains) on investments," and "Depreciation and amortization" expense. The decrease in cash resulting from changes in operating assets and liabilities is principally attributable to the increase in inventory and timing differences between book expense and cash payments, primarily related to income taxes and litigation expense. The increase in "Purchases of property and equipment" in 2010 was primarily attributable to the assignment of certain rights under a launch contract for EchoStar XV and an increase in expenditures for equipment under our lease program for new subscribers.

The increase in free cash flow from 2008 to 2009 of $99 million resulted from an increase in "Net cash flows from operating activities" of $6 million or 0.3% and a decrease in "Purchases of property and equipment" of $93 million or 8.2%. The increase in "Net cash flows from operating activities" was primarily attributable to an $877 million increase in cash resulting from changes in operating assets and liabilities, partially offset by a $871 million decrease in net income, adjusted to exclude non-cash changes in "Depreciation and amortization" expense, "Realized and unrealized losses (gains) on investments," and "Deferred tax expense (benefit)." The increase in cash resulting from changes in operating assets and liabilities primarily relates to timing differences between book expense and cash payments, including a $361 million increase in the litigation accrual and a $386 million increase in cash flow related to working capital changes and other long-term operating assets. The decrease in "Purchases of property and equipment" in 2009 was primarily attributable to a decline in expenditures for satellite construction, and equipment under our lease program for existing subscribers, partially offset by increased spending for equipment under our lease program for new subscribers.

Cash flows from operating activities. We typically reinvest the cash flow from operating activities in our business primarily to grow our subscriber base and to expand our infrastructure. For the years ended December 31, 2010, 2009 and 2008, we reported net cash flows from operating activities of $2.140 billion, $2.195 billion, and $2.188 billion, respectively. See discussion of changes in net cash flows from operating activities included in "Free cash flow" above.

Cash flows from investing activities. Our investing activities generally include purchases and sales of marketable investment securities, strategic investments and cash used to grow our subscriber base and expand our infrastructure. For the years ended December 31, 2010, 2009 and 2008, we reported net cash outflows from investing activities of $1.478 billion, $2.606 billion and $1.597 billion, respectively. During the years ended December 31, 2010, 2009 and 2008, capital expenditures for new and existing customer equipment totaled $942 million, $876 million and $920 million, respectively.

The decrease in net cash outflows from investing activities from 2009 to 2010 of $1.128 billion primarily resulted from a net decrease in purchases of marketable investment securities, partially offset by an increase in capital expenditures including the assignment of certain rights under a launch contract from EchoStar.

The increase in net cash outflows from investing activities from 2008 to 2009 of $1.008 billion primarily resulted from a net increase in purchases of marketable investment securities, a decrease in proceeds from the sale of investments and an increase in cash used for the purchases of strategic investments. The overall net increases were partially offset by

cash used for purchases of FCC licenses during 2008 and a decrease in cash used for purchases of property and equipment during 2009 compared to 2008.

Cash flows from financing activities. Our financing activities generally include net proceeds related to the issuance of long-term debt, cash used for the repurchase, redemption or payment of long-term debt and capital lease obligations, dividends paid on our Class A and Class B common stock and repurchases of our Class A common stock. For the year ended December 31, 2010, we reported net cash outflows from financing activities of $127 million. For the year ended December 31, 2009, we reported net cash inflows from financing activities of $418 million. For the year ended December 31, 2008, we reported net cash outflows from financing activities of $1.412 billion.

The net cash inflows in 2009 primarily related to the issuance of long-term debt, partially offset by our dividend payment of $894 million. The net cash outflows in 2010 primarily related to the repurchases of our Class A common stock.

The increase in net cash inflows from 2008 to 2009 primarily resulted from a decrease in the repayment of long-term debt and capital lease obligations, an increase in the net proceeds related to the issuance of long-term debt and a decline in stock repurchases. This increase in net cash inflows was partially offset by the dividend payment of $894 million during 2009. In addition, the 2008 cash outflows were negatively impacted by the distribution to EchoStar related to the Spin-off.

Other Liquidity Items

Subscriber Churn

DISH Network added approximately 33,000 net new subscribers during the year ended December 31, 2010, compared to approximately 422,000 net new subscribers during the same period in 2009. This decrease primarily resulted from increased churn. Our average monthly subscriber churn rate for the year ended December 31, 2010 was 1.76%, compared to 1.64% for the same period in 2009. See "Results of Operations" above for further discussion. There are a number of factors that impact our future cash flow compared to the cash flow we generate at any given point in time, including subscriber churn and how successful we are at retaining our current subscribers. As we lose subscribers from our existing base, the positive cash flow from that base is correspondingly reduced.

Satellites

Operation of our subscription television service requires that we have adequate satellite transmission capacity for the programming we offer. Moreover, current competitive conditions require that we continue to expand our offering of new programming, particularly by expanding local HD coverage and offering more HD national channels. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited. In the event of a failure or loss of any of our satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other satellites and use it as a replacement for the failed or lost satellite. Such a failure could result in a prolonged loss of critical programming or a significant delay in our plans to expand programming as necessary to remain competitive and cause us to expend a significant portion of our cash to acquire or lease additional satellite capacity.

Security Systems

Increases in theft of our signal or our competitors' signals could, in addition to reducing new subscriber activations, also cause subscriber churn to increase. We use Security Access Devices in our receiver systems to control access to authorized programming content. Our signal encryption has been compromised in the past and may be compromised in the future even though we continue to respond with significant investment in security measures, such as Security Access Device replacement programs and updates in security software, that are intended to make signal theft more difficult. It has been our prior experience that security measures may only be effective for short periods of time or not at all and that we remain susceptible to additional signal theft. During 2009, we completed the replacement of our Security Access Devices and re-secured our system. We expect additional future replacements of these devices will be necessary to keep our system secure. We cannot ensure that we will be

successful in reducing or controlling theft of our programming content and we may incur additional costs in the future if our system's security is compromised.

Stock Repurchases

Our Board of Directors previously authorized stock repurchases of up to $1.0 billion of our Class A common stock. On November 2, 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 $1.0 billion of our outstanding shares of our Class A common stock through and including December 31, 2011. As of December 31, 2010, we may repurchase up to $1.0 billion under this plan.

The following table provides information regarding repurchases of our Class A common stock.

Class A Common Stock Repurchases	For the Years Ended December 31, 2010	2009	2008
		(In thousands)	
Total number of shares repurchased	6,020	1,948	3,137
Dollar value of shares repurchased	$ 107,079	$ 18,594	$ 82,733

Subscriber Acquisition and Retention Costs

We incur significant upfront costs to acquire subscribers, including advertising, retailer incentives, equipment, installation, and new customer promotions. While we attempt to recoup these upfront costs over the lives of their subscription, there can be no assurance that we will. We deploy business rules such as minimum credit requirements and we strive to provide outstanding customer service, to increase the likelihood of customers keeping their DISH Network service over longer periods of time. Our subscriber acquisition costs may vary significantly from period to period.

We incur significant costs to retain our existing customers, mostly by upgrading their equipment to HD and DVR receivers. As with our subscriber acquisition costs, our retention spending includes the cost of equipment and installation. In certain circumstances, we also offer free programming and/or promotional pricing for limited periods for existing customers in exchange for a commitment to receive service for a minimum term. A component of our retention efforts includes the installation of equipment for customers who move. Our subscriber retention costs may vary significantly from period to period.

Other

We are also vulnerable to fraud, particularly in the acquisition of new subscribers. While we are addressing the impact of subscriber fraud through a number of actions, there can be no assurance that we will not continue to experience fraud, which could impact our subscriber growth and churn. Sustained economic weakness may create greater incentive for signal theft and subscriber fraud, which could lead to higher subscriber churn and reduced revenue.

Obligations and Future Capital Requirements

Contractual Obligations and Off-Balance Sheet Arrangements

As of December 31, 2010, future maturities of our long-term debt, capital lease and contractual obligations are summarized as follows:

	Payments due by period						
	Total	2011	2012	2013	2014	2015	Thereafter
				(In thousands)			
Long-term debt obligations	$ 6,227,965	$ 1,006,094	$ 6,444	$ 506,114	$ 1,005,778	$ 756,160	$ 2,947,375
Capital lease obligations	286,971	24,801	21,700	22,630	24,881	27,339	165,620
Interest expense on long-term debt and capital lease obligations	2,443,097	467,758	401,896	399,672	362,274	264,500	546,997
Satellite-related obligations	2,416,671	229,492	242,308	250,749	230,731	230,514	1,232,877
Operating lease obligations	115,533	48,647	31,739	19,232	8,355	3,077	4,483
Purchase obligations	1,917,381	1,022,932	256,998	253,947	240,543	136,701	6,260
Total	$ 13,407,618	$ 2,799,724	$ 961,085	$ 1,452,344	$ 1,872,562	$ 1,418,291	$ 4,903,612

The "Satellite-related obligations" in our Form 10-K for the year ended December 31, 2009 as filed on March 1, 2010 inadvertently excluded the EchoStar XVI ten-year satellite lease commitment, which was agreed to in December 2009, and is expected to commence during the fourth quarter of 2012. The obligations associated with this lease would have increased the previously reported "Satellite-related obligations" during 2012, 2013, 2014, and thereafter by approximately $18 million, $72 million, $72 million and $553 million, respectively. These amounts are included in the table above.

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 $193 million of liabilities associated with unrecognized tax benefits which were accrued, as discussed in Note 10 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K, 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.

The table above does not include the $87.5 million associated with the Credit Facility we entered into with DBSD North America on February 1, 2011. The Credit Facility remains subject to approval by the Bankruptcy Court. In addition, on February 1, 2011 we committed to acquire 100% of the equity of reorganized DBSD North America for approximately $1.0 billion subject to certain adjustments, including interest accruing on DBSD North America's existing debt. This amount is also not included in the table above. This transaction is to be completed upon satisfaction of certain conditions, including approval by the FCC and DBSD North America's emergence from bankruptcy. See Note 18 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K for further discussion.

We have semi-annual cash interest requirements for our outstanding long-term debt securities, which are included in the table above. See Note 9 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K for details.

Other than the "Guarantees" disclosed in Note 14 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K, we generally do not engage in off-balance sheet financing activities.

Satellite-Related Obligations

Satellites Under Construction. As of December 31, 2010, we have agreed to lease capacity on two satellites from EchoStar that are currently under construction. 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 transponder service agreement with EchoStar to lease capacity on QuetzSat-1, a DBS satellite, which is expected to be launched during the second half of 2011.

- *EchoStar XVI.* During December 2009, we entered into a ten-year transponder service agreement with EchoStar to lease all of the capacity on EchoStar XVI, a DBS satellite, which is expected to be launched during the second half of 2012.

Satellite Insurance

We generally do not have commercial insurance coverage on the satellites we use. We do not use commercial insurance to mitigate the potential financial impact of in-orbit failures because we believe that the premium costs are uneconomical relative to the risk of satellite failure. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited. In the event of a failure or loss of any of our satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other satellites and use it as a replacement for the failed or lost satellite.

Purchase Obligations

Our 2011 purchase obligations primarily consist of binding purchase orders for receiver systems and related equipment, digital broadcast operations, satellite and transponder leases, engineering and for products and services related to the operation of our DISH Network. Our purchase obligations also include certain guaranteed fixed contractual commitments to purchase programming content. 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.

Programming Contracts

In the normal course of business, we enter into contracts to purchase programming content in which our payment obligations are fully contingent on the number of subscribers to whom we provide the respective content. These programming commitments are not included in the "Contractual obligations and off-balance sheet arrangements" table above. The terms of our contracts typically range from one to ten years with annual rate increases. Our programming expenses will continue to increase to the extent we are successful growing our subscriber base. In addition, our margins may face further downward pressure from price increases and the renewal of long term programming contracts on less favorable pricing terms.

Future Capital Requirements

Our 6 3/8% Senior Notes with an aggregate principal balance of $1.0 billion mature on October 1, 2011. We expect to fund our future working capital, capital expenditure and debt service requirements from cash generated from operations, existing cash and marketable investment securities balances, and cash generated through raising additional capital. The amount of capital required to fund our future working capital and capital expenditure needs varies, depending on, among other things, the rate at which we acquire new subscribers and the cost of subscriber acquisition and retention, including capitalized costs associated with our new and existing subscriber equipment lease programs. The majority of our capital expenditures for 2011 are driven by the costs associated with subscriber premises equipment, included in our firm purchase obligations, as well as capital expenditures for our satellite-related obligations. These expenditures are necessary to operate and maintain the DISH Network television service. Consequently, we consider them to be non-discretionary. The amount of capital required will also depend on the levels of investment necessary to support potential strategic initiatives, including our plans to expand our national HD offerings and other strategic opportunities that may arise from time to time. Our capital expenditures vary depending on the number of satellites leased or under construction at any point in time, and could increase materially as a result of increased competition, significant satellite failures, or sustained economic weakness. These factors could require that we raise additional capital in the future.

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 eliminate DVR functionality in all but approximately 192,000 digital set-top boxes in the field and cease distribution of digital set-top boxes with DVR functionality. In that event we would be at a significant disadvantage to our competitors who could continue offering DVR functionality, which would likely result in a significant decrease in new subscriber additions as well as a substantial loss of current subscribers. Furthermore, the inability to offer DVR functionality could cause certain of our distribution channels to terminate or significantly decrease their marketing of DISH Network services. The adverse effect on our financial position and results of operations if the District Court's contempt order is upheld is likely to be significant. Additionally, the supplemental damage award of $103 million and further award of approximately $200 million does not include damages, contempt sanctions or interest for the period after June 2009. In the event that we are unsuccessful in our appeal, we could also have to pay substantial additional damages, contempt sanctions and interest. Depending on the amount of any additional damage or sanction award or any monetary settlement, we may be required to raise additional capital at a time and in circumstances in which we would normally not raise capital. 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. We believe the cost of such capital and its terms and conditions may be substantially less attractive than our previous financings.

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 or could be required to modify or eliminate our then-current DVR functionality in some or all set-top boxes in the field. 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. We could also have to pay substantial additional damages.

Because both we and EchoStar are defendants in the Tivo lawsuit, we and EchoStar are jointly and severally liable to Tivo for any final damages and sanctions that may be awarded by the District Court. We have determined that we are obligated under the agreements entered into in connection with the Spin-off to indemnify EchoStar for substantially all liability arising from this lawsuit. EchoStar contributed an amount equal to its $5 million intellectual property liability limit under the Receiver Agreement. We and EchoStar have further agreed that EchoStar's $5 million contribution would not exhaust EchoStar's liability to us for other intellectual property claims that may arise under the Receiver Agreement. We and EchoStar 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.

If Voom prevails in its breach of contract suit against us, we could be required to pay substantial damages, which would have a material adverse affect on our financial position and results of operations. In January 2008, Voom HD Holdings ("Voom") filed a lawsuit against us in New York Supreme Court, alleging breach of contract and other claims arising from our termination of the affiliation agreement governing carriage of certain Voom HD channels on the DISH Network satellite TV service. At that time, Voom also sought a preliminary injunction to prevent us from terminating the agreement. The Court denied Voom's request, finding, among other things, that Voom had not demonstrated that it was likely to prevail on the merits. In April 2010, we and Voom each filed motions for summary judgment. Voom later filed two motions seeking discovery sanctions. On November 9, 2010, the Court issued a decision denying both motions for summary judgment, but granting Voom's motions for discovery sanctions. The Court's decision provides for an adverse inference jury instruction at trial and precludes our damages expert from testifying at trial. We appealed the grant of Voom's motion for discovery sanctions to the New York State Supreme Court, Appellate Division, First Department. On February 15, 2011, the appellate Court granted our motion to stay the trial pending our appeal. Voom is claiming over $2.5 billion in damages

In 2008, we paid $712 million to acquire certain 700 MHz wireless licenses, which were granted to us by the FCC in February 2009. To commercialize these licenses and satisfy FCC build-out requirements, we will be required to make significant additional investments or partner with others. Depending on the nature and scope of such commercialization and build-out, any such investment or partnership could vary significantly. Part or all of our licenses may be terminated for failure to satisfy FCC build-out requirements. We are currently performing a market test to evaluate different technologies and consumer acceptance.

From time to time we evaluate opportunities for strategic investments or acquisitions that may complement our current services and products, enhance our technical capabilities, improve or sustain our competitive position, or otherwise offer growth opportunities. We may make investments in or partner with others to expand our business into mobile and portable video, data and voice services. Future material investments or acquisitions may require that we obtain additional capital, assume third party debt or incur other long-term obligations.

On February 1, 2011, we entered into a commitment to provide a debtor-in-possession credit facility to DBSD North America and certain of its affiliates, which will consist of a non-revolving, multiple draw term loan in the aggregate principal amount of $87.5 million. On February 1, 2011, we entered into an investment agreement pursuant to which we have committed to acquire 100% of the equity of reorganized DBSD North America for approximately $1.0 billion subject to certain adjustments, including interest accruing on DBSD North America's existing debt. This transaction is to be completed upon satisfaction of certain conditions, including approval by the FCC and DBSD North America's emergence from bankruptcy. See Note 18 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K for further discussion.

Volatility in the financial markets has made it more difficult at times for issuers of high-yield indebtedness, such as us, to access capital markets at acceptable terms. These developments may have a significant effect on our cost of financing and our liquidity position.

A portion of our investment portfolio is invested in auction rate securities, mortgage backed securities, and strategic investments, and as a result a portion of our portfolio has restricted liquidity. Liquidity in the markets for these investments has been adversely impacted. If the credit ratings of these securities deteriorate or the lack of liquidity in the marketplace continues, we may be required to record impairment charges. Moreover, the sustained uncertainty of domestic and global financial markets has greatly affected the volatility and value of our marketable investment securities. To the extent we require access to funds, we may need to sell these securities under unfavorable market conditions, record further impairment charges and fall short of our financing needs.

Critical Accounting Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect amounts reported therein. Management bases its estimates, judgments and assumptions on historical experience and on various other factors that are believed to be reasonable under the circumstances. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be affected by changes in those estimates. The following represent what we believe are the critical accounting policies that may involve a high degree of estimation, judgment and complexity. For a summary of our significant accounting policies, including those discussed below, see Note 2 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K.

- ***Capitalized satellite receivers***. Since we retain ownership of certain equipment provided pursuant to our subscriber equipment lease programs, we capitalize and depreciate equipment costs that would otherwise be expensed at the time of sale. Such capitalized costs are depreciated over the estimated useful life of the equipment, which is based on, among other things, management's judgment of the risk of technological obsolescence. Because of the inherent difficulty of making this estimate, the estimated useful life of capitalized equipment may change based on, among other things, historical experience and changes in technology as well as our response to competitive conditions. Changes in estimated useful life may impact "Depreciation and amortization" on our Consolidated Statements of Operations and Comprehensive Income (Loss). For example, if we decreased the estimated useful life of our capitalized subscriber equipment by one year, annual depreciation expense would increase by approximately $106 million.

- ***Accounting for investments in private and publicly-traded securities***. We hold debt and equity interests in companies, some of which are publicly traded and have highly volatile prices. We record an investment impairment charge in "Other, net" within "Other Income (Expense)" on our Consolidated Statements of Operations and Comprehensive Income (Loss) when we believe an investment has experienced a decline in value that is judged to be other-than-temporary. We monitor our investments for impairment by considering current factors including economic environment, market conditions and the operational performance and other specific factors relating to the business underlying the investment. Future adverse changes in these factors

could result in losses or an inability to recover the carrying value of the investments that may not be reflected in an investment's current carrying value, thereby possibly requiring an impairment charge in the future.

- ***Fair value of financial instruments*** . Fair value estimates of our financial instruments are made at a point in time, based on relevant market data as well as the best information available about the financial instrument. Sustained economic weakness has resulted in inactive markets for certain of our financial instruments, including Mortgage-Backed Securities ("MBS") and Auction Rate Securities ("ARS"). For certain of these instruments, there is no or limited observable market data. Fair value estimates for financial instruments for which no or limited observable market data is available are based on judgments regarding current economic conditions, liquidity discounts, currency, credit and interest rate risks, loss experience and other factors. These estimates involve significant uncertainties and judgments and may be a less precise measurement of fair value as compared to financial instruments where observable market data is available. We make certain assumptions related to expected maturity date, credit and interest rate risk based upon market conditions and prior experience. As a result, such calculated fair value estimates may not be realizable in a current sale or immediate settlement of the instrument. In addition, changes in the underlying assumptions used in the fair value measurement technique, including liquidity risks, and estimate of future cash flows, could significantly affect these fair value estimates, which could have a material adverse impact on our financial position and results of operations. For example, as of December 31, 2010, we held $169 million of securities that lack observable market quotes, and a 10% decrease in our estimated fair value of these securities would result in a decrease of the reported amount by approximately $17 million.

- ***Valuation of long-lived assets*** . We evaluate the carrying value of long-lived assets to be held and used, other than goodwill and intangible assets with indefinite lives, when events and circumstances warrant such a review. We evaluate our satellite fleet for recoverability as one asset group. See Note 2 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K. The carrying value of a long-lived asset or asset group is considered impaired when the anticipated undiscounted cash flows from such asset or asset group is less than its carrying value. In that event, a loss will be recorded in a new line item entitled "Impairments of indefinite-lived and long-lived assets" on our Consolidated Statements of Operations and Comprehensive Income (Loss) based on the amount by which the carrying value exceeds the fair value of the long-lived asset or asset group. Fair value is determined primarily using the estimated cash flows associated with the asset or asset group under review, discounted at a rate commensurate with the risk involved. Losses on long-lived assets to be disposed of by sale are determined in a similar manner, except that fair values are reduced for estimated selling costs. Among other reasons, changes in estimates of future cash flows could result in a write-down of the asset in a future period.

- ***Valuation of intangible assets with indefinite lives*** . We evaluate the carrying value of intangible assets with indefinite lives annually, and also when events and circumstances warrant. We use estimates of fair value to determine the amount of impairment, if any, of recorded intangible assets with indefinite lives. Fair value is determined primarily using the estimated future cash flows, discounted at a rate commensurate with the risk involved. While our impairment tests in 2010 indicated the fair value of our intangible assets were significantly above their carrying amounts, significant changes in our estimates of future cash flows could result in a write-down of intangible assets with indefinite lives in a future period, which will be recorded in a new line item entitled "Impairments of indefinite-lived and long-lived assets," on our Consolidated Statements of Operations and Comprehensive Income (Loss) and could be material to our consolidated results of operations and financial position. A 10% decrease in the estimated future cash flows or a 10% increase in the discount rate used in estimating the fair value of these assets (while all other assumptions remain unchanged) would not result in these assets being impaired.

- ***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 in the accompanying consolidated balance sheets, as well as operating loss and tax credit carryforwards. Determining necessary valuation allowances requires us to make assessments about the timing of future events, including the probability of expected future taxable income and available tax planning opportunities. We periodically evaluate our need for a valuation allowance based on both historical evidence, including trends, and future expectations in each reporting period. Any such valuation allowance is recorded in either "Income tax (provision) benefit, net" on our

Consolidated Statements of Operations and Comprehensive Income (Loss) or "Accumulated other comprehensive income (loss)" within "Stockholders' equity (deficit)" on our Consolidated Balance Sheets. Future performance could have a significant effect on the realization of tax benefits, or reversals of valuation allowances, as reported in our consolidated results of operations.

- ***Uncertainty in tax positions***. Management evaluates the recognition and measurement of uncertain tax positions based on applicable tax law, regulations, case law, administrative rulings and pronouncements and the facts and circumstances surrounding the tax position. Changes in our estimates related to the recognition and measurement of the amount recorded for uncertain tax positions could result in significant changes in our "Income tax provision (benefit), net," which could be material to our consolidated results of operations.

- ***Contingent liabilities***. A significant amount of management judgment is required in determining when, or if, an accrual should be recorded for a contingency and the amount of such accrual. Estimates generally are developed in consultation with outside counsel and are based on an analysis of potential outcomes. Due to the uncertainty of determining the likelihood of a future event occurring and the potential financial statement impact of such an event, it is possible that upon further development or resolution of a contingent matter, a charge could be recorded in a future period to "General and administrative expenses" or "Litigation expense" on our Consolidated Statements of Operations and Comprehensive Income (Loss) that would be material to our consolidated results of operations and financial position.

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 is 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.

Seasonality

Historically, the first half of the year generally produces fewer new subscribers than the second half of the year, as is typical in the pay-TV service industry. However, we can not provide assurance that this will continue in the future.

Inflation

Inflation has not materially affected our operations during the past three years. We believe that our ability to increase the prices charged for our products and services in future periods will depend primarily on competitive pressures.

Backlog

We do not have any material backlog of our products.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risks Associated With Financial Instruments

Our investments and debt are exposed to market risks, discussed below.

Cash, Cash Equivalents and Current Marketable Investment Securities

As of December 31, 2010, our cash, cash equivalents and current marketable investment securities had a fair value of $2.940 billion. Of that amount, a total of $2.729 billion was invested in: (a) cash; (b) VRDNs convertible into cash at par value plus accrued interest generally in five business days or less; (c) debt instruments of the United

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK - Continued

States Government and its agencies; (d) commercial paper and corporate notes with an overall average maturity of less than one year and rated in one of the four highest rating categories by at least two nationally recognized statistical rating organizations; and/or (e) instruments with similar risk, duration and credit quality characteristics to the commercial paper and corporate obligations described above. The primary purpose of these investing activities has been to preserve principal until the cash is required to, among other things, fund operations, make strategic investments and expand the business. Consequently, the size of this portfolio fluctuates significantly as cash is received and used in our business. The value of this portfolio is negatively impacted by credit losses; however, this risk is mitigated through diversification that limits our exposure to any one issuer.

Interest Rate Risk

A change in interest rates would affect the fair value of our cash, cash equivalents and current marketable investment securities portfolio. Based on our December 31, 2010 current non-strategic investment portfolio of $2.729 billion, a hypothetical 10% increase in average interest rates would result in a decrease of approximately $14 million in fair value of this portfolio. We normally hold these investments to maturity; however, the hypothetical loss in fair value would be realized if we sold the investments prior to maturity.

Our cash, cash equivalents and current marketable investment securities had an average annual rate of return for the year ended December 31, 2010 of 0.7%. A change in interest rates would affect our future annual interest income from this portfolio, since funds would be re-invested at different rates as the instruments mature. A hypothetical 10% decrease in average interest rates during 2010 would result in a decrease of approximately $2 million in annual interest income.

Strategic Marketable Investment Securities

As of December 31, 2010, we held strategic and financial debt and equity investments of public companies with a fair value of $211 million. These investments, which are held for strategic and financial purposes, are concentrated in several companies, are highly speculative and have experienced and continue to experience volatility. The fair value of our strategic and financial debt and equity investments can be significantly impacted by the risk of adverse changes in securities markets generally, as well as risks related to the performance of the companies whose securities we have invested in, risks associated with specific industries, and other factors. These investments are subject to significant fluctuations in fair value due to the volatility of the securities markets and of the underlying businesses. In general, the debt instruments held in our strategic marketable investment securities portfolio are not significantly impacted by interest rate fluctuations as their value is more closely related to factors specific to the underlying business. A hypothetical 10% adverse change in the price of our public strategic debt and equity investments would result in a decrease of approximately $21 million in the fair value of these investments.

Restricted Cash and Marketable Investment Securities and Noncurrent Marketable and Other Investment Securities

Restricted Cash and Marketable Investment Securities

As of December 31, 2010, we had $144 million of restricted cash and marketable investment securities invested in: (a) cash; (b) VRDNs convertible into cash at par value plus accrued interest generally in five business days or less; (c) debt instruments of the United States Government and its agencies; (d) commercial paper and corporate notes with an overall average maturity of less than one year and rated in one of the four highest rating categories by at least two nationally recognized statistical rating organizations; and/or (e) instruments with similar risk, duration and credit quality characteristics to the commercial paper described above. Based on our December 31, 2010 investment portfolio, a hypothetical 10% increase in average interest rates would not have a material impact in the fair value of our restricted cash and marketable investment securities.

Noncurrent Auction Rate and Mortgage Backed Securities

As of December 31, 2010, we held investments in auction rate securities ("ARS") and mortgage backed securities ("MBS") of $119 million, which are reported at fair value. Events in the credit markets have reduced or eliminated current liquidity for certain of our ARS and MBS investments. As a result, we classify these investments as noncurrent

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK - Continued

assets as we intend to hold these investments until they recover or mature, and therefore interest rate risk associated with these securities is mitigated. A hypothetical 10% adverse change in the price of these investments would result in a decrease of approximately $12 million in the fair value of these investments.

Other Investment Securities

As of December 31, 2010, we had $105 million of nonpublic debt and equity instruments that we hold for strategic business purposes. We account for these investments under the cost, equity and/or fair value methods of accounting. A hypothetical 10% adverse change in the price of these nonpublic debt and equity instruments would result in a decrease of approximately $11 million in the fair value of these investments.

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.

Long-Term Debt

As of December 31, 2010, we had long-term debt of $6.515 billion on our Consolidated Balance Sheets. We estimated the fair value of this debt to be approximately $6.486 billion using quoted market prices for our publicly traded debt, which constitutes approximately 99% of our debt. The fair value of our debt is affected by fluctuations in interest rates. A hypothetical 10% decrease in assumed interest rates would increase the fair value of our debt by approximately $159 million. To the extent interest rates increase, our costs of financing would increase at such time as we are required to refinance our debt. As of December 31, 2010, a hypothetical 10% increase in assumed interest rates would increase our annual interest expense by approximately $44 million.

Derivative Financial Instruments

From time to time, we speculate using derivative financial instruments, such amounts, however, are typically insignificant.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our Consolidated Financial Statements are included in this report beginning on page F-1.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

Item 9A. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets;

(ii) provide reasonable assurance that our transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our directors; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our 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 policies or procedures may deteriorate.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2010.

The effectiveness of our internal control over financial reporting as of December 31, 2010 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which appears in Item 15(a) of this Annual Report on Form 10-K.

Item 9B. OTHER INFORMATION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item with respect to the identity and business experience of our directors will be set forth in our Proxy Statement for the 2011 Annual Meeting of Shareholders under the caption "Election of Directors," which information is hereby incorporated herein by reference.

The information required by this Item with respect to the identity and business experience of our executive officers is set forth on page 14 of this report under the caption "Executive Officers of the Registrant."

Item 11. EXECUTIVE COMPENSATION

The information required by this Item will be set forth in our Proxy Statement for the 2011 Annual Meeting of Shareholders under the caption "Executive Compensation and Other Information," which information is hereby incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item will be set forth in our Proxy Statement for the 2011 Annual Meeting of Shareholders under the captions "Election of Directors," "Equity Security Ownership" and "Equity Compensation Plan Information," which information is hereby incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item will be set forth in our Proxy Statement for the 2011 Annual Meeting of Shareholders under the caption "Certain Relationships and Related Transactions," which information is hereby incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item will be set forth in our Proxy Statement for the 2011 Annual Meeting of Shareholders under the caption "Principal Accounting Fees and Services," which information is hereby incorporated herein by reference.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

(1) *Financial Statements*

	Page
Report of KPMG LLP, Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets at December 31, 2010 and 2009	F-4
Consolidated Statements of Operations and Comprehensive Income (Loss) for the years ended December 31, 2010, 2009 and 2008	F-5
Consolidated Statements of Changes in Stockholders' Equity (Deficit) for the years ended December 31, 2008, 2009 and 2010	F-6
Consolidated Statements of Cash Flows for the years ended December 31, 2010, 2009 and 2008	F-7
Notes to Consolidated Financial Statements	F-8

(2) *Financial Statement Schedules*

None. All schedules have been included in the Consolidated Financial Statements or Notes thereto.

(3) *Exhibits*

3.1(a)* Amended and Restated Articles of Incorporation of DISH Network Corporation (incorporated by reference to Exhibit 3.1 (a) on the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended June 30, 2003, Commission File No. 0-26176) as amended by the Certificate of Amendment to the Articles of Incorporation of DISH Network Corporation (incorporated by reference to Annex 1 on DISH Network Corporation's Definitive Information Statement on Schedule 14C filed on December 31, 2007, Commission File No. 0-26176).

3.1(b)* Amended and Restated Bylaws of DISH Network Corporation (incorporated by reference to Exhibit 3.1(b) on the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2007, Commission File No. 0-26176).

3.2(a)* Articles of Incorporation of DISH DBS Corporation ("DDBS") (incorporated by reference to Exhibit 3.4(a) to the Registration Statement on Form S-4 of DDBS, Registration No. 333-31929).

3.2(b)* Bylaws of DDBS (incorporated by reference to Exhibit 3.4(b) to the Registration Statement on Form S-4 of DDBS, Registration No. 333-31929).

4.1* Registration Rights Agreement by and between DISH Network Corporation and Charles W. Ergen (incorporated by reference to Exhibit 4.8 to the Registration Statement on Form S-1 of DISH Network Corporation, Registration No. 33-91276).

4.2* Indenture, relating to DDBS 6 3/8% Senior Notes due 2011, dated as of October 2, 2003, between DDBS and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended September 30, 2003, Commission File No. 0-26176).

4.3* First Supplemental Indenture, relating to the 6 3/8% Senior Notes Due 2011, dated as of December 31, 2003 between DDBS and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.14 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2003, Commission File No. 0-26176).

4.4*	Indenture, relating to the 6 5/8% Senior Notes Due 2014, dated as of October 1, 2004 between DDBS and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed October 1, 2004, Commission File No. 0-26176).
4.5*	Indenture, relating to the 7 1/8% Senior Notes Due 2016, dated as of February 2, 2006 between DDBS and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed February 3, 2006, Commission File No. 0-26176).
4.6*	Indenture, relating to the 7% Senior Notes Due 2013, dated as of October 18, 2006 between DDBS and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed October 18, 2006, Commission File No. 0-26176).
4.7*	Indenture, relating to the 7 3/4% Senior Notes Due 2015, dated as of May 27, 2008 between DDBS and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed May 28, 2008, Commission File No. 0-26176).
4.8*	Indenture, relating to the 7 7/8% Senior Notes Due 2019, dated as of August 17, 2009 between DDBS and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of DISH Network Corporation filed August 18, 2009, Commission File No. 0-26176).
10.1*	2002 Class B CEO Stock Option Plan (incorporated by reference to Appendix A to DISH Network Corporation's Definitive Proxy Statement on Schedule 14A dated April 9, 2002).**
10.2*	Satellite Service Agreement, dated as of March 21, 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 March 31, 2003, Commission File No. 0-26176).
10.3*	Amendment No. 1 to Satellite Service Agreement dated March 31, 2003 between SES Americom Inc. 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).
10.4*	Satellite Service Agreement dated as of August 13, 2003 between SES Americom Inc. 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).
10.5*	Satellite Service Agreement, dated February 19, 2004, between SES Americom, Inc. 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).
10.6*	Amendment No. 1 to Satellite Service Agreement, dated March 10, 2004, between SES Americom, Inc. 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).
10.7*	Amendment No. 3 to Satellite Service Agreement, dated February 19, 2004, between SES Americom, Inc. 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).

10.8* Whole RF Channel Service Agreement, dated February 4, 2004, between Telesat Canada and DISH Network Corporation (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176).

10.9* Letter Amendment to Whole RF Channel Service Agreement, dated March 25, 2004, between Telesat Canada and DISH Network Corporation (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q of DISH Network Corporation for the quarter ended March 31, 2004, Commission File No. 0-26176).

10.10* Amendment No. 2 to Satellite Service Agreement, dated April 30, 2004, between SES Americom, Inc. 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).

10.11* Second Amendment to Whole RF Channel Service Agreement, dated May 5, 2004, between Telesat Canada 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, 2004, Commission File No. 0-26176).

10.12* Third Amendment to Whole RF Channel Service Agreement, dated October 12, 2004, between Telesat Canada and DISH Network Corporation (incorporated by reference to Exhibit 10.22 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2004, Commission File No. 0-26176).

10.13* Amendment No. 4 to Satellite Service Agreement, dated October 21, 2004, between SES Americom, Inc. 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).

10.14* Amendment No. 3 to Satellite Service Agreement, dated November 19, 2004 between SES Americom, Inc. 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 31, 2004, Commission File No. 0-26176).

10.15* Amendment No. 5 to Satellite Service Agreement, dated November 19, 2004, between SES Americom, Inc. 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).

10.16* Amendment No. 6 to Satellite Service Agreement, dated December 20, 2004, between SES Americom, Inc. 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).

10.17* Description of the 2005 Long-Term Incentive Plan dated January 26, 2005 (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, 2005, Commission File No. 0-26176).**

10.18* Amendment No. 4 to Satellite Service Agreement, dated April 6, 2005, between SES Americom, Inc. 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).

10.19* Amendment No. 5 to Satellite Service Agreement, dated June 20, 2005, between SES Americom,

	Inc. 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).
10.20*	Incentive Stock Option Agreement (Form A) (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176).**
10.21*	Incentive Stock Option Agreement (Form B) (incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176).**
10.22*	Restricted Stock Unit Agreement (Form A) (incorporated by reference to Exhibit 99.3 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176).**
10.23*	Restricted Stock Unit Agreement (Form B) (incorporated by reference to Exhibit 99.4 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176).**
10.24*	Incentive Stock Option Agreement (1999 Long-Term Incentive Plan) (incorporated by reference to Exhibit 99.5 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176).**
10.25*	Nonemployee Director Stock Option Agreement (incorporated by reference to Exhibit 99.6 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176).**
10.26*	Nonqualifying Stock Option Agreement (2005 Long-Term Incentive Plan (incorporated by reference to Exhibit 99.7 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176).**
10.27*	Restricted Stock Unit Agreement (2005 Long-Term Incentive Plan) (incorporated by reference to Exhibit 99.8 to the Current Report on Form 8-K of DISH Network Corporation filed July 7, 2005, Commission File No. 0-26176).**
10.28*	Separation Agreement between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 2.1 to the Form 10 of EchoStar Corporation filed December 28, 2007, Commission File No. 001-33807).
10.29*	Tax Sharing Agreement between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 10.2 to the Form 10 of EchoStar Corporation filed December 28, 2007, Commission File No. 001-33807).
10.30*	Employee Matters Agreement between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 10.3 to the Form 10 of EchoStar Corporation filed December 28, 2007, Commission File No. 001-33807).
10.31*	Intellectual Property Matters Agreement between EchoStar Corporation, EchoStar Acquisition L.L.C., Echosphere L.L.C., DDBS, EIC Spain SL, EchoStar Technologies L.L.C. and DISH Network Corporation (incorporated by reference from Exhibit 10.4 to the Form 10 of EchoStar Corporation filed December 28, 2007, Commission File No. 001-33807).
10.32*	Management Services Agreement between EchoStar Corporation and DISH Network Corporation (incorporated by reference from Exhibit 10.5 to the Form 10 of EchoStar Corporation filed December 28, 2007, Commission File No. 001-33807).

10.33*	Form of Satellite Capacity Agreement between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference from Exhibit 10.28 to the Amendment No.2 to Form 10 of EchoStar Corporation filed December 26, 2007, Commission File No. 001-33807).
10.34*	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 DISH Network Corporation for the quarter ended September 30, 2008, Commission File No. 0-26176).
10.35*	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 DISH Network Corporation for the quarter ended September 30, 2008, Commission File No. 0-26176).
10.36*	Description of the 2008 Long-Term Incentive Plan dated December 22, 2008 (incorporated by reference to Exhibit 10.42 to the Annual Report on Form 10-K of DISH Network Corporation for the year ended December 31, 2008, Commission File No. 0-26176).
10.37*	DISH Network Corporation 2009 Stock Incentive Plan (incorporated by reference to DISH Network Corporation's Definitive Proxy Statement on Form 14A filed March 31, 2009, Commission File No. 000-26176).
10.38*	Amended and Restated DISH Network Corporation 2001 Nonemployee Director Stock Option Plan (incorporated by reference to DISH Network Corporation's Definitive Proxy Statement on Form 14A filed March 31, 2009, Commission File No. 000-26176).
10.39*	Amended and Restated DISH Network Corporation 1999 Stock Incentive Plan (incorporated by reference to DISH Network Corporation's Definitive Proxy Statement on Form 14A filed March 31, 2009, Commission File No. 000-26176).
10.40*	Amended and Restated DISH Network Corporation 1995 Stock Incentive Plan (incorporated by reference to DISH Network Corporation's Definitive Proxy Statement on Form 14A filed March 31, 2009, Commission File No. 000-26176).
10.41*	NIMIQ 5 Whole RF Channel Service Agreement, dated September 15, 2009, between Telesat Canada and EchoStar Corporation (incorporated by reference from Exhibit 10.29 to the Annual Report on Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807).****
10.42*	NIMIQ 5 Whole RF Channel Service Agreement, dated September 15, 2009, between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference from 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).****
10.43*	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).****
10.44*	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).
10.45*	Amendment to Form of Satellite Capacity Agreement (Form A) between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference from Exhibit 10.33 to the Annual Report on

	Form 10-K of EchoStar Corporation for the year ended December 31, 2009, Commission File No. 001-33807).
10.46*	Amendment to Form of Satellite Capacity Agreement (Form B) between EchoStar Corporation and DISH Network L.L.C. (incorporated by reference from 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).
10.47*	EchoStar XVI Satellite Capacity Agreement between EchoStar Satellite Services L.L.C. and DISH Network L.L.C. (incorporated by reference from 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).****
10.48*	Assignment of Rights Under Launch Service Contract from EchoStar Corporation to DISH Orbital II L.L.C. (incorporated by reference from 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).
21 ö	Subsidiaries of DISH Network Corporation.
23 ö	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
24 ö	Power of Attorney authorizing signature of James DeFranco, Cantey M. Ergen, Steven R. Goodbarn, Gary S. Howard, David K. Moskowitz, Tom A. Ortolf and Carl E. Vogel.
31.1 ö	Section 302 Certification of Chief Executive Officer.
31.2 ö	Section 302 Certification of Chief Financial Officer.
32.1 ö	Section 906 Certification of Chief Executive Officer.
32.2 ö	Section 906 Certification of Chief Financial Officer.
101***	The following materials from the Annual Report on Form 10-K of DISH Network 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.

ö 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.

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.

DISH NETWORK CORPORATION

By: */s/ Robert E. Olson*
Robert E. Olson
Executive Vice President and 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/ Charles W. Ergen Charles W. Ergen	Chairman, President and Chief Executive Officer *(Principal Executive Officer)*	February 24, 2011
/s/ Robert E. Olson Robert E. Olson	Executive Vice President and Chief Financial Officer *(Principal Financial and Accounting Officer)*	February 24, 2011
* James DeFranco	Director	February 24, 2011
* Cantey M. Ergen	Director	February 24, 2011
* Steven R. Goodbarn	Director	February 24, 2011
* Gary S. Howard	Director	February 24, 2011
* David K. Moskowitz	Director	February 24, 2011
* Tom A. Ortolf	Director	February 24, 2011
* Carl E. Vogel	Director	February 24, 2011

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

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
DISH Network Corporation:

We have audited the accompanying consolidated balance sheets of DISH Network 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 DISH Network 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). DISH Network 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 DISH Network 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 DISH Network 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, DISH Network 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.

/s/ **KPMG LLP**

Denver, Colorado
February 24, 2011

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

	As of December 31, 2010	As of December 31, 2009
Assets		
Current Assets:		
Cash and cash equivalents	$ 640,672	$ 105,844
Marketable investment securities (Note 5)	2,299,705	2,033,492
Trade accounts receivable - other, net of allowance for doubtful accounts of $29,650 and $16,372, respectively	771,898	741,524
Trade accounts receivable - EchoStar, net of allowance for doubtful accounts of zero	14,155	38,347
Inventory	487,575	295,950
Deferred tax assets (Note 10)	216,899	139,708
Other current assets	142,489	121,087
Total current assets	4,573,393	3,475,952
Noncurrent Assets:		
Restricted cash and marketable investment securities (Note 5)	144,437	141,493
Property and equipment, net (Note 7)	3,232,348	3,042,262
FCC authorizations	1,391,441	1,391,441
Marketable and other investment securities (Note 5)	224,517	170,224
Other noncurrent assets, net	66,017	73,971
Total noncurrent assets	5,058,760	4,819,391
Total assets	$ 9,632,153	$ 8,295,343
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities:		
Trade accounts payable - other	$ 161,767	$ 146,824
Trade accounts payable - EchoStar	238,997	373,454
Deferred revenue and other	803,768	815,878
Accrued programming	1,089,988	985,928
Litigation accrual (Note 14)	619,022	393,566
Other accrued expenses	554,864	545,113
Current portion of long-term debt and capital lease obligations (Note 9)	1,030,895	26,518
Total current liabilities	4,499,301	3,287,281
Long-Term Obligations, Net of Current Portion:		
Long-term debt and capital lease obligations, net of current portion (Note 9)	5,484,041	6,470,046
Deferred tax liabilities	567,686	312,775
Long-term deferred revenue, distribution and carriage payments and other long-term liabilities	214,568	316,929
Total long-term obligations, net of current portion	6,266,295	7,099,750
Total liabilities	10,765,596	10,387,031
Commitments and Contingencies (Note 14)		
Stockholders' Equity (Deficit):		
Class A common stock, $.01 par value, 1,600,000,000 shares authorized, 260,917,977 and 258,852,336 shares issued, 204,799,717 and 208,754,183 shares outstanding, respectively	2,609	2,589
Class B common stock, $.01 par value, 800,000,000 shares authorized, 238,435,208 shares issued and outstanding	2,384	2,384
Class C common stock, $.01 par value, 800,000,000 shares authorized, none issued and outstanding	—	—
Additional paid-in capital	2,171,799	2,120,211
Accumulated other comprehensive income (loss)	93,357	5,614
Accumulated earnings (deficit)	(1,834,619)	(2,760,589)
Treasury stock, at cost	(1,569,459)	(1,462,380)
Total DISH Network stockholders' equity (deficit)	(1,133,929)	(2,092,171)
Noncontrolling interest	486	483
Total stockholders' equity (deficit)	(1,133,443)	(2,091,688)
Total liabilities and stockholders' equity (deficit)	$ 9,632,153	$ 8,295,343

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

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DISH NETWORK 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:			
Subscriber-related revenue	$ 12,543,794	$ 11,538,729	$ 11,455,575
Equipment sales and other revenue	59,770	97,863	124,261
Equipment sales - EchoStar	3,127	7,457	11,601
Services and other revenue - EchoStar	34,053	20,102	25,750
Total revenue	12,640,744	11,664,151	11,617,187
Costs and Expenses:			
Subscriber-related expenses (exclusive of depreciation shown below - Note 7)	6,676,145	6,359,329	5,977,355
Satellite and transmission expenses (exclusive of depreciation shown below - Note 7):			
EchoStar	418,358	319,752	305,322
Other	40,249	33,672	32,407
Equipment, services and other cost of sales	76,406	121,238	169,917
Subscriber acquisition costs:			
Cost of sales - subscriber promotion subsidies - EchoStar (exclusive of depreciation shown below - Note 7)	175,777	188,793	167,508
Other subscriber promotion subsidies	1,104,653	1,071,655	1,124,103
Subscriber acquisition advertising	373,064	279,114	240,130
Total subscriber acquisition costs	1,653,494	1,539,562	1,531,741
General and administrative expenses - EchoStar	47,457	45,356	53,373
General and administrative expenses	578,386	557,255	490,662
Litigation expense (Note 14)	225,456	361,024	—
Depreciation and amortization (Note 7)	983,965	940,033	1,000,230
Total costs and expenses	10,699,916	10,277,221	9,561,007
Operating income (loss)	1,940,828	1,386,930	2,056,180
Other Income (Expense):			
Interest income	25,158	30,034	51,217
Interest expense, net of amounts capitalized	(454,777)	(388,425)	(369,878)
Other, net	30,996	(15,707)	(168,713)
Total other income (expense)	(398,623)	(374,098)	(487,374)
Income (loss) before income taxes	1,542,205	1,012,832	1,568,806
Income tax (provision) benefit, net (Note 10)	(557,473)	(377,429)	(665,859)
Net income (loss)	984,732	635,403	902,947
Less: Net income (loss) attributable to noncontrolling interest	3	(142)	—
Net income (loss) attributable to DISH Network common shareholders	$ 984,729	$ 635,545	$ 902,947
Comprehensive Income (Loss):			
Net income (loss)	$ 984,732	$ 635,403	$ 902,947
Foreign currency translation adjustments	(13,476)	(106)	(3,278)
Unrealized holding gains (losses) on available-for-sale securities	50,348	133,635	(291,664)
Recognition of previously unrealized (gains) losses on available-for-sale securities included in net income (loss)	(3,852)	(20,045)	189,513
Deferred income tax (expense) benefit	5,067	128	(10,017)
Comprehensive income (loss)	1,022,819	749,015	787,501
Less: Comprehensive income (loss) attributable to noncontrolling interest	3	(142)	—
Comprehensive income (loss) attributable to DISH Network common shareholders	$ 1,022,816	$ 749,157	$ 787,501
Weighted-average common shares outstanding - Class A and B common stock:			
Basic	445,865	446,874	448,786
Diluted	446,597	448,596	460,226
Earnings per share - Class A and B common stock:			
Basic net income (loss) per share attributable to DISH Network common shareholders	$ 2.21	$ 1.42	$ 2.01
Diluted net income (loss) per share attributable to DISH Network common			

shareholders	$ 2.20	$ 1.42	$ 1.98

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

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DISH NETWORK 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)	Treasury Stock	Noncontrolling Interest	Total
Balance, December 31, 2007	$ 4,936	$ 2,033,864	$ 46,698	$ (84,456)	$ (1,361,053)	$ —	$ 639,989
Issuance of Class A common stock:							
Exercise of stock options	12	19,033	—	—	—	—	19,045
Employee benefits	6	19,369	—	—	—	—	19,375
Employee Stock Purchase Plan	1	1,965	—	—	—	—	1,966
Class A common stock repurchases, at cost	—	—	—	—	(82,733)	—	(82,733)
Stock-based compensation	—	15,349	—	—	—	—	15,349
Income tax (expense) benefit related to stock awards and other	—	947	—	—	—	—	947
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	(102,151)	—	—	—	(102,151)
Foreign currency translation	—	—	(3,278)	—	—	—	(3,278)
Deferred income tax (expense) benefit attributable to unrealized holding gains (losses) on available-for-sale securities	—	—	(10,017)	—	—	—	(10,017)
Capital distribution to EchoStar in connection with the Spin-off	—	—	(39,250)	(3,311,295)	—	—	(3,350,545)
Net income (loss) attributable to DISH Network common shareholders	—	—	—	902,947	—	—	902,947
Balance, December 31, 2008	$ 4,955	$ 2,090,527	$ (107,998)	$ (2,492,804)	$ (1,443,786)	$ —	$ (1,949,106)
Issuance of Class A common stock:							
Exercise of stock options	5	3,189	—	—	—	—	3,194
Employee benefits	11	12,187	—	—	—	—	12,198
Employee Stock Purchase Plan	2	2,222	—	—	—	—	2,224
Class A common stock repurchases, at cost	—	—	—	—	(18,594)	—	(18,594)
Stock-based compensation	—	12,227	—	—	—	—	12,227
Income tax (expense) benefit related to stock awards and other	—	(141)	—	—	—	—	(141)
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	113,590	—	—	—	113,590
Foreign currency translation	—	—	(106)	—	—	—	(106)
Deferred income tax (expense) benefit attributable to foreign currency translation	—	—	128	—	—	—	128
Cash dividend on Class A and Class B common stock ($2.00 per share)	—	—	—	(894,150)	—	—	(894,150)
Capital transaction with EchoStar in connection with launch service, net of tax of $5,280 (see Note 17)	—	—	—	(9,180)	—	—	(9,180)
Acquisition of noncontrolling interest in subsidiary	—	—	—	—	—	625	625
Net income (loss) attributable to noncontrolling interest	—	—	—	—	—	(142)	(142)
Net income (loss) attributable to DISH Network common shareholders	—	—	—	635,545	—	—	635,545
Balance, December 31, 2009	$ 4,973	$ 2,120,211	$ 5,614	$ (2,760,589)	$ (1,462,380)	$ 483	$ (2,091,688)
Investment securities - fair value election (see Note 5)	—	—	49,656	(49,656)	—	—	—
Issuance of Class A common stock:							
Exercise of stock options	5	4,134	—	—	—	—	4,139
Employee benefits	14	29,113	—	—	—	—	29,127
Employee Stock Purchase Plan	1	2,379	—	—	—	—	2,380
Class A common stock repurchases, at cost	—	—	—	—	(107,079)	—	(107,079)
Stock-based compensation	—	15,387	—	—	—	—	15,387
Income tax (expense) benefit related to stock awards and other	—	559	—	—	—	—	559
Change in unrealized holding gains (losses) on available-for-sale securities, net	—	—	46,496	—	—	—	46,496
Foreign currency translation	—	—	(13,476)	—	—	—	(13,476)
Deferred income tax (expense) benefit attributable to foreign currency translation	—	—	5,067	—	—	—	5,067
Capital transaction with EchoStar in connection with purchases of strategic investments, net of tax of $2,895 (see Note 17)	—	—	—	(9,103)	—	—	(9,103)
Other	—	16	—	—	—	—	16
Net income (loss) attributable to noncontrolling interest	—	—	—	—	—	3	3
Net income (loss) attributable to DISH Network common shareholders	—	—	—	984,729	—	—	984,729
Balance, December 31, 2010	$ 4,993	$ 2,171,799	$ 93,357	$ (1,834,619)	$ (1,569,459)	$ 486	$ (1,133,443)

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

DISH NETWORK 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)	$ 984,732	$ 635,403	$ 902,947
Adjustments to reconcile net income (loss) to net cash flows from operating activities:			
Depreciation and amortization	983,965	940,033	1,000,230
Equity in losses (earnings) of affiliates	—	4,149	1,519
Realized and unrealized losses (gains) on investments	(33,703)	13,811	169,370
Non-cash, stock-based compensation	15,387	12,227	15,349
Deferred tax expense (benefit) (Note 10)	201,400	4,630	392,318
Other, net	17,721	8,505	7,328
Change in noncurrent assets	401	6,507	7,832
Change in long-term deferred revenue, distribution and carriage payments and other long-term liabilities	(124,759)	31,658	(98,957)
Changes in current assets and current liabilities:			
Trade accounts receivable - other	(41,652)	56,536	(138,768)
Allowance for doubtful accounts	13,278	1,165	1,188
Prepaid income taxes	(37,532)	113,641	(148,747)
Trade accounts receivable - EchoStar	24,192	(16,777)	(20,604)
Inventory	(229,154)	51,411	(158,498)
Other current assets	2,461	(35,593)	18,403
Trade accounts payable	20,218	(33,420)	(120,739)
Trade accounts payable - EchoStar	(32,544)	(27,088)	297,629
Deferred revenue and other	(11,896)	(14,116)	(27,317)
Litigation accrual (Note 14)	225,456	361,024	—
Accrued programming and other accrued expenses	161,831	80,837	87,861
Net cash flows from operating activities	2,139,802	2,194,543	2,188,344
Cash Flows From Investing Activities:			
Purchases of marketable investment securities	(5,359,284)	(6,017,798)	(4,648,931)
Sales and maturities of marketable investment securities	5,090,462	4,570,124	4,708,338
Purchases of property and equipment	(1,113,219)	(1,037,190)	(1,129,890)
Launch service assigned from EchoStar (Note 17)	(102,913)	—	—
Change in restricted cash and marketable investment securities	(2,921)	(58,209)	79,638
FCC authorizations	—	—	(711,871)
Purchase of strategic investments included in noncurrent marketable and other investment securities	(11,742)	(62,142)	—
Proceeds from sale of strategic investments	22,002	—	106,200
Other	94	(341)	(955)
Net cash flows from investing activities	(1,477,521)	(2,605,556)	(1,597,471)
Cash Flows From Financing Activities:			
Distribution of cash and cash equivalents to EchoStar in connection with the Spin-off	—	—	(585,147)
Proceeds from issuance of long-term debt	—	1,400,000	750,000
Deferred debt issuance costs	—	(23,090)	(4,972)
Repayment of long-term debt and capital lease obligations	(26,910)	(51,301)	(1,510,000)
Class A common stock repurchases	(107,079)	(18,594)	(82,733)
Net proceeds from Class A common stock options exercised and issued under the Employee Stock Purchase Plan	6,520	5,418	21,011
Cash dividend on Class A and Class B common stock	—	(894,150)	—
Other	16	—	—
Net cash flows from financing activities	(127,453)	418,283	(1,411,841)
Net increase (decrease) in cash and cash equivalents	534,828	7,270	(820,968)
Cash and cash equivalents, beginning of period	105,844	98,574	919,542
Cash and cash equivalents, end of period	$ 640,672	$ 105,844	$ 98,574

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

DSH1139

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Business Activities

Principal Business

DISH Network Corporation is a holding company. Its subsidiaries (which together with DISH Network Corporation are referred to as "DISH Network," the "Company," "we," "us" and/or "our") operate the DISH Network® direct broadcast satellite ("DBS") subscription television service in the United States which had 14.133 million subscribers as of December 31, 2010. We have deployed substantial resources to develop the "DISH Network DBS System." The DISH Network DBS System consists of our licensed Federal Communications Commission ("FCC") authorized DBS and Fixed Satellite Service ("FSS") spectrum, our owned and leased satellites, receiver systems, third-party broadcast operations, customer service facilities, leased fiber network, in-home service and call center operations and certain other assets utilized in our operations.

Spin-off of Technology and Certain Infrastructure Assets

On January 1, 2008, we completed the distribution of our technology and set-top box business and certain infrastructure assets (the "Spin-off") into a separate publicly-traded company, EchoStar Corporation ("EchoStar"). DISH Network and EchoStar operate 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, President and Chief Executive Officer or by certain trusts established by Mr. Ergen for the benefit of his family. The two entities consist of the following:

- *DISH Network Corporation* — which retained its subscription television business, the DISH Network®, and
- *EchoStar Corporation* — which sells equipment, including set-top boxes and related components, to DISH Network and international customers, and provides digital broadcast operations and satellite services to DISH Network and other customers.

Following the Spin-off, we operate in only one reportable segment, the DISH Network segment, which provides a DBS subscription television service in the United States.

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.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

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, 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, retailer incentives, programming expenses, subscriber lives and royalty obligations. Weak 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.

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 may 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. 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.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

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:

- we have the intent to sell the security.
- it is more likely than not that we will be required to sell the security before maturity or recovery.
- 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. We depend on EchoStar for the production of our receivers and many components of our receiver systems. Manufactured inventory includes materials, labor, freight-in, royalties and manufacturing overhead.

Property and Equipment

Property and equipment are stated at cost. The costs of satellites under construction, including certain amounts prepaid under our satellite service agreements, are 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. Depreciation is recorded on a straight-line basis over useful lives ranging from one to forty years. Repair and maintenance costs are charged to expense when incurred. Renewals and improvements that add value or extend the asset's useful life are capitalized.

Long-Lived Assets

We review our long-lived assets and identifiable finite lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We evaluate our satellite fleet for recoverability as one asset group. For assets which are held and used in operations, the asset would be impaired if the carrying value of the asset (or asset group) 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.

Other Intangible Assets

We do not amortize indefinite lived intangible assets, but test these assets 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 as described above for long-lived assets. Our intangible assets with indefinite lives primarily consist of FCC licenses. Generally, we have determined that our FCC licenses have indefinite useful lives due to the following:

- FCC spectrum is a non-depleting asset;
- Existing DBS licenses are integral to our business and will contribute to cash flows indefinitely;
- 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 to obtain future cash flows are not significant;
- DBS licenses are not technologically dependent; and
- We intend to use these assets indefinitely.

We combine all our indefinite lived FCC licenses into a single unit of accounting, except for 700 MHz wireless licenses (see Note 8). The analysis encompasses future cash flows from satellites transmitting from such licensed orbital locations, including revenue attributable to programming offerings from such satellites, the direct operating and subscriber acquisition costs related to such programming, and future capital costs for replacement satellites. Projected revenue and cost amounts include current and projected subscribers. In conducting our annual impairment test in 2010, we determined that the estimated fair value of the FCC licenses, calculated using a discounted cash flow analysis, exceeded their carrying amounts.

Other Investment Securities

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 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).

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Long-Term Deferred Revenue, Distribution and Carriage Payments

Certain programmers provide us up-front payments. Such amounts are deferred and recognized as reductions to "Subscriber-related expenses" on a straight-line basis over the relevant remaining contract term (generally up to 10 years). The current and long-term portions of these deferred credits are recorded in our Consolidated Balance Sheets in "Deferred revenue and other" and "Long-term deferred revenue, distribution and carriage payments and other long-term liabilities," respectively.

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 for 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

The carrying value for cash and cash equivalents, 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.

Fair values for our publicly traded debt securities are based on quoted market prices. The fair values of our private debt is estimated based on an analysis in which we evaluate market conditions, related securities, various public and private offerings, and other publicly available information. In performing this analysis, we make various assumptions, among other things, regarding credit spreads, and the impact of these factors on the value of the notes. See Note 9 for the fair value of our long-term debt.

Deferred Debt Issuance Costs

Costs of issuing debt are generally deferred and amortized to interest expense ratably over the terms of the respective notes (see Note 9).

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Revenue Recognition

We recognize revenue when an arrangement exists, prices are determinable, collectibility is reasonably assured and the goods or services have been delivered. Revenue from our subscription television services is recognized when programming is broadcast to subscribers. Payments received from subscribers in advance of the broadcast or service period are recorded as "Deferred revenue and other" in our Consolidated Balance Sheets until earned.

For certain of our promotions relating to our receiver systems and HD programming, subscribers are charged an upfront fee. A portion of this fee may be deferred and recognized over the estimated subscriber life for new subscribers or the estimated remaining life for existing subscribers ranging from 18 months to five years. Revenue from advertising sales is recognized when the related services are performed.

Subscriber fees for equipment rental, including DVRs, additional outlets and fees for receivers with multiple tuners, and our in-home service operations are recognized as revenue as earned. Revenue from equipment sales and equipment upgrades are recognized upon shipment to customers.

Certain of our existing and new subscriber promotions include programming discounts. Programming revenues are recorded as earned at the discounted monthly rate charged to the subscriber. See "Subscriber Acquisition Costs" below for discussion regarding the accounting for costs under these promotions.

Subscriber-Related Expenses

The cost of television programming distribution rights is generally incurred on a per subscriber basis and various upfront carriage payments are recognized when the related programming is distributed to subscribers. Recently, we entered into long-term flat rate programming contracts that are charged to expense using the straight-line method over the term of the agreement. In addition, the cost of television programming rights to distribute live sporting events for a season or tournament is charged to expense using the straight-line method over the course of the season or tournament. "Subscriber-related expenses" in the Consolidated Statements of Operations and Comprehensive Income (Loss) principally include programming expenses, costs incurred in connection with our in-home service and call center operations, billing costs, refurbishment and repair costs related to receiver systems, subscriber retention and other variable subscriber expenses. These costs are recognized as the services are performed or as incurred.

Subscriber Acquisition Costs

Subscriber acquisition costs in our Consolidated Statements of Operations and Comprehensive Income (Loss) consist of costs incurred to acquire new subscribers through third parties and our direct sales distribution channel. Subscriber acquisition costs include the following line items from our Consolidated Statements of Operations and Comprehensive Income (Loss):

- *"Cost of sales — subscriber promotion subsidies - EchoStar"* includes the cost of our receiver systems sold to retailers and other distributors of our equipment and receiver systems sold directly by us to subscribers.
- *"Other subscriber promotion subsidies"* includes net costs related to promotional incentives and costs related to installation.
- *"Subscriber acquisition advertising"* includes advertising and marketing expenses related to the acquisition of new DISH Network subscribers. Advertising costs are expensed as incurred.

We characterize amounts paid to our independent dealers as consideration for equipment installation services and for equipment buydowns (incentives and rebates) as a reduction of revenue. We expense payments for equipment installation services as "Other subscriber promotion subsidies." Our payments for equipment buydowns represent a partial or complete return of the dealer's purchase price and are, therefore, netted against

the proceeds received from the dealer. We report the net cost from our various sales promotions through our independent dealer network as a component of "Other subscriber promotion subsidies." Net proceeds from the sale of subscriber related equipment pursuant to our subscriber acquisition promotions are not recognized as revenue.

Equipment Lease Programs

DISH Network subscribers have the choice of leasing or purchasing the satellite receiver and other equipment necessary to receive our programming. Most of our new subscribers choose to lease equipment and thus we retain title to such equipment. Equipment leased to new and existing subscribers is capitalized and depreciated over their estimated useful lives.

Foreign Currency Translation

The functional currency of the majority of our 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 revenues 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). Net transaction gains (losses) during 2010, 2009 and 2008 were not significant.

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 is 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.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

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) attributable to DISH Network common shareholders" 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 and convertible securities were converted to common stock.

The potential dilution from our subordinated notes convertible into common stock was computed using the "if converted method." 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)		
Basic net income (loss) attributable to DISH Network common shareholders	$ 984,729	$ 635,545	$ 902,947
Interest on dilutive subordinated convertible notes, net of related tax effect	—	390	6,638
Diluted net income (loss) attributable to DISH Network common shareholders	$ 984,729	$ 635,935	$ 909,585
Weighted-average common shares outstanding - Class A and B common stock:			
Basic	445,865	446,874	448,786
Dilutive impact of stock awards outstanding	732	1,320	2,659
Dilutive impact of subordinated notes convertible into common shares	—	402	8,781
Diluted	446,597	448,596	460,226
Earnings per share - Class A and B common stock:			
Basic net income (loss) per share attributable to DISH Network common shareholders	$ 2.21	$ 1.42	$ 2.01
Diluted net income (loss) per share attributable to DISH Network common shareholders	$ 2.20	$ 1.42	$ 1.98
Shares of Class A common stock issuable upon conversion of:			
3% Convertible Subordinated Note due 2010 (repaid during third quarter 2008) (1)	—	—	8,299
3% Convertible Subordinated Note due 2011 (repaid during fourth quarter 2009) (2)	—	482	482

(1) Effective as of close of business on January 15, 2008, the conversion price was adjusted to $60.25 per share (8,298,755 shares) as a result of the Spin-off.

(2) Effective as of close of business on January 15, 2008, the conversion price was adjusted to $51.88 per share (481,881 shares) as a result of the Spin-off.

As of December 31, 2010, 2009 and 2008, there were stock awards to purchase 10.8 million, 8.9 million and 4.9 million shares, respectively, of Class A common stock outstanding, not included in the weighted-average common shares outstanding above, as their effect is antidilutive.

Vesting of options and rights to acquire shares of our Class A common stock ("Restricted Performance Units") granted pursuant to our performance-based stock incentive plans is contingent upon meeting certain goals which are 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	10,979	9,363	10,253
Restricted Performance Units and other	1,494	1,096	1,156
Total	12,473	10,459	11,409

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

4. Statements of Cash Flow Data

The following presents our supplemental cash flow statement disclosure.

	For the Years Ended December 31,		
	2010	2009	2008
	(In thousands)		
Cash paid for interest	$ 472,586	$ 357,990	$ 385,936
Capitalized interest	17,139	19,685	16,880
Cash received for interest	36,853	19,489	44,843
Cash paid for income taxes	525,028	348,931	430,408
Employee benefits paid in Class A common stock	29,127	12,198	19,375
Vendor financing	40,000	—	24,469
Launch service purchased from EchoStar (Note 17)	—	102,913	—
Satellites and other assets financed under capital lease obligations	5,282	140,109	—
Net assets contributed in connection with the Spin-off, excluding cash and cash equivalents	—	—	2,765,398

5. 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	$ 1,334,081	$ 1,053,826
Current marketable investment securities - strategic	211,141	163,997
Current marketable investment securities - other	754,483	815,669
Total current marketable investment securities	2,299,705	2,033,492
Restricted marketable investment securities (1)	62,196	21,360
Noncurrent marketable investment securities - ARS and MBS (2)	119,121	120,650
Total marketable investment securities	2,481,022	2,175,502
Restricted cash and cash equivalents (1)	82,241	120,133
Other investment securities:		
Other investment securities - cost method	2,805	2,805
Other investment securities	102,591	46,769
Total other investment securities (2)	105,396	49,574
Total marketable investment securities, restricted cash and other investment securities	$ 2,668,659	$ 2,345,209

(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.

(2) Noncurrent marketable investment securities — auction rate securities ("ARS"), mortgage backed securities ("MBS") and other investment securities are included in "Marketable and other investment securities" on our Consolidated Balance Sheets.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Marketable Investment Securities

O ur 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 include strategic and financial investments in public companies that 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.

We account for certain debt securities acquired at a discount under the cost recovery method, partial accrual or full accrual methods based on management's quarterly evaluation of these securities. These debt securities were purchased at a discount due to their credit quality. As a result, the yield that may be accreted (accretable yield) is limited to the excess of our estimate of undiscounted expected principal, interest, and other cash flows (including the effects of prepayments) expected to be collected over our initial investment. The face value of these securities as of December 31, 2010 and 2009 was $16 million and $137 million, respectively. The carrying value, which is equal to fair value, of these securities as of December 31, 2010 and 2009 was $16 million and $80 million, respectively. The total discount on these securities was $3 million as of December 31, 2010 with $3 million classified as accretable yield. The total discount on these securities was $91 million as of December 31, 2009 with $12 million classified as accretable yield and the remaining $79 million classified as non-accretable yield. As a result of current developments, in December 2010, we reclassified our $56 million investment in DBSD North America's 7.5% Convertible Senior Secured Notes due 2009 from current assets included in "Marketable investment securities" to noncurrent assets included in "Marketable and other investment securities."

Current Marketable Investment Securities - Other

Our c urrent 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. Restricted cash and marketable investment securities as of December 31, 2010 and 2009 included $62 million related to our litigation with Tivo, respectively.

Noncurrent Marketable Investment Securities — ARS and MBS

We have investments in ARS and MBS which are classified as available-for-sale securities and reported at fair value. Events in the credit markets have reduced or eliminated current liquidity for certain of our ARS and MBS investments. As a result, we classify these investments as noncurrent assets, as we intend to hold these investments until they recover or mature. See below for further discussion on the July 1, 2010 fair value election on certain ARS investments.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

The valuation of our ARS and MBS investments portfolio is subject to uncertainties that are difficult to estimate. Due to the lack of observable market quotes for identical assets, we utilize analyses that rely on Level 2 and/or Level 3 inputs, as defined in "Fair Value Measurements." These inputs include, among other things, observed prices on similar assets as well as our assumptions and estimates related to the counterparty credit quality, default risk underlying the security and overall capital market liquidity. These securities were also compared, when possible, to other observable market data for financial instruments with similar characteristics.

Fair Value Election. As of December 31, 2010, our ARS and MBS noncurrent marketable investment securities portfolio of $119 million includes $63 million of securities accounted for under the fair value method. In March 2010, the FASB issued Accounting Standards Update 2010-11 ("ASU 2010-11"), Derivatives and Hedging: Scope Exception Related to Embedded Credit Derivatives. ASU 2010-11 clarifies the type of embedded credit derivative that is exempt from certain bifurcation requirements. Only one form of embedded credit derivative qualifies for the exemption - one that is related to the subordination of one financial instrument to another. As a result, entities that have contracts containing an embedded credit derivative feature in a form other than subordination may need to separately account for the embedded credit derivative feature. On July 1, 2010, we elected to apply the fair value option to certain of our ARS portfolio impacted by ASU 2010-11. As a result, a $50 million loss, net of tax, related to these ARS in "Accumulated other comprehensive income (loss)" within "Total stockholders' equity (deficit)" as of June 30, 2010 was included as a cumulative-effect adjustment to "Accumulated earnings (deficit)." All changes in the fair value of these investments after June 30, 2010 are recognized in our results of operations and included in "Other, net" income and expense on our Consolidated Statements of Operations and Comprehensive Income (Loss) and detailed in the table titled "Gains and Losses on Sales and Changes in Carrying Value of Investments" below.

Other Investment Securities

We have a few strategic investments in certain debt and equity securities that are included in noncurrent "Marketable and other investment securities" on our Consolidated Balance Sheets accounted for using the cost, equity and/or fair value methods of accounting.

As a result of current developments, in December 2010, we reclassified our $56 million investment in DBSD North America's 7.5% Convertible Senior Secured Notes due 2009 from current assets included in "Marketable investment securities" to noncurrent assets included in "Marketable and other investment securities." The face value of these securities as of December 31, 2010 was $112 million. In addition, as of December 31, 2010 and 2009, we held a $47 million line of credit pursuant to the Amended and Restated Revolving Credit Agreement, dated as of April 7, 2008 between us and DBSD North America. See Note 18 for further discussion.

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.

DISH NETWORK 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 $93 million and net unrealized losses of $3 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 deferred taxes 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	Net	Marketable Investment Securities	Unrealized Gains	Unrealized Losses	Net
	(In thousands)							
Debt securities:								
VRDNs	$ 1,334,081	$ —	$ —	$ —	$ 1,053,826	$ 1	$ (3)	$ (2)
ARS and MBS	56,430	902	(12,262)	(11,360)	120,650	1,114	(69,167)	(68,053)
Other (including restricted)	888,621	32,256	(1,676)	30,580	917,069	39,490	(1,645)	37,845
Equity securities:								
Other	195,022	82,565	(8,429)	74,136	83,957	27,415	—	27,415
Subtotal	2,474,154	$ 115,723	$ (22,367)	$ 93,356	$ 2,175,502	$ 68,020	$ (70,815)	$ (2,795)
ARS fair value election	62,691							
Less certain other investment securities	(55,823)							
Total marketable investment securities	$ 2,481,022							

As of December 31, 2010, restricted and non-restricted marketable investment securities include debt securities of $2.069 billion with contractual maturities of one year or less and $273 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.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

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. As of December 31, 2010, the unrealized losses on our investments in equity securities represent investments in a company in the technology industry. We are not aware of any specific factors which indicate the unrealized losses in these investments are due to anything other than temporary market fluctuations. As of December 31, 2010 and 2009, the unrealized losses on our investments in debt securities primarily represent investments in auction rate, mortgage and asset-backed securities. We do not intend to sell our investments in these debt securities before they recover or mature, and it is more likely than not that we will hold these 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	$ 312,857	$ 93,072	$ (174)	$ 26,182	$ (103)	$ 193,603	$ (13,661)
Equity securities	Temporary market fluctuations	26,890	26,890	(8,429)	—	—	—	—
Total		$ 339,747	$ 119,962	$ (8,603)	$ 26,182	$ (103)	$ 193,603	$ (13,661)
		As of December 31, 2009						
					(In thousands)			
Debt securities	Temporary market fluctuations	$ 348,995	$ 180,359	$ (306)	$ 7,535	$ (45)	$ 161,101	$ (70,464)
Total		$ 348,995	$ 180,359	$ (306)	$ 7,535	$ (45)	$ 161,101	$ (70,464)

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.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

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	$ 1,334,081	$ —	$ 1,334,081	$ —	$ 1,053,826	$ —	$ 1,053,826	$ —
ARS and MBS	119,121	—	6,031	113,090	120,650	—	7,907	112,743
Other (including restricted)	888,621	21,835	810,883	55,903	917,069	22,031	894,770	268
Equity securities	195,022	195,022	—	—	83,957	83,957	—	—
Subtotal	2,536,845	$ 216,857	$ 2,150,995	$ 168,993	$ 2,175,502	$ 105,988	$ 1,956,503	$ 113,011
Less certain other investment securities	(55,823)							
Total marketable investment securities	$ 2,481,022							

Changes in Level 3 instruments are as follows:

	Level 3 Investment Securities
	(In thousands)
Balance as of December 31, 2009	$ 113,011
Net realized and unrealized gains (losses) included in earnings	6,732
Net realized and unrealized gains (losses) included in earnings - fair value election	(49,656)
Net realized and unrealized gains (losses) included in other comprehensive income (loss)	55,308
Purchases, issuances and settlements, net	(4,085)
Transfers from level 2 to level 3	47,683
Balance as of December 31, 2010	$ 168,993

Gains and Losses on Sales and Changes in Carrying Values of Investments

"Other, net" income and expense included on our Consolidated Statements of Operations and Comprehensive Income (Loss) includes other changes in the carrying amount of our marketable and non-marketable investments as follows:

	For the Years Ended December 31,		
Other Income (Expense):	2010	2009	2008
		(In thousands)	
Marketable investment securities - gains (losses) on sales/exchanges	$ 13,277	$ 23,042	$ 2,095
Other investment securities - gains (losses) on sales/exchanges	21,422	—	53,473
Marketable investment securities - unrealized gains (losses) on investments accounted for at fair value	8,371	—	—
Marketable investment securities - other-than-temporary impairments	(12,734)	(1,050)	(191,404)
Other investment securities - unrealized gains (losses) on fair value investments and other-than-temporary impairments	3,361	(35,803)	(33,534)
Other	(2,701)	(1,896)	657
Total	$ 30,996	$ (15,707)	$ (168,713)

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

6. Inventory

Inventory consists of the following:

	As of December 31,	
	2010	2009
	(In thousands)	
Finished goods - DBS	$ 305,068	$ 199,189
Raw materials	143,111	60,837
Work-in-process - used	36,186	34,204
Work-in-process - new	3,210	1,720
Total inventory	$ 487,575	$ 295,950

As of December 31, 2010, our inventory balance was $488 million, an increase of $192 million. The increase was due to fewer gross subscriber additions than anticipated in 2010. In addition, the inventory balance at December 31, 2009 was lower than normal due to more gross subscriber additions and less churn than forecasted during the second half of 2009.

7. Property and Equipment

Property and equipment consists of the following:

	Depreciable Life (In Years)	As of December 31,	
		2010	2009
		(In thousands)	
Equipment leased to customers	2-5	$ 3,495,360	$ 3,295,298
EchoStar I	12	201,607	201,607
EchoStar VII	12	177,000	177,000
EchoStar X	12	177,192	177,192
EchoStar XI	12	200,198	200,198
EchoStar XIV	15	316,518	—
EchoStar XV	15	277,533	—
Satellites acquired under capital lease agreements	10-15	499,819	499,819
Furniture, fixtures, equipment and other	1-10	480,379	454,435
Buildings and improvements	1-40	70,471	66,612
Land	—	3,948	3,948
Construction in progress	—	16,844	453,245
Total property and equipment		5,916,869	5,529,354
Accumulated depreciation		(2,684,521)	(2,487,092)
Property and equipment, net		$ 3,232,348	$ 3,042,262

Construction in progress 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	$ —	$ 439,459
Software related projects	3,469	7,540
Other	13,375	6,246
Construction in progress	$ 16,844	$ 453,245

DISH NETWORK 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)		
Equipment leased to customers	$ 822,442	$ 799,169	$ 827,599
Satellites	110,510	86,430	89,435
Buildings, furniture, fixtures, equipment and other	51,013	54,434	83,196
Total depreciation and amortization	$ 983,965	$ 940,033	$ 1,000,230

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.

The cost of our satellites includes capitalized interest of $17 million, $20 million, and $17 million during the years ended December 31, 2010, 2009 and 2008, respectively.

Satellites

We currently utilize 13 satellites in geostationary orbit approximately 22,300 miles above the equator, six of which we own. We currently utilize capacity on five satellites from EchoStar, which are accounted for as operating leases. We also lease two satellites from third parties, which are accounted for as capital leases and are depreciated over the shorter of the economic life or the term of the satellite agreement.

Satellites	Launch Date	Degree Orbital Location	Original Useful Life (Years)	Lease Term (Years)
Owned:				
EchoStar I (1)	December 1995	77	12	
EchoStar VII	February 2002	119	12	
EchoStar X	February 2006	110	12	
EchoStar XI	July 2008	110	12	
EchoStar XIV	March 2010	119	15	
EchoStar XV	July 2010	61.5	15	
Leased from EchoStar:				
EchoStar VI (1)	July 2000	77	12	
EchoStar VIII (1)(2)	August 2002	77	12	
EchoStar IX (1)(2)(3)	August 2003	121	12	
EchoStar XII (1)	July 2003	61.5	10	
Nimiq 5 (1)(2)	September 2009	72.7	10	10
Leased from Other Third Party:				
Anik F3	April 2007	118.7	15	15
Ciel II	December 2008	129	10	10
Under Construction:				
Leased from EchoStar:				
QuetzSat-1	Late 2011	77	10	10
EchoStar XVI	2012	61.5	10	10

(1) See Note 17 for further discussion of our Related Party Agreements.
(2) We lease a portion of the capacity on these satellites.
(3) Leased on a month to month basis.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

EchoStar XIV. Our EchoStar XIV satellite was launched on March 20, 2010 and commenced commercial operations at the 119 degree orbital location during May 2010. EchoStar XIV has both spot beam capabilities and the ability to provide service to the entire continental United States ("CONUS") that has allowed us, among other things, to expand our HD offerings.

EchoStar XV. Our EchoStar XV satellite was launched on July 10, 2010 and commenced commercial operations at the 61.5 degree orbital location during August 2010. EchoStar XV is a CONUS satellite that has allowed us, among other things, to expand our HD offerings. EchoStar XV is expected to be used as an in-orbit spare when EchoStar XVI commences commercial operations during the second half of 2012.

Satellite Anomalies

Operation of our programming service requires that we have adequate satellite transmission capacity for the programming we offer. Moreover, current competitive conditions require that we continue to expand our offering of new programming, particularly by expanding local HD coverage and offering more HD national channels. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited.

In the event of a failure or loss of any of our satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other satellites and use it as a replacement for the failed or lost satellite. Such a failure could result in a prolonged loss of critical programming or a significant delay in our plans to expand programming as necessary to remain competitive and thus may have a material adverse effect on our business, financial condition and results of operations.

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/or 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 do not anticipate carrying insurance for any of the in-orbit satellites that we use, and we will bear the risk associated with any in-orbit satellite failures. Recent developments with respect to certain of our satellites are discussed below.

Owned Satellites

EchoStar VII. EchoStar VII, which is being used as an in-orbit spare, was designed with four gyros, of which three are required to properly control the positioning of the satellite. During October 2010, EchoStar VII experienced an anomaly which caused one of its gyros to temporarily stop functioning. Testing during December 2010 confirmed that this gyro is functioning again. In addition, during July 2010, EchoStar VII experienced a thruster anomaly. Thrusters control spacecraft location and maintain spacecraft pointing. While these anomalies did not reduce the estimated useful life of the satellite to less than 12 years or impact commercial operation of the satellite, there can be no assurance that future anomalies will not reduce its useful life or impact its commercial operation.

EchoStar X. EchoStar X was designed with 49 spot beams which use up to 42 active 140 watt traveling wave tube amplifiers ("TWTAs") and 24 solar array circuits, of which approximately 22 are required to assure full power for the original minimum 12-year useful life of the satellite. During May and September of 2010, EchoStar X experienced anomalies which affected seven solar array circuits reducing the number of functional solar array circuits to 17. While these anomalies did not reduce the estimated useful life of the satellite to less than 12 years or impact commercial operation of the satellite based on the satellite's current configuration, there can be no assurance that future anomalies will not reduce its useful life or impact its commercial operation.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Leased Satellites

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.

Long-Lived Satellite Assets. We evaluate our satellite fleet for impairment as one asset group and test for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. While certain of the anomalies discussed above, and previously disclosed, may be considered to represent a significant adverse change in the physical condition of an individual satellite, based on the redundancy designed within each satellite and considering the asset grouping, these anomalies are not considered to be significant events that would require evaluation for impairment recognition. Unless and until a specific satellite is abandoned or otherwise determined to have no service potential, the net carrying amount related to the satellite would not be written off.

FCC Authorizations. We currently do not have any satellites positioned at the 148 degree orbital location as a result of the retirement of EchoStar V. While we have requested the necessary approval from the FCC for the continued use of this orbital location, there can be no assurance that the FCC will determine that our proposed future use of this orbital location complies fully with all licensing requirements. If the FCC decides to revoke this license, we may be required to write-off its $68 million carrying value.

8. 700 MHz Wireless Licenses

In 2008, we paid $712 million to acquire certain 700 MHz wireless licenses, which were granted to us by the FCC in February 2009. To commercialize these licenses and satisfy FCC build-out requirements, we will be required to make significant additional investments or partner with others. Depending on the nature and scope of such commercialization and build-out, any such investment or partnership could vary significantly. Part or all of our licenses may be terminated for failure to satisfy FCC build-out requirements. We are currently performing a market test to evaluate different technologies and consumer acceptance. 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. Based on this assessment, this asset was not impaired as of December 31, 2010.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

9. Long-Term Debt

6 3/8% Senior Notes due 2011

The 6 3/8% Senior Notes mature October 1, 2011. Interest accrues at an annual rate of 6 3/8% and is payable semi-annually in cash, in arrears on April 1 and October 1 of each year.

The 6 3/8% Senior Notes are redeemable, in whole or in part, at any time at a redemption price equal to 100% of their principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest.

The 6 3/8% Senior Notes are:

- general unsecured senior obligations of DISH DBS Corporation ("DDBS");
- ranked equally in right of payment with all of DDBS' and the guarantors' existing and future unsecured senior debt; and
- ranked effectively junior to our and the guarantors' current and future secured senior indebtedness up to the value of the collateral securing such indebtedness.

The indenture related to the 6 3/8% Senior Notes contains restrictive covenants that, among other things, impose limitations on the ability of DDBS and its restricted subsidiaries to:

- incur additional indebtedness or enter into sale and leaseback transactions;
- pay dividends or make distribution on DDBS' capital stock or repurchase DDBS' capital stock;
- make certain investments;
- create liens;
- enter into transactions with affiliates;
- merge or consolidate with another company; and
- transfer or sell assets.

In the event of a change of control, as defined in the related indenture, we would be required to make an offer to repurchase all or any part of a holder's 6 3/8% Senior Notes at a purchase price equal to 101% of the aggregate principal amount thereof, together with accrued and unpaid interest thereon, to the date of repurchase.

7% Senior Notes due 2013

The 7% Senior Notes mature October 1, 2013. Interest accrues at an annual rate of 7% and is payable semi-annually in cash, in arrears on April 1 and October 1 of each year.

The 7% Senior Notes are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest.

The 7% Senior Notes are:

- general unsecured senior obligations of DDBS;
- ranked equally in right of payment with all of DDBS' and the guarantors' existing and future unsecured senior debt; and
- ranked effectively junior to our and the guarantors' current and future secured senior indebtedness up to the value of the collateral securing such indebtedness.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

The indenture related to the 7% Senior Notes contains restrictive covenants that, among other things, impose limitations on the ability of DDBS and its restricted subsidiaries to:

- incur additional debt;
- pay dividends or make distribution on DDBS' capital stock or repurchase DDBS' capital stock;
- make certain investments;
- create liens or enter into sale and leaseback transactions;
- enter into transactions with affiliates;
- merge or consolidate with another company; and
- transfer or sell assets.

In the event of a change of control, as defined in the related indenture, we would be required to make an offer to repurchase all or any part of a holder's 7% Senior Notes at a purchase price equal to 101% of the aggregate principal amount thereof, together with accrued and unpaid interest thereon, to the date of repurchase.

6 5/8% Senior Notes due 2014

The 6 5/8% Senior Notes mature October 1, 2014. Interest accrues at an annual rate of 6 5/8% and is payable semi-annually in cash, in arrears on April 1 and October 1 of each year.

The 6 5/8% Senior Notes are redeemable, in whole or in part, at any time at a redemption price equal to 100% of their principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest.

The 6 5/8% Senior Notes are:

- general unsecured senior obligations of DDBS;
- ranked equally in right of payment with all of DDBS' and the guarantors' existing and future unsecured senior debt; and
- ranked effectively junior to our and the guarantors' current and future secured senior indebtedness up to the value of the collateral securing such indebtedness.

The indenture related to the 6 5/8% Senior Notes contains restrictive covenants that, among other things, impose limitations on the ability of DDBS and its restricted subsidiaries to:

- incur additional indebtedness or enter into sale and leaseback transactions;
- pay dividends or make distribution on DDBS' capital stock or repurchase DDBS' capital stock;
- make certain investments;
- create liens;
- enter into transactions with affiliates;
- merge or consolidate with another company; and
- transfer or sell assets.

In the event of a change of control, as defined in the related indenture, we would be required to make an offer to repurchase all or any part of a holder's 6 5/8% Senior Notes at a purchase price equal to 101% of the aggregate principal amount thereof, together with accrued and unpaid interest thereon, to the date of repurchase.

7 ¾% Senior Notes due 2015

The 7 ¾% Senior Notes mature May 31, 2015. Interest accrues at an annual rate of 7 ¾% and is payable semi-annually in cash, in arrears on May 31 and November 30 of each year.

The 7 ¾% Senior Notes are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued

and unpaid interest. Prior to May 31, 2011, we may also redeem up to 35% of each of the 7 ¾% Senior Notes at specified premiums with the net cash proceeds from certain equity offerings or capital contributions.

The 7 ¾% Senior Notes are:

- general unsecured senior obligations of DDBS;
- ranked equally in right of payment with all of DDBS' and the guarantors' existing and future unsecured senior debt; and
- ranked effectively junior to our and the guarantors' current and future secured senior indebtedness up to the value of the collateral securing such indebtedness.

The indenture related to the 7 ¾% Senior Notes contains restrictive covenants that, among other things, impose limitations on the ability of DDBS and its restricted subsidiaries to:

- incur additional debt;
- pay dividends or make distribution on DDBS' capital stock or repurchase DDBS' capital stock;
- make certain investments;
- create liens or enter into sale and leaseback transactions;
- enter into transactions with affiliates;
- merge or consolidate with another company; and
- transfer or sell assets.

In the event of a change of control, as defined in the related indenture, we would be required to make an offer to repurchase all or any part of a holder's 7 ¾% Senior Notes at a purchase price equal to 101% of the aggregate principal amount thereof, together with accrued and unpaid interest thereon, to the date of repurchase.

7 1/8% Senior Notes due 2016

The 7 1/8% Senior Notes mature February 1, 2016. Interest accrues at an annual rate of 7 1/8% and is payable semi-annually in cash, in arrears on February 1 and August 1 of each year.

The 7 1/8% Senior Notes are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest.

The 7 1/8% Senior Notes are:

- general unsecured senior obligations of DDBS;
- ranked equally in right of payment with all of DDBS' and the guarantors' existing and future unsecured senior debt; and
- ranked effectively junior to our and the guarantors' current and future secured senior indebtedness up to the value of the collateral securing such indebtedness.

The indenture related to the 7 1/8% Senior Notes contains restrictive covenants that, among other things, impose limitations on the ability of DDBS and its restricted subsidiaries to:

- incur additional debt;
- pay dividends or make distribution on DDBS' capital stock or repurchase DDBS' capital stock;
- make certain investments;
- create liens or enter into sale and leaseback transactions;
- enter into transactions with affiliates;
- merge or consolidate with another company; and
- transfer or sell assets.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

In the event of a change of control, as defined in the related indenture, we would be required to make an offer to repurchase all or any part of a holder's 7 1/8% Senior Notes at a purchase price equal to 101% of the aggregate principal amount thereof, together with accrued and unpaid interest thereon, to the date of repurchase.

7 7/8% Senior Notes due 2019

On August 17, 2009, we issued $1.0 billion aggregate principal amount of our ten-year, 7 7/8% Senior Notes due September 1, 2019 at an issue price of 97.467%. Interest accrues at an annual rate of 7 7/8% and is payable semi-annually in cash, in arrears on March 1 and September 1 of each year.

On October 5, 2009, we issued $400 million aggregate principal amount of additional 7 7/8% Senior Notes due 2019 at an issue price of 101.750% plus accrued interest from August 17, 2009. These notes were issued as additional notes under the indenture, dated as of August 17, 2009, pursuant to which we issued the $1.0 billion discussed above. These notes and the notes previously issued under the related indenture will be treated as a single class of debt securities.

The 7 7/8% Senior Notes are redeemable, in whole or in part, at any time at a redemption price equal to 100% of the principal amount plus a "make-whole" premium, as defined in the related indenture, together with accrued and unpaid interest. Prior to September 1, 2012, we may also redeem up to 35% of each of the 7 7/8% Senior Notes at specified premiums with the net cash proceeds from certain equity offerings or capital contributions.

The 7 7/8% Senior Notes are:

- general unsecured senior obligations of DDBS;
- ranked equally in right of payment with all of DDBS' and the guarantors' existing and future unsecured senior debt; and
- ranked effectively junior to our and the guarantors' current and future secured senior indebtedness up to the value of the collateral securing such indebtedness.

The Indenture related to the 7 7/8% Senior Notes contains restrictive covenants that, among other things, impose limitations on the ability of DDBS and its restricted subsidiaries to:

- incur additional debt;
- pay dividends or make distributions on DDBS' capital stock or repurchase DDBS' capital stock;
- make certain investments;
- create liens or enter into sale and leaseback transactions;
- enter into transactions with affiliates;
- merge or consolidate with another company; and
- transfer or sell assets.

In the event of a change of control, as defined in the related indenture, we would be required to make an offer to repurchase all or any part of a holder's 7 7/8% Senior Notes at a purchase price equal to 101% of the aggregate principal amount thereof, together with accrued and unpaid interest thereon, to the date of repurchase.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Interest on Long-Term Debt

	Semi-Annual Payment Dates	Annual Debt Service Requirements
		(In thousands)
6 3/8% Senior Notes due 2011	April 1 and October 1	$ 63,750
7% Senior Notes due 2013	April 1 and October 1	$ 35,000
6 5/8% Senior Notes due 2014	April 1 and October 1	$ 66,250
7 3/4% Senior Notes due 2015	May 31 and November 30	$ 58,125
7 1/8% Senior Notes due 2016	February 1 and August 1	$ 106,875
7 7/8% Senior Notes due 2019	March 1 and September 1	$ 110,250

Our ability to meet our debt service requirements will depend on, among other factors, the successful execution of our business strategy, which is subject to uncertainties and contingencies beyond our control.

Fair Value of our Long-Term Debt

The following table summarizes the carrying and fair values of our debt facilities as of December 31, 2010 and 2009:

	As of December 31,			
	2010		2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
6 3/8% Senior Notes due 2011	$ 1,000,000	$ 1,032,500	$ 1,000,000	$ 1,028,750
7 % Senior Notes due 2013	500,000	532,815	500,000	515,000
6 5/8% Senior Notes due 2014	1,000,000	1,032,500	1,000,000	1,010,000
7 3/4% Senior Notes due 2015	750,000	798,750	750,000	789,375
7 1/8% Senior Notes due 2016	1,500,000	1,548,600	1,500,000	1,548,750
7 7/8% Senior Notes due 2019	1,400,000	1,463,000	1,400,000	1,473,500
Mortgages and other notes payable	77,965	77,965	42,107	42,107
Subtotal	6,227,965	$ 6,486,130	6,192,107	$ 6,407,482
Capital lease obligations (1)	286,971		304,457	
Total long-term debt and capital lease obligations (including current portion)	$ 6,514,936		$ 6,496,564	

(1) Disclosure regarding fair value of capital leases is not required.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Other Long-Term Debt and Capital Lease Obligations

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

	As of December 31,	
	2010	2009
	(In thousands)	
Satellites and other capital lease obligations	$ 286,971	$ 304,457
8% note payable for EchoStar VII satellite vendor financing, payable over 13 years from launch	7,577	8,773
6% note payable for EchoStar X satellite vendor financing, payable over 15 years from launch	10,862	11,704
6% note payable for EchoStar XI satellite vendor financing, payable over 15 years from launch	15,951	16,748
6% note payable for EchoStar XIV satellite vendor financing, payable over 15 years from launch	22,000	—
6% note payable for EchoStar XV satellite vendor financing, payable over 15 years from launch	18,000	—
Mortgages and other unsecured notes payable due in installments through 2017 with interest rates ranging from approximately 2% to 13%	3,575	4,882
Total	364,936	346,564
Less current portion	(30,895)	(26,518)
Other long-term debt and capital lease obligations, net of current portion	$ 334,041	$ 320,046

Capital Lease Obligations

Anik F3. Anik F3, an FSS satellite, was launched and commenced commercial operation during April 2007. This satellite is accounted for as a capital lease and depreciated over the term of the satellite service agreement. We have leased 100% of the Ku-band capacity on Anik F3 for a period of 15 years.

Ciel II . Ciel II, a Canadian DBS satellite, was launched in December 2008 and commenced commercial operation during February 2009. This satellite is accounted for as a capital lease and depreciated over the term of the satellite service agreement. We have leased 100% of the capacity on Ciel II for an initial ten-year term.

As of December 31, 2010 and 2009, we had $500 million capitalized for the estimated fair value of satellites acquired under capital leases included in "Property and equipment, net," with related accumulated depreciation of $109 million and $66 million, respectively. In our Consolidated Statements of Operations and Comprehensive Income (Loss), we recognized $43 million, $40 million and $15 million in depreciation expense on satellites acquired under capital lease agreements during the years ended December 31, 2010, 2009 and 2008, respectively.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Future minimum lease payments under the capital lease obligation, 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	$ 82,184
2012	77,110
2013	75,970
2014	75,970
2015	75,970
Thereafter	390,239
Total minimum lease payments	777,443
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	(357,982)
Net minimum lease payments	419,461
Less: Amount representing interest	(132,490)
Present value of net minimum lease payments	286,971
Less: Current portion	(24,801)
Long-term portion of capital lease obligations	$ 262,170

The summary of future maturities of our outstanding long-term debt as of December 31, 2010 is included in the commitments table in Note 14.

10. Income Taxes and Accounting for Uncertainty in Income Taxes

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.

As of December 31, 2010, we had no net operating loss carryforwards ("NOLs") for federal income tax purposes and $13 million of NOL benefit for state income tax purposes. The state NOLs begin to expire in the year 2020. In addition, there are $11 million of tax benefits related to credit carryforwards which are partially offset by a valuation allowance and $42 million of capital loss carryforwards which were fully offset by a valuation allowance. The credit carryforwards begin to expire in the year 2011.

DISH NETWORK 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	$ (287,523)	$ (335,958)	$ (243,451)
State	(68,550)	(36,762)	(30,090)
Foreign	—	(79)	—
	(356,073)	(372,799)	(273,541)
Deferred (provision) benefit:			
Federal	(227,024)	15,771	(278,336)
State	16,341	(373)	(34,401)
Decrease (increase) in valuation allowance	9,283	(20,028)	(79,581)
	(201,400)	(4,630)	(392,318)
Total benefit (provision)	$ (557,473)	$ (377,429)	$ (665,859)

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 follows:

	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	(2.5)	(2.8)	(2.6)
Foreign taxes and income not U.S. taxable	—	—	—
Stock option compensation	0.3	(0.2)	—
Other	0.6	2.7	0.3
Decrease (increase) in valuation allowance	0.5	(2.0)	(5.1)
Total benefit (provision) for income taxes	(36.1)	(37.3)	(42.4)

DISH NETWORK 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	$ 14,595	$ 16,684
Unrealized losses on investments	49,555	71,781
Accrued expenses	256,033	175,428
Stock compensation	17,730	9,152
Deferred revenue	56,324	43,328
State taxes net of federal effect	29,599	19,976
Total deferred tax assets	423,836	336,349
Valuation allowance	(73,126)	(97,128)
Deferred tax asset after valuation allowance	350,710	239,221
Deferred tax liabilities:		
Depreciation and amortization	(701,497)	(412,288)
Total deferred tax liabilities	(701,497)	(412,288)
Net deferred tax asset (liability)	$ (350,787)	$ (173,067)
Current portion of net deferred tax asset (liability)	$ 216,899	$ 139,708
Noncurrent portion of net deferred tax asset (liability)	(567,686)	(312,775)
Total net deferred tax asset (liability)	$ (350,787)	$ (173,067)

Accounting for Uncertainty in Income Taxes

In addition to filing federal income tax returns, we and one or more of our subsidiaries file income tax returns in all states that impose an income tax and a small number of foreign jurisdictions where we have immaterial operations. We are subject to U.S. federal, state and local income tax examinations by tax authorities for the years beginning in 1996 due to the carryover of previously incurred net operating losses. 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.

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	$ 224,029	$ 226,528	$ 17,593
Additions based on tax positions related to the current year	7,382	7,952	37,583
Additions based on tax positions related to prior years	11,800	3,665	208,137
Reductions based on tax positions related to prior years	(45,197)	(6,042)	(36,785)
Reductions based on tax positions related to settlements with taxing authorities	(493)	(5,899)	—
Reductions based on tax positions related to the lapse of the statute of limitations	(4,201)	(2,175)	—
Balance as of end of period	$ 193,320	$ 224,029	$ 226,528

We have $171 million in unrecognized tax benefits that, if recognized, could favorably affect our effective tax rate. We do not expect any portion of this amount to be paid or settled within the next twelve months.

Accrued interest and penalties on uncertain tax positions are recorded as a component of "Other, net" on our Consolidated Statements of Operations and Comprehensive Income (Loss). During the year ended December 31, 2010, we recorded $3 million in interest and penalty benefit to earnings. During the years ended December 31, 2009 and 2008, we recorded $9 million and $6 million in interest and penalty expense to earnings, respectively. Accrued interest and penalties were $13 million and $16 million at December 31, 2010 and 2009, respectively. The above table excludes these amounts.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

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.

Common Stock Repurchase Program

Our Board of Directors previously authorized stock repurchases of up to $1.0 billion of our Class A common stock. On November 2, 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 $1.0 billion of our outstanding shares of our Class A common stock through and including December 31, 2011. As of December 31, 2010, we may repurchase up to $1.0 billion under the plan.

The following table provides information regarding repurchases of our Class A common stock.

Class A Common Stock Repurchases	For the Years Ended December 31, 2010	2009	2008
		(In thousands)	
Total number of shares repurchased	6,020	1,948	3,137
Dollar value of shares repurchased	$ 107,079	$ 18,594	$ 82,733

Cash Dividend

On December 2, 2009, we paid a cash dividend of $2.00 per share, or approximately $894 million, on our outstanding Class A and Class B common stock to shareholders of record at the close of business on November 20, 2009.

12. Employee Benefit Plans

Employee Stock Purchase Plan

Our employees participate in the DISH Network employee stock purchase plan (the "ESPP"), in which we are authorized to issue 1.8 million shares of Class A common stock. At December 31, 2010, we had 0.5 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 the years ended December 31, 2010, 2009 and 2008, employee purchases of Class A common stock through the ESPP totaled approximately 0.1 million, 0.2 million and 0.1 million shares, respectively.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

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 our 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	$ 1,598	$ 6,116	$ 4,641
Discretionary stock contributions, net of forfeitures	$ 24,954	$ 29,004	$ 12,436

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 21.9 million shares of our Class A common stock and 1.6 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 approximately ten years. While historically we have issued stock awards subject to vesting, typically at the rate of 20% 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 76.2 million shares of our Class A common stock available for future grant under our stock incentive plans.

During December 2009, we paid a dividend in cash of $2.00 per share on our outstanding Class A and Class B common stock to shareholders of record on November 20, 2009. In light of such dividend, during February 2010, the exercise price of 20.6 million stock options, affecting approximately 700 employees, was reduced by $2.00 per share (the "Stock Option Adjustment"). Except as noted below, all information discussed below reflects the Stock Option Adjustment.

In connection with the Spin-off, as permitted by our 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.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

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			
	DISH Network Awards		EchoStar Awards	
Stock Awards Outstanding	Stock Options	Restricted Stock Units	Stock Options	Restricted Stock Units
Held by DISH Network employees	18,447,004	1,271,984	1,037,974	58,784
Held by EchoStar employees	3,471,496	292,348	N/A	N/A
Total	21,918,500	1,564,332	1,037,974	58,784

We are responsible for fulfilling all stock awards related to DISH Network common stock and EchoStar is responsible for fulfilling all stock awards related to EchoStar common stock, regardless of whether such stock awards are held by our or EchoStar'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 DISH Network or EchoStar. Accordingly, stock-based compensation that we expense with respect to EchoStar stock awards is included in "Additional paid-in capital" on our Consolidated Balance Sheets.

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	6,278,320	7.24	$ 9.01	662,635	7.35	$ 8.35
$ 10.00 - $ 15.00	1,031,414	7.73	$ 13.99	107,102	7.14	$ 13.89
$ 15.00 - $ 20.00	2,532,838	9.17	$ 18.15	46,999	7.24	$ 17.80
$ 20.00 - $ 25.00	8,340,204	4.59	$ 22.33	4,251,704	4.14	$ 22.52
$ 25.00 - $ 30.00	2,896,569	5.57	$ 26.40	2,031,971	5.04	$ 26.21
$ 30.00 - $ 35.00	780,655	5.52	$ 33.68	466,453	4.96	$ 33.43
$ 35.00 - $ 40.00	58,500	6.67	$ 36.79	23,400	6.63	$ 36.72
$ — - $ 40.00	21,918,500	6.19	$ 18.62	7,590,264	4.78	$ 22.83

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

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 (1)	21,861,691	$ 21.71	21,835,687	$ 22.50	20,938,403	$ 22.61
Granted	2,450,500	$ 18.34	3,077,000	$ 15.69	7,998,500	$ 13.67
Exercised	(448,729)	$ 9.23	(356,793)	$ 8.95	(976,187)	$ 19.51
Forfeited and cancelled	(1,944,962)	$ 22.26	(2,694,203)	$ 22.93	(6,125,029)	$ 11.70
Total options outstanding, end of period	21,918,500	$ 18.62	21,861,691	$ 21.71	21,835,687	$ 22.50
Performance based options outstanding, end of period (2)	10,978,750	$ 15.98	9,362,500	$ 17.23	10,253,250	$ 17.19
Exercisable at end of period	7,590,264	$ 22.83	8,062,091	$ 27.74	6,606,244	$ 29.16

(1) The beginning of period weighted-average exercise price of $21.71 does not reflect the Stock Option Adjustment, which occurred subsequent to December 31, 2009.

(2) These stock options, which are included in the caption "Total options outstanding, end of period," were issued pursuant to performance-based stock incentive plans. Vesting of these stock options is contingent upon meeting certain company goals which are not yet probable of being achieved. See discussion of the 2005 LTIP, 2008 LTIP and other employee performance awards 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	$ 1,665	$ 1,116	$ 2,905

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	$ 76,532	$ 8,200

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

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	1,246,284	$ 25.93	1,975,940	$ 27.44	2,240,284	$ 28.53
Granted	600,000	$ 18.15	6,666	$ 11.11	88,322	$ 11.09
Vested	(69,875)	$ 31.36	(113,197)	$ 28.47	(280,000)	$ 30.77
Forfeited and cancelled	(212,077)	$ 23.77	(623,125)	$ 30.09	(72,666)	$ 29.33
Total restricted stock units outstanding, end of period	1,564,332	$ 23.00	1,246,284	$ 25.93	1,975,940	$ 27.44
Restricted Performance Units outstanding, end of period (1)	1,494,457	$ 22.61	1,096,034	$ 25.18	1,155,940	$ 24.96

(1) These Restricted Performance Units, which are included in the caption "Total restricted stock units outstanding, end of period," were issued pursuant to performance-based stock incentive plans. Vesting of these Restricted Performance Units is contingent upon meeting certain company goals which are not yet probable of being achieved. See discussion of the 2005 LTIP, 2008 LTIP and other employee performance awards below.

Long-Term Performance-Based Plans

2005 LTIP. During 2005, we 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 subscriber 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 management concludes achievement of the performance condition is probable. Given the competitive nature of our business, small variations in subscriber churn, gross new subscriber addition rates and certain other factors can significantly impact subscriber growth. Consequently, while it was determined that achievement of the goal was not probable as of December 31, 2010, that assessment could change at any time.

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 DISH Network employees	$ 38,134	$ 20,533
EchoStar awards held by DISH Network employees	7,466	4,013
Total	$ 45,600	$ 24,546

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

2008 LTIP. During 2008, we adopted a long-term, performance-based stock incentive plan (the "2008 LTIP"). The 2008 LTIP provides stock options and restricted stock units, either alone or in combination, which vest based on company-specific subscriber and financial goals. Exercise of the stock awards is contingent on achieving these goals by December 31, 2015.

Although no awards vest until the company attains the performance goals, compensation related to the 2008 LTIP will be recorded based on management's assessment of the probability of meeting the remaining goals. If the remaining goals are probable of being achieved, we will begin recognizing the associated non-cash, stock-based compensation expense on our Consolidated Statements of Operations and Comprehensive Income (Loss) over the estimated period to achieve the goal. See table below titled "Estimated Remaining Non-Cash, Stock-Based Compensation Expense."

We determined that 25% of the 2008 LTIP performance goals were probable of achievement, of which 10% of the goals have been fully achieved. As a result, we recorded non-cash, stock-based compensation expense for the years ended December 31, 2010 and 2009, as indicated in the table below titled "Non-Cash, Stock-Based Compensation Expense Recognized."

Other Employee Performance Awards. In addition to the above long-term, performance stock incentive plans, we have other stock awards that vest based on certain other company-specific subscriber and financial goals. Exercise of these stock awards is contingent on achieving certain performance goals.

Additional compensation related to these awards will be recorded based on management's assessment of the probability of meeting the remaining performance goals. If the remaining goals are probable of being achieved, we will begin recognizing the associated non-cash, stock-based compensation expense on our Consolidated Statements of Operations and Comprehensive Income (Loss) over the estimated period to achieve the goal. See table below titled "Estimated Remaining Non-Cash, Stock-Based Compensation Expense."

Although no awards vest until the performance goals are attained, we determined that certain goals were probable of achievement and, as a result, recorded non-cash, stock-based compensation expense for the years ended December 31, 2010 and 2009, as indicated in the table below titled "Non-Cash, Stock-Based Compensation Expense Recognized."

Given the competitive nature of our business, small variations in subscriber churn, gross new subscriber addition rates and certain other factors can significantly impact subscriber growth. Consequently, while it was determined that achievement of certain company-specific subscriber and financial goals was not probable as of December 31, 2010, that assessment could change at any time.

Estimated Remaining Non-Cash, Stock-Based Compensation Expense	2008 LTIP	Other Employee Performance Awards (1)
	(In thousands)	
Expense estimated to be recognized during 2011	$ 1,065	$ 271
Estimated contingent expense subsequent to 2011	26,378	25,273
Total estimated remaining expense over the term of the plan	$ 27,443	$ 25,544

(1) Certain long-term, performance stock awards expired without vesting during the first quarter of 2011. As a result, the non-cash, stock-based compensation expense associated with those awards is excluded from this table.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Non-Cash, Stock-Based Compensation Expense Recognized	For the Years Ended December 31, 2010	2009	2008
		(In thousands)	
2008 LTIP	$ 2,984	$ 3,560	$ —
Other employee performance awards	271	234	—
Total non-cash, stock-based compensation expense recognized for performance-based awards	$ 3,255	$ 3,794	$ —

Of the 21.9 million stock options and 1.6 million restricted stock units outstanding under our stock incentive plans as of December 31, 2010, the following awards were outstanding pursuant to our performance-based stock incentive plans:

	As of December 31, 2010	
	Number of Awards	Weighted-Average Exercise Price
Performance Based Stock Options		
2005 LTIP	3,485,500	$ 23.00
2008 LTIP	5,493,250	$ 10.64
Other employee performance awards	2,000,000	$ 18.41
Total	10,978,750	$ 15.98
Restricted Performance Units and Other		
2005 LTIP	466,495	
2008 LTIP	45,750	
Other employee performance awards	982,212	
Total	1,494,457	

Stock-Based Compensation

During the year ended December 31, 2010, we incurred $3 million of additional non-cash, stock-based compensation cost in connection with the Stock Option Adjustment discussed previously. This amount is included in the table below. 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)	
Subscriber-related	$ 1,160	$ 1,069	$ 797
General and administrative	14,227	11,158	14,552
Total non-cash, stock-based compensation	$ 15,387	$ 12,227	$ 15,349

As of December 31, 2010, our total unrecognized compensation cost related to our non-performance based unvested stock awards was $20 million and includes compensation expense that we will recognize for EchoStar 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 3.7% 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

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

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.

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	1.50% - 2.89%	1.70% - 3.19%	1.00% - 3.42%
Volatility factor	33.33% - 38.63%	29.72% - 45.97%	19.98% - 39.90%
Expected term of options in years	5.2 - 7.5	3.0 - 7.3	3.0 - 7.5
Weighted-average fair value of options granted	$6.83 - $8.14	$3.86 - $8.29	$3.12 - $8.72

In December 2009, we paid a $2.00 cash dividend per share on our outstanding Class A and Class B common stock. While we currently do not intend to declare additional dividends on our common stock, we may elect to do so from time to time. 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. Commitments and Contingencies

Commitments

As of December 31, 2010, future maturities of our long-term debt, capital lease and contractual obligations are summarized as follows:

	Payments due by period						
	Total	**2011**	**2012**	**2013**	**2014**	**2015**	**Thereafter**
				(In thousands)			
Long-term debt obligations	$ 6,227,965	$ 1,006,094	$ 6,444	$ 506,114	$ 1,005,778	$ 756,160	$ 2,947,375
Capital lease obligations	286,971	24,801	21,700	22,630	24,881	27,339	165,620
Interest expense on long-term debt and capital lease obligations	2,443,097	467,758	401,896	399,672	362,274	264,500	546,997
Satellite-related obligations	2,416,671	229,492	242,308	250,749	230,731	230,514	1,232,877
Operating lease obligations	115,533	48,647	31,739	19,232	8,355	3,077	4,483
Purchase obligations	1,917,381	1,022,932	256,998	253,947	240,543	136,701	6,260
Total	$ 13,407,618	$ 2,799,724	$ 961,085	$ 1,452,344	$ 1,872,562	$ 1,418,291	$ 4,903,612

The "Satellite-related obligations" in our Form 10-K for the year ended December 31, 2009 as filed on March 1, 2010 inadvertently excluded the EchoStar XVI ten-year satellite lease commitment, which was agreed to in December 2009, and is expected to commence during the fourth quarter of 2012. The obligations associated with this lease would have increased the previously reported "Satellite-related obligations" during 2012, 2013, 2014, and thereafter by approximately $18 million, $72 million, $72 million and $553 million, respectively. These amounts are included in the table above.

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 $193 million of liabilities associated with unrecognized tax benefits which were accrued, as discussed in Note 10 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.

The table above does not include the $87.5 million associated with the Credit Facility we entered into with DBSD North America on February 1, 2011. The Credit Facility remains subject to approval by the Bankruptcy Court. In addition, on February 1, 2011 we committed to acquire 100% of the equity of reorganized DBSD North America for approximately $1.0 billion subject to certain adjustments, including interest accruing on DBSD North America's existing debt. This amount is also not included in the table above. This transaction is to be completed upon satisfaction of certain conditions, including approval by the FCC and DBSD North America's emergence from bankruptcy. See Note 18 for further discussion.

Satellite-Related Obligations

Satellites Under Construction. As of December 31, 2010, we have agreed to lease capacity on two satellites from EchoStar that are currently under construction. 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 transponder service agreement with EchoStar to lease capacity on QuetzSat-1, a DBS satellite, which is expected to be launched during the second half of 2011.

- *EchoStar XVI.* During December 2009, we entered into a ten-year transponder service agreement with EchoStar to lease all of the capacity on EchoStar XVI, a DBS satellite, which is expected to be launched during the second half of 2012.

Guarantees

In connection with the Spin-off, we distributed certain satellite lease agreements to EchoStar and remained the guarantor under those capital leases for payments totaling approximately $290 million over approximately the next four years that are not included in the table above.

In addition, during the third quarter of 2009, EchoStar entered into a new satellite transponder service agreement for Nimiq 5 through 2024. We sublease this capacity from EchoStar and also guarantee a certain portion of its obligation under this agreement through 2019. As of December 31, 2010, the remaining obligation under this agreement, including the guarantee of $553 million, is included in the table above.

As of December 31, 2010, we have not recorded a liability on the balance sheet for any of these guarantees.

Purchase Obligations

Our 2011 purchase obligations primarily consist of binding purchase orders for receiver systems and related equipment, digital broadcast operations, satellite and transponder leases, engineering and for products and services related to the operation of our DISH Network. Our purchase obligations also include certain guaranteed fixed contractual commitments to purchase programming content. 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.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Programming Contracts

In the normal course of business, we enter into contracts to purchase programming content in which our payment obligations are fully contingent on the number of subscribers to whom we provide the respective content. These programming commitments are not included in the "Commitments" table above. The terms of our contracts typically range from one to ten years with annual rate increases. Our programming expenses will continue to increase to the extent we are successful growing our subscriber base. In addition, our margins may face further downward pressure from price increases and the renewal of long term programming contracts on less favorable pricing terms.

Rent Expense

Total rent expense for operating leases was $263 million, $189 million and $204 million in 2010, 2009 and 2008, respectively.

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 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 patents 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 system. We cannot be certain that these persons do not own the rights they claim, that our products 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 to avoid infringement.

Contingencies

In connection with the Spin-off, we entered into a separation agreement with EchoStar, which provides, among other things, for the division of certain liabilities, including liabilities resulting from litigation. Under the terms of the separation agreement, EchoStar has assumed certain liabilities that relate to its 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, EchoStar will only be liable for its acts or omissions following the Spin-off and we will indemnify EchoStar for any liabilities or damages resulting from intellectual property claims relating to the period prior to the Spin-off as well as our acts or omissions following the Spin-off.

Acacia

During 2004, Acacia Media Technologies ("Acacia") filed a lawsuit against us and EchoStar 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 Appeals or petition the United States Supreme Court for certiorari has now expired.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Broadcast Innovation, L.L.C.

During 2001, Broadcast Innovation, L.L.C. ("Broadcast Innovation") filed a lawsuit against us, 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 us 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 cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Channel Bundling Class Action

During 2007, a purported class of cable and satellite subscribers filed an antitrust action against us in the United States District Court for the Central District of California. The suit also names as defendants DirecTV, Comcast, Cablevision, Cox, Charter, Time Warner, Inc., Time Warner Cable, NBC Universal, Viacom, Fox Entertainment Group and Walt Disney Company. The suit alleges, among other things, that the defendants engaged in a conspiracy to provide customers with access only to bundled channel offerings as opposed to giving customers the ability to purchase channels on an "a la carte" basis. On October 16, 2009, the District Court granted defendants' motion to dismiss with prejudice. The plaintiffs have appealed. We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

ESPN

During 2008, we filed a lawsuit against ESPN, Inc., ESPN Classic, Inc., ABC Cable Networks Group, Soapnet L.L.C. and International Family Entertainment (collectively, "ESPN") for breach of contract in New York State Supreme Court. Our complaint alleges that ESPN failed to provide us with certain high-definition feeds of the Disney Channel, ESPN News, Toon and ABC Family. ESPN asserted a counterclaim, and then filed a motion for summary judgment, alleging that we owed approximately $35 million under the applicable affiliation agreements. We brought a motion to amend our complaint to assert that ESPN was in breach of certain most-favored-nation provisions under the applicable affiliation agreements. On April 15, 2009, the New York State Supreme Court granted our motion to amend the complaint, and granted, in part, ESPN's motion on the counterclaim, finding that we are liable for some of the amount alleged to be owing but that the actual amount owing is disputed. We appealed the partial grant of ESPN's motion to the New York State Supreme Court, Appellate Division, First Department. After the partial grant of ESPN's motion, ESPN sought an additional $30 million under the applicable affiliation agreements. On March 15, 2010, the New York State Supreme Court affirmed the prior grant of ESPN's motion and ruled that we owe the full amount of approximately $65 million under the

applicable affiliation agreement. There can be no assurance that ESPN will not seek, and that the New York State Supreme Court, Appellate Division, First Department will not award a higher amount. . On December 29, 2010, the New York State Supreme Court, Appellate Division, First Department affirmed the partial grant of ESPN's motion on the counterclaim. However, it did not rule on the amount that we owe ESPN pursuant to its counterclaim. The appellate court will determine this amount as part of a separate proceeding. For the year ended December 31, 2010, we recorded $42 million as a "Litigation accrual" on our Consolidated Balance Sheets and in "Litigation expense" on our Consolidated Statements of Operations and Comprehensive Income (Loss), which reflects our estimated exposure for ESPN's counterclaim. We intend to vigorously prosecute and defend this case.

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 EchoStar, 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, EchoStar 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, EchoStar and NagraStar without prejudice. We also agreed to dismiss our Declaratory Judgment action without prejudice.

Ganas L.L.C.

During August 2010, Ganas, L.L.C. ("Ganas") filed suit against DISH DBS Corporation, our indirect wholly owned subsidiary, Sabre Holdings Corporation, SAP America, Inc., SAS Institute Inc., Scottrade, Inc., TD Ameritrade, Inc., The Charles Schwab Corporation, Tivo Inc., Unicoi Systems Inc., Xerox Corporation, Adobe Systems Inc., AOL Inc., Apple Inc., Axibase Corporation, DirecTV, E*Trade Securities L.L.C., Exinda Networks, Fidelity Brokerage Services L.L.C., Firstrade Securities Inc., Hewlett-Packard Company, iControl Inc., International Business Machines Corporation and JPMorgan Chase & Co. in the United States District Court for the Eastern District of Texas alleging infringement of United States Patent Nos. 7,136,913, 7,325,053, and 7,734,756. The patents relate to hypertext transfer protocol and simple object access protocol. Ganas 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 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.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Katz Communications

During 2007, Ronald A. Katz Technology Licensing, L.P. ("Katz") filed a patent infringement action against us in the United States District Court for the Northern District of California. The suit alleges infringement of 19 patents owned by Katz. The patents relate to interactive voice response, or IVR, technology.

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 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, EchoStar 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 cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Olympic Developments

On January 20, 2011, Olympic Developments AG, LLC ("Olympic") filed suit against us, Atlantic Broadband, Inc., Bright House Networks, LLC, Cable One, Inc., Cequel Communications Holdings I, LLC, CSC Holdings, LLC, GCI Communication Corp., Insight Communications Company, Inc., Knology, Inc., Mediacom Communications Corporation and RCN Telecom Services, LLC in the United States District Court for the Central District of California alleging infringement of United States Patent Nos. 5,475,585 and 6,246,400. The patents relate to on-demand services. Olympic 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 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 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.

Personalized Media Communications

During 2008, Personalized Media Communications, Inc. ("PMC") filed suit against us, EchoStar 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 cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Retailer Class Actions

During 2000, lawsuits were filed by retailers in Colorado state and federal courts attempting to certify nationwide classes on behalf of certain of our retailers. The plaintiffs requested that the Courts declare certain provisions of, and changes to, alleged agreements between us and the retailers invalid and unenforceable, and to award damages for lost incentives and payments, charge backs and other compensation. On September 20, 2010, we agreed to a settlement of both lawsuits that provides, among other things, for mutual releases of the claims underlying the litigation, payment by us of up to $60 million, and the option for certain class members to elect to reinstate certain monthly incentive payments, which the parties agreed have an aggregate maximum value of $23 million. We cannot predict with any degree of certainty how many class members will elect to reinstate these monthly incentive payments. As a result, we recorded $60 million as a "Litigation accrual" on our Consolidated Balance Sheets and in "Litigation expense" for the year ended December 31, 2010 on our Consolidated Statements of Operations and Comprehensive Income (Loss). On February 9, 2011, the court granted final approval of the settlement; however, our payment of the settlement amount is still subject to the satisfaction of certain conditions, including the lapse of all applicable appeal periods.

Suomen Colorize Oy

During October 2010, Suomen Colorize Oy ("Suomen") filed suit against DISH Network L.L.C., our indirect wholly owned subsidiary, and EchoStar 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 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 EchoStar 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 cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

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. As of September 2008, we had recorded a total accrual of $132 million on our Consolidated Balance Sheets to reflect the April 2006 jury verdict, supplemental damages through September 2006 and pre-judgment interest awarded by the Texas court, together with the estimated cost of potential further software infringement prior to implementation of our alternative technology, discussed below, plus interest subsequent to entry of the judgment. 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, approximately $105 million of the total $132 million accrual was released from an escrow account 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 our original alternative technology still infringed the software claims, and that even if our original alternative technology was "non-infringing," the original injunction by its terms required that we 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. We 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 we 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. During the year ended December 31, 2009, we increased our total accrual by $361 million to reflect the supplemental damages and interest for the period from implementation of our original alternative technology through April 2008 and for the estimated cost of alleged software infringement (including

contempt sanctions for the period from April 2008 through June 2009) for the period from April 2008 through December 2009 plus interest. During the years ended December 31, 2010 and 2009, we recorded $124 million and $361 million, respectively, of "Litigation expense" on our Consolidated Statements of Operations and Comprehensive Income (Loss). During the year ended December 31, 2008, we did not record any litigation expense related to this case. Our total accrual at December 31, 2010 was $517 million and is included in "Litigation accrual" on our Consolidated Balance Sheets.

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 EchoStar's development process, EchoStar 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. Although we have accrued our best estimate of damages, contempt sanctions and interest through December 31, 2010, there can be no assurance that Tivo will not seek, and that the court will not award, an amount that exceeds our accrual.

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 eliminate DVR functionality in all but approximately 192,000 digital set-top boxes in the field and cease distribution of digital set-top boxes with DVR functionality. In that event we would be at a significant disadvantage to our competitors who could continue offering DVR functionality, which would likely result in a significant decrease in new subscriber additions as well as a substantial loss of current subscribers. Furthermore, the inability to offer DVR functionality could cause certain of our distribution channels to terminate or significantly decrease their marketing of DISH Network services. The adverse effect on our financial position and results of operations if the District Court's contempt order is upheld is likely to be significant. Additionally, the supplemental damage award of $103 million and further award of approximately $200 million does not include damages, contempt sanctions or interest for the period after June 2009. In the event that we are unsuccessful in our appeal, we could also have to pay substantial additional damages, contempt sanctions and interest. Depending on the amount of any additional damage or sanction award or any monetary settlement, we may be required to raise additional capital at a time and in circumstances in which we would normally not raise capital. 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. We believe the cost of such capital and its terms and conditions may be substantially less attractive than our previous financings.

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 or could be required to modify or eliminate our then-current DVR functionality in some or all set-top boxes in the field. 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. We could also have to pay substantial additional damages.

Because both we and EchoStar are defendants in the Tivo lawsuit, we and EchoStar are jointly and severally liable to Tivo for any final damages and sanctions that may be awarded by the District Court. We have determined that we are obligated under the agreements entered into in connection with the Spin-off to indemnify EchoStar for substantially all liability arising from this lawsuit. EchoStar contributed an amount equal to its $5 million intellectual property liability limit under the Receiver Agreement. We and EchoStar have further agreed that EchoStar's $5 million contribution would not exhaust EchoStar's liability to us for other intellectual property claims that may arise under the Receiver Agreement. We and EchoStar 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.

Voom

In January 2008, Voom HD Holdings ("Voom") filed a lawsuit against us in New York Supreme Court, alleging breach of contract and other claims arising from our termination of the affiliation agreement governing carriage of certain Voom HD channels on the DISH Network satellite TV service. At that time, Voom also sought a preliminary injunction to prevent us from terminating the agreement. The Court denied Voom's request, finding, among other things, that Voom had not demonstrated that it was likely to prevail on the merits. In April 2010, we and Voom each filed motions for summary judgment. Voom later filed two motions seeking discovery sanctions. On November 9, 2010, the Court issued a decision denying both motions for summary judgment, but granting Voom's motions for discovery sanctions. The Court's decision provides for an adverse inference jury instruction at trial and precludes our damages expert from testifying at trial. We appealed the grant of Voom's motion for discovery sanctions to the New York State Supreme Court, Appellate Division, First Department. On February 15, 2011, the appellate Court granted our motion to stay the trial pending our appeal. Voom is claiming over $2.5 billion in damages. We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

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, including, among other things, disputes with programmers regarding fees. 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.

15. 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	Deductions	Balance at End of Year
		(In thousands)		
For the years ended:				
December 31, 2010	$ 16,372	$ 115,478	$ (102,200)	$ 29,650
December 31, 2009	$ 15,207	$ 112,025	$ (110,860)	$ 16,372
December 31, 2008	$ 14,019	$ 98,629	$ (97,441)	$ 15,207

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

16. 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 data)			
Year ended December 31, 2010:				
Total revenue	$ 3,057,395	$ 3,169,042	$ 3,207,728	$ 3,206,579
Operating income (loss)	456,979	525,810	454,657	503,382
Net income (loss)	230,915	256,984	244,978	251,855
Net income (loss) attributable to DISH Network common shareholders	230,947	256,990	244,964	251,828
Basic net income (loss) per share attributable to DISH Network common shareholders	$ 0.52	$ 0.57	$ 0.55	$ 0.57
Diluted net income (loss) per share attributable to DISH Network common shareholders	$ 0.52	$ 0.57	$ 0.55	$ 0.56
Year ended December 31, 2009:				
Total revenue	$ 2,905,321	$ 2,903,701	$ 2,892,147	$ 2,962,982
Operating income (loss)	574,563	262,759	194,663	354,945
Net income (loss)	312,684	63,420	80,493	178,806
Net income (loss) attributable to DISH Network common shareholders	312,684	63,420	80,562	178,879
Basic net income (loss) per share attributable to DISH Network common shareholders	$ 0.70	$ 0.14	$ 0.18	$ 0.40
Diluted net income (loss) per share attributable to DISH Network common shareholders	$ 0.70	$ 0.14	$ 0.18	$ 0.40

17. Related Party Transactions with EchoStar

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

EchoStar is our primary supplier of set-top boxes and digital broadcast operations and our key supplier of transponder capacity. Generally, the prices charged for products and services provided under the agreements entered into in connection with the Spin-off are based on pricing equal to EchoStar's cost plus a fixed margin (unless noted differently below), which will vary depending on the nature of the products and services provided.

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

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

"Equipment sales - EchoStar"

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

"Services and other revenue - EchoStar"

Transition Services Agreement. In connection with the Spin-off, we entered into a transition services agreement with EchoStar pursuant to which EchoStar had the right, but not the obligation, to receive the following services from us: 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 EchoStar have agreed that following January 1, 2010 EchoStar shall continue to have the right, but not the obligation, to receive from us 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 EchoStar agreed that EchoStar shall continue to have the right, but not the obligation, to receive from us 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 management and other support services. Additionally, we and EchoStar agreed that we shall continue to have the right, but not the obligation, to engage EchoStar to manage the process of procuring new satellite capacity for DISH Network (as discussed below, previously provided under the satellite procurement agreement) and receive logistics, procurement and quality assurance services from EchoStar (as discussed below, 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.

Management Services Agreement. In connection with the Spin-off, we entered into a management services agreement with EchoStar pursuant to which we make certain of our officers available to provide services (which are primarily legal and accounting services) to EchoStar. Specifically, R. Stanton Dodge and Paul W. Orban remain employed by us, but also serve as EchoStar's Executive Vice President and General Counsel, and Senior Vice President and Controller, respectively. EchoStar makes payments to us based upon an allocable portion of the personnel costs and expenses incurred by us with respect to such officers (taking into account wages and fringe benefits). These allocations are based upon the estimated percentages of time to be spent by our executive officers performing services for EchoStar under the management services agreement. EchoStar also reimburses us for direct out-of-pocket costs incurred by us for management services provided to EchoStar. We and EchoStar evaluate all charges for reasonableness at least annually and make any adjustments to these charges as we and EchoStar 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 EchoStar at any time upon at least 30 days prior notice; (ii) by us at the end of any renewal term, upon at least 180 days notice; or (iii) by us upon notice to EchoStar, following certain changes in control.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Satellite Capacity Leased to EchoStar. During 2009, we entered into a satellite capacity agreement pursuant to which EchoStar leases certain satellite capacity from us 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. The lease generally terminates upon the earlier of: (i) the end of life or replacement of the satellite (unless EchoStar 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, 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. EchoStar generally has 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.

Real Estate Lease Agreement . During 2008, we entered into a sublease for space at 185 Varick Street, New York, New York to EchoStar 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 EchoStar is responsible for its portion of the taxes, insurance, utilities and maintenance of the premises.

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

"Satellite and transmission expenses — EchoStar"

Broadcast Agreement. In connection with the Spin-off, we entered into a broadcast agreement pursuant to which EchoStar provides certain broadcast services to us, including teleport services such as transmission and downlinking, channel origination services, and channel management services for a period ending on January 1, 2012. We may terminate channel origination services and channel management services for any reason and without any liability upon at least 60 days notice to EchoStar. If we terminate teleport services for a reason other than EchoStar's breach, we are obligated to pay EchoStar 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 entered into a broadcast agreement pursuant to which EchoStar provides certain broadcast services to us in connection with our carriage of certain sports related programming. The term of this agreement is for ten years. If we terminate this agreement for a reason other than EchoStar's breach, we are generally obligated to reimburse EchoStar for any direct costs EchoStar incurs related to any such termination that it 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 Leased from EchoStar. In connection with the Spin-off and subsequent to the Spin-off, we entered into certain satellite capacity agreements pursuant to which we lease certain satellite capacity on certain satellites owned or leased by EchoStar. 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. We lease certain satellite capacity from EchoStar 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 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 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. We generally have 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, our lease of EchoStar III terminated when it was replaced by EchoStar XV.

EchoStar IX. We lease certain satellite capacity from EchoStar on EchoStar IX. Subject to availability, we generally have the right to continue to lease satellite capacity from EchoStar on EchoStar IX on a month-to-month basis.

EchoStar XVI. We will lease certain satellite capacity from EchoStar 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, we have 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 us and is operated at the 61.5 degree orbital location. The FCC has granted EchoStar 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, we are obligated to pay EchoStar a fee, which varies depending on the number of frequencies being used by EchoStar XV.

Nimiq 5 Agreement. During 2009, EchoStar 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 2009, EchoStar also entered into a satellite service agreement (the "DISH Telesat Agreement") with us, pursuant to which we will receive service from EchoStar on all 32 of the DBS transponders covered by the Telesat Transponder Agreement. We and EchoStar 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. We have also guaranteed certain obligations of EchoStar under the Telesat Transponder Agreement. See discussions under "Guarantees" in Note 14.

Under the terms of the DISH Telesat Agreement, we make certain monthly payments to EchoStar that commenced in 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 we have 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, we have certain rights to receive service from EchoStar on a replacement satellite. There can be no assurance that any options to renew this agreement will be exercised or that we will exercise our option to receive service on a replacement satellite.

QuetzSat-1 Lease Agreement. During 2008, EchoStar entered into a ten-year satellite service agreement with SES Latin America S.A. ("SES"), which provides, among other things, for the provision by SES to EchoStar 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, EchoStar also entered into a transponder service agreement ("QuetzSat-1 Transponder Agreement") with us pursuant to which we will receive service from EchoStar on 24 of the DBS transponders.

Under the terms of the QuetzSat-1 Transponder Agreement, we will make certain monthly payments to EchoStar 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, we have 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, we have certain rights to

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

receive service from EchoStar on a replacement satellite. There can be no assurance that any options to renew this agreement will be exercised or that we will exercise our 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 receive TT&C services from EchoStar 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. We may terminate the TT&C agreement for any reason upon at least 60 days notice.

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

"Cost of sales — subscriber promotion subsidies — EchoStar"

Receiver Agreement. EchoStar is currently our sole supplier of set-top box receivers. The table below indicates the dollar value of set-top boxes and other equipment that we purchased from EchoStar as well as the amount of purchases that are included in "Cost of sales — subscriber promotion subsidies — EchoStar" on our Consolidated Statements of Operations and Comprehensive Income (Loss). The remaining amount is included in "Inventory" and "Property and equipment, net" on our Consolidated Balance Sheets.

	For the Years Ended December 31,		
	2010	2009	2008
		(In thousands)	
Set-top boxes and other equipment purchased from EchoStar	$ 1,470,173	$ 1,174,763	$ 1,491,556
Set-top boxes and other equipment purchased from EchoStar included in "Cost of sales — subscriber promotion subsidies — EchoStar"	$ 175,777	$ 188,793	$ 167,508

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

"General and administrative expenses — EchoStar"

Product Support Agreement. In connection with the Spin-off, we entered into a product support agreement pursuant to which we have the right, but not the obligation, to receive product support from EchoStar (including certain engineering and technical support services) for all set-top boxes and related accessories that EchoStar has previously sold and in the future may sell to us. 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. We 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, we are entitled to a refund of any unearned fees paid to EchoStar for the services.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Real Estate Lease Agreements. We have entered into lease agreements pursuant to which we lease certain real estate from EchoStar. 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 EchoStar is responsible for its 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.* The lease for all of 9601 S. Meridian Blvd. in Englewood, Colorado is for a period ending on January 1, 2012 with a renewal option for one additional year.
- *Santa Fe Lease Agreement.* The lease for all of 5701 S. Santa Fe Dr. in Littleton, Colorado is for a period ending on January 1, 2012 with a renewal option for one additional year.
- *EDN 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.

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

DISHOnline.com Services Agreement. Effective January 1, 2010, we entered into a two-year agreement with EchoStar pursuant to which we 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. We have 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 EchoStar.

DISH Remote Access Services Agreement. Effective February 23, 2010, we entered into an agreement with EchoStar pursuant to which we 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 EchoStar.

SlingService Services Agreement. Effective February 23, 2010, we entered into an agreement with EchoStar pursuant to which we 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 EchoStar.

Other Agreements — EchoStar

Tax Sharing Agreement. In connection with the Spin-off, we entered into a tax sharing agreement with EchoStar 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 us, and we will indemnify EchoStar for such taxes. However, we are not liable for and will not indemnify EchoStar 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 EchoStar's stock, stock options or assets; (ii) any action that EchoStar takes or fails to take; or (iii) any action that EchoStar takes 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, EchoStar is solely liable for, and will indemnify us 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 EchoStar are defendants in the Tivo lawsuit, we and EchoStar are jointly and severally liable to Tivo for any final damages and sanctions that may be awarded by the District Court. We have determined that we are obligated under the agreements entered into in connection with the Spin-off to indemnify EchoStar for substantially all liability arising from this lawsuit. EchoStar contributed an amount equal to its $5 million intellectual property liability limit under the Receiver Agreement. We and EchoStar have further agreed that EchoStar's $5 million contribution would not exhaust EchoStar's liability to us for other intellectual property claims that may arise under the Receiver Agreement. We and EchoStar 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, we determined that we are obligated under the agreements entered into in connection with the Spin-off to indemnify EchoStar 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. EchoStar has agreed that its contribution towards such settlement costs shall not be applied against EchoStar's aggregate liability cap under the Receiver Agreement.

EchoStar XV Launch Service. During 2009, EchoStar assigned certain of its rights under a launch contract to us for EchoStar's fair value of $103 million. This amount was paid to EchoStar during the first quarter of 2010. We recorded these rights at EchoStar's net book value of $89 million and recorded the $14 million difference between EchoStar's net book value and our purchase price as a capital transaction with EchoStar. We used these rights to launch EchoStar XV in July 2010.

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

International Programming Rights Agreement. During the years ended December 31, 2010, 2009 and 2008, we purchased approximately $2 million, $8 million and $8 million, respectively, of certain international rights for sporting events from EchoStar, included in "Subscriber-related expenses" on the Consolidated Statements of Operations and Comprehensive Income (Loss), of which EchoStar only retained a certain portion.

Acquisition of South.com, L.L.C. During October 2010, we purchased all of South.com, L.L.C. from EchoStar and another party for $5 million. South.com, L.L.C. is an entity that 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 EchoStar 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 EchoStar. Mr. Lynch's compensation consists of cash and equity compensation and is borne by both EchoStar and us.

DISH NETWORK CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

Related Party Transactions with NagraStar L.L.C.

Prior to the Spin-off, we owned 50% of NagraStar L.L.C. ("NagraStar"), which was contributed to EchoStar in connection with the Spin-off. NagraStar is a joint venture between EchoStar and Nagra USA, Inc. that is our provider of encryption and related security systems intended to assure that only paying customers have access to our programming. During the years ended December 31, 2010, 2009 and 2008, we incurred security access and other fees and purchased security access devices at an aggregate cost to us of $80 million, $82 million and $59 million, respectively, from NagraStar. As of December 31, 2010 and 2009, amounts payable to NagraStar totaled $13 million and $17 million, respectively.

18. Subsequent Events

DBSD North America

On February 1, 2011, we entered into a commitment to provide the Credit Facility to DBSD North America and certain of its affiliates in connection with filings by DBSD North America and such affiliates for protection under Chapter 11 of the U.S. Bankruptcy Code. The Credit Facility, which remains subject to approval by the Bankruptcy Court, will consist of a non-revolving, multiple draw term loan in the aggregate principal amount of $87.5 million, with drawings subject to the terms and conditions set forth in the Credit Facility.

On February 1, 2011, we also entered into an investment agreement pursuant to which we have committed to acquire 100% of the equity of reorganized DBSD North America for approximately $1.0 billion subject to certain adjustments, including interest accruing on DBSD North America's existing debt. This transaction is to be completed upon satisfaction of certain conditions, including approval by the FCC and DBSD North America's emergence from bankruptcy. Under the investment agreement, which remains subject to approval by the Bankruptcy Court, we have also committed to support DBSD North America's plan of reorganization under which: (i) all claims under their 7.5% Convertible Senior Secured Notes due 2009, issued under that certain indenture dated August 15, 2005, as supplemented and amended, among DBSD North America, the guarantors named therein, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee, will be paid in full; (ii) all of DBSD North America's obligations under the Credit Facility will be paid in full; (iii) the holders of general unsecured claims of DBSD North America shall receive partial payment; and (iv) certain additional claims in bankruptcy will also be paid in full.

As of December 31, 2010, we held $56 million of DBSD North America's 7.5% Convertible Senior Secured Notes due 2009 and a $47 million line of credit pursuant to the Amended and Restated Revolving Credit Agreement, dated as of April 7, 2008 between DISH Network and DBSD North America, both of which are included in "Marketable and other investment securities" on our Consolidated Balance Sheets.

Exhibit 21

DISH NETWORK CORPORATION AND SUBSIDIARIES
LIST OF SUBSIDIARIES
As of December 31, 2010

Subsidiary	State or Country of Incorporation	% of Ownership	Name Doing Business As
DISH Orbital Corporation	Colorado	100%	DOC
DISH Orbital Corporation II L.L.C.	Colorado	100%	DOC II
DISH DBS Corporation	Colorado	100%	DDBS
DISH Network L.L.C.	Colorado	100%(1)	DNLLC
DISH Operating L.L.C.	Colorado	100%(1)	SATCO
Echosphere L.L.C.	Colorado	100%(1)	Echosphere
Dish Network Service L.L.C.	Colorado	100%(1)	DNSLLC

(1) This is a subsidiary of DISH DBS Corporation

Exhibit 23

Consent of Independent Registered Public Accounting Firm

The Board of Directors
DISH Network Corporation:

We consent to the incorporation by reference in the following registration statements of DISH Network Corporation of our report dated February 24, 2011, with respect to the consolidated balance sheets of DISH Network 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 DISH Network Corporation.

Form	Registration Statement No.	Description
S-8	333-159461	2009 Stock Incentive Plan
S-8	333-146962	2004 Sling Media, Inc. Stock Plan
S-8	333-136603	Amended and Restated 1997 Employee Stock Purchase Plan; Amended and Restated 2001 Nonemployee Director Stock Option Plan
S-8	333-106423	1999 Stock Incentive Plan
S-8	333-66490	2001 Nonemployee Director Stock Option Plan
S-8	333-59148	2000 Launch Bonus Plan
S-8	333-31890	401(k) Employees' Savings Plan
S-8	333-95099	1999 Launch Bonus Plan
S-8	333-74779	401(k) Employees' Savings Plan
S-8	333-51259	1998 Launch Bonus Plan
S-8	333-48895	401(k) Employees' Savings Plan
S-8	333-36791	1997 Employee Stock Purchase Plan
S-8	333-36749	1997 Launch Bonus Plan
S-8	333-22971	401(k) Employees' Savings Plan
S-8	333-11597	1996 Launch Bonus Plan
S-8	333-05575	1995 Nonemployee Director Stock Option Plan
S-8	033-80527	1995 Stock Incentive 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 DISH Network Corporation, a Nevada corporation formed in April 1995, 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/ James DeFranco James DeFranco	Director	February 24, 2011
/s/ Cantey Ergen Cantey Ergen	Director	February 24, 2011
/s/ Steven R. Goodbarn Steven R. Goodbarn	Director	February 24, 2011
/s/ Gary S. Howard Gary S. Howard	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/ Carl E. Vogel Carl E. Vogel	Director	February 24, 2011

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Section 302 Certification

I, Charles W. Ergen, certify that:

1. I have reviewed this Annual Report on Form 10-K of DISH Network 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/ Charles W. Ergen
Chairman, President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Section 302 Certification

I, Robert E. Olson, certify that:

1. I have reviewed this Annual Report on Form 10-K of DISH Network 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/ Robert E. Olson
Executive Vice President and 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 DISH Network 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/ *Charles W. Ergen*

Title: Chairman, President and Chief Executive 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.

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Section 906 Certification

Pursuant to 18 U.S.C. § 1350, the undersigned officer of DISH Network 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/ Robert E. Olson*

Title: Executive Vice President and
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.

DISH NETWORK CORP

FORM 10-K
(Annual Report)

Filed 03/01/10 for the Period Ending 12/31/09

Address	9601 S. MERIDIAN BLVD. ENGLEWOOD, CO 80112
Telephone	3037231000
CIK	0001001082
Symbol	DISH
SIC Code	4841 - Cable and Other Pay Television Services
Industry	Broadcasting & Cable TV
Sector	Services
Fiscal Year	12/31



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

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM _____ TO _____.

Commission file number: 0-26176

DISH Network Corporation

(Exact name of registrant as specified in its charter)

Nevada	**88-0336997**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9601 South Meridian Boulevard **Englewood, Colorado**	**80112**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (303) 723-1000
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Class A common stock, $0.01 par value	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of June 30, 2009, the aggregate market value of Class A common stock held by non-affiliates of the Registrant was $3.3 billion based upon

DISH0895

the closing price of the Class A common stock as reported on the Nasdaq Global Select Market as of the close of business on that date.

As of February 12, 2010, the Registrant's outstanding common stock consisted of 208,159,668 shares of Class A common stock and 238,435,208 shares of Class B common stock, each $0.01 par value.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated into this Form 10-K by reference:

Portions of the Registrant's definitive Proxy Statement to be filed in connection with its 2010 Annual Meeting of Shareholders are incorporated by reference in Part III.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

We make "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 throughout this report. Whenever you read a statement that is not simply a statement of historical fact (such as when we describe what we "believe," "intend," "plan," "estimate," "expect" or "anticipate" will occur and other similar statements), you must remember that our expectations may not be achieved, even though we believe they are reasonable. We do not guarantee that any future transactions or events described herein will happen as described or that they will happen at all. You should read this report completely and with the understanding that actual future results may be materially different from what we expect. Whether actual events or results will conform with our expectations and predictions is subject to a number of risks and uncertainties. For further discussion see *Item 1A. Risk Factors*. The risks and uncertainties include, but are not limited to, the following:

- Weak economic conditions, including higher unemployment and reduced consumer spending, may adversely affect our ability to grow or maintain our business.
- If we do not improve our operational performance and maintain customer satisfaction, our gross subscriber additions may decrease and our subscriber churn may increase.
- If DISH Network gross subscriber additions decrease, or if subscriber churn, subscriber acquisition or retention costs increase, our financial performance will be further adversely affected.
- 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 would be subject to substantial liability and would be prohibited from offering DVR functionality that would result in a significant loss of subscribers and place us at a significant disadvantage to our competitors.
- We face intense and increasing competition from satellite television providers, cable television providers and telecommunications companies.
- Emerging digital media competition including companies that provide/facilitate the delivery of video content via the Internet could materially adversely affect us.
- We depend on others to provide the programming that we offer to our subscribers and, if we lose access to this programming, our subscriber additions may decline or we may suffer subscriber losses and subscriber churn may increase.
- We may be required to make substantial additional investments to maintain competitive high definition, or HD, programming offerings.
- Technology in our industry changes rapidly and could cause our services and products to become obsolete.
- We may need additional capital, which may not be available on acceptable terms or at all, to continue investing in our business and to finance acquisitions and other strategic transactions.
- A portion of our investment portfolio is invested in securities that have experienced limited or no liquidity and may not be immediately accessible to support our financing needs.
- AT&T's termination of its distribution agreement with us may increase churn.
- As technology changes, and to remain competitive, we may have to upgrade or replace subscriber equipment and make substantial investments in our infrastructure.
- We rely on EchoStar Corporation, or EchoStar, to design and develop all of our new set-top boxes and certain related components, and to provide transponder capacity, digital broadcast operations and other services for us. Our business would be adversely affected if EchoStar ceases to provide these services to us and we are unable to obtain suitable replacement services from third parties.
- We rely on one or a limited number of vendors, and the inability of these key vendors to meet our needs could have a material adverse effect on our business.
- Our programming signals are subject to theft, and we are vulnerable to other forms of fraud that could require us to make significant expenditures to remedy.

- We depend on third parties to solicit orders for DISH Network services that represent a significant percentage of our total gross subscriber acquisitions.
- Our competitors may be able to leverage their relationships with programmers so that they are able to reduce their programming costs and offer exclusive content that will place them at a competitive advantage to us.
- We depend on the Cable Act for access to programming from cable-affiliate programmers at cost-effective rates.
- We face increasing competition from other distributors of foreign language programming that may limit our ability to maintain our foreign language programming subscriber base.
- Our local programming strategy faces uncertainty because we may not be able to obtain necessary retransmission consents from local network stations.
- We are subject to significant regulatory oversight and changes in applicable regulatory requirements could adversely affect our business.
- We have made a substantial investment in certain 700 MHz wireless licenses and will be required to make significant additional investments or partner with others to commercialize these licenses and recoup our investment.
- We have substantial debt outstanding and may incur additional debt.
- We have limited owned and leased satellite capacity and satellite failures could adversely affect our business.
- Our owned and leased satellites under construction are subject to risks related to construction and launch that could limit our ability to utilize these satellites.
- Our owned and leased satellites in orbit are subject to significant operational and environmental risks that could limit our ability to utilize these satellites.
- Our owned and leased satellites have minimum design lives ranging from 12 to 15 years, but could fail or suffer reduced capacity before then.
- We currently have no commercial insurance coverage on the satellites we own and could face significant impairment charges if one of our satellites fails.
- We may have potential conflicts of interest with EchoStar due to our common ownership and management.
- We rely on key personnel and the loss of their services may negatively affect our businesses.
- We are party to various lawsuits which, if adversely decided, could have a significant adverse impact on our business, particularly lawsuits regarding intellectual property.
- We may pursue acquisitions and other strategic transactions to complement or expand our business that may not be successful and we may lose up to the entire value of our investment in these acquisitions and transactions.
- Our business depends on Federal Communications Commission, or FCC, licenses that can expire or be revoked or modified and applications for FCC licenses that may not be granted.
- We are subject to digital HD "carry-one-carry-all" requirements that cause capacity constraints.
- It may be difficult for a third party to acquire us, even if doing so may be beneficial to our shareholders, because of our capital structure.
- We are controlled by one principal stockholder who is also our Chairman, President and Chief Executive Officer.

- There can be no assurance that there will not be deficiencies leading to material weaknesses in our internal control over financial reporting.
- We may face other risks described from time to time in periodic and current reports we file with the Securities and Exchange Commission, or SEC.

All cautionary statements made herein should be read as being applicable to all forward-looking statements wherever they appear. In this connection, investors should consider the risks described herein and should not place undue reliance on any forward-looking statements. We assume no responsibility for updating forward-looking information contained or incorporated by reference herein or in other reports we file with the SEC.

In this report, the words "DISH Network," the "Company," "we," "our" and "us" refer to DISH Network Corporation and its subsidiaries, unless the context otherwise requires. "EchoStar" refers to EchoStar Corporation and its subsidiaries. "DDBS" refers to DISH DBS Corporation and its subsidiaries, a wholly owned, indirect subsidiary of DISH Network.

PART I

Item 1. BUSINESS

OVERVIEW

DISH Network Corporation is the nation's third largest pay-TV provider, with approximately 14.100 million customers across the United States as of December 31, 2009. We were organized in 1995 as a corporation under the laws of the State of Nevada and started offering DISH Network subscription television services in March 1996.

Our common stock is publicly traded on the Nasdaq Global Select Market under the symbol "DISH." Our principal executive offices are located at 9601 South Meridian Boulevard, Englewood, Colorado 80112 and our telephone number is (303) 723-1000.

On January 1, 2008, we completed a tax-free distribution of our technology and set-top box business and certain infrastructure assets (the "Spin-off") into a separate publicly-traded company, EchoStar Corporation ("EchoStar") which was incorporated in Nevada on October 12, 2007. DISH Network and EchoStar now operate 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, President and Chief Executive Officer.

Business Strategy

Our business strategy is to be the best provider of video services in the United States by providing high-quality products, outstanding customer service, and great value. We promote the DISH Network programming packages as providing our subscribers with a better "price-to-value" relationship than those available from other subscription television providers. We believe that there continues to be unsatisfied demand for high quality, reasonably priced television programming services.

- *High-Quality Products.* We offer a wide selection of local and national programming, featuring more national and local HD channels than most pay-TV providers. We have been a technology leader in our industry, introducing award-winning DVRs, dual tuner receivers, 1080p video on demand, and external hard drives. To maintain and enhance our competitiveness over the long term, we plan to promote a suite of integrated products designed to maximize the convenience and ease of watching TV anytime and anywhere, which we refer to as, "TV Everywhere." Our TV Everywhere ™ service utilizes, among other things, Slingbox "placeshifting" technology.
- *Outstanding Customer Service.* We strive to provide outstanding customer service by improving the quality of the initial installation of subscriber equipment, improving the reliability of our equipment, better educating our customers about our products and services, and resolving customer problems promptly and effectively when they arise.
- *Great Value.* We have historically been viewed as the low-cost provider in the pay-TV industry because we offer the lowest everyday prices available to consumers after introductory promotions expire.

Products and Services

Programming. We provide programming which includes more than 280 basic video channels, 60 Sirius Satellite Radio music channels, 30 premium movie channels, 35 regional and specialty sports channels, 2,500 local channels, 220 Latino and international channels, and 50 channels of pay-per-view content. Although we distribute over 2,500 local channels, a subscriber typically may only receive the local channels available in the subscriber's home market. As of December 31, 2009, we provided local channel coverage in standard definition to markets covering about 97% of U.S. TV households. In addition, we provided HD local channels to markets representing approximately 93% of U.S. TV households.

Receiver Systems. Our subscribers receive programming via in-home equipment that includes a small satellite dish, digital set-top receivers, and remote controls. Some of our advanced receiver models feature DVRs, HD capability, and dual-tuners which allow independent viewing on two separate televisions. Our newest receiver models are Internet-protocol compatible which allows consumers to view movies and other content on their televisions via the Internet and a broadband connection. We rely on EchoStar to design and manufacture all of our new receivers and certain related components. See "Item 1A – Risk Factors."

Content Delivery

Digital Broadcast Operations Centers. The principal digital broadcast operations centers we use are EchoStar's facilities located in Cheyenne, Wyoming and Gilbert, Arizona. We also use eight regional digital broadcast operations centers owned and operated by EchoStar that allow us to maximize the use of the spot beam capabilities of certain owned and leased satellites. Programming content is delivered to these centers by fiber or satellite and processed, compressed, encrypted and then uplinked to satellites for delivery to consumers.

In connection with the Spin-off, we entered into a broadcast agreement pursuant to which EchoStar provides us broadcast services, including teleport services such as transmission and downlinking, channel origination, and channel management services. The term of this agreement expires on January 1, 2011. However, we have the right, but not the obligation, to extend the broadcast agreement for one additional year. We may terminate channel origination services and channel management services for any reason and without any liability upon sixty days written notice to EchoStar. If we terminate teleport services for a reason other than EchoStar's breach, we are obligated to pay EchoStar the aggregate amount of the remainder of the expected cost of providing the teleport services.

Satellites. Our DISH Network programming is currently delivered to customers using satellites that operate in the "Ku" band portion of the microwave radio spectrum. The Ku-band is divided into two spectrum segments. The portion of the Ku-band that allows the use of higher power satellites — 12.2 to 12.7 GHz over the United States — is known as the Broadcast Satellite Service ("BSS") band, which is also referred to as the Direct Broadcast Satellite ("DBS") band. The portion of the Ku-band that utilizes lower power satellites — 11.7 to 12.2 GHz over the United States — is known as the Fixed Satellite Service ("FSS") band.

Most of our programming is currently delivered using DBS satellites. To accommodate the more bandwidth-intensive HD programming and other needs, we continue to explore opportunities to expand our satellite capacity through the acquisition of new spectrum, the launching of more technologically advanced satellites, and the more efficient use of existing spectrum via, among other things, better modulation and compression technologies.

We own or lease capacity on 11 satellites in geostationary orbit approximately 22,300 miles above the equator. For further information concerning these satellites and satellite anomalies, please see the table and discussion under "Satellites" below.

Conditional Access System . Our conditional access system secures our programming content using encryption so that only paying customers can access our programming. We use microchips embedded in credit card-sized access cards, called "smart cards," or security chips in our receiver systems to control access to authorized programming content ("Security Access Devices").

Our signal encryption has been compromised in the past and may be compromised in the future even though we continue to respond with significant investment in security measures, such as Security Access Device replacement programs and updates in security software, that are intended to make signal theft more difficult. It has been our prior experience that security measures may only be effective for short periods of time or not at all and that we remain susceptible to additional signal theft. During the second quarter of 2009, we completed the replacement of our Security Access Devices that re-secured our system. However, we expect additional future replacements of these devices will be necessary to keep our system secure. We cannot ensure that we will be successful in reducing or controlling theft of our programming content and we may incur additional costs in the future if our system's security is compromised.

Distribution Channels

While we offer receiver systems and programming through direct sales channels, a majority of our new subscriber acquisitions are generated through independent third parties such as small satellite retailers, direct marketing groups, local and regional consumer electronics stores, nationwide retailers, and telecommunications companies. In general, we pay these independent third parties a mix of upfront and monthly incentives for these sales. In addition, we partner with telecommunications companies to bundle DISH Network programming with broadband and voice services on a single bill.

Competition

As of December 31, 2009, our 14.100 million subscribers represent approximately 15% of pay-TV subscribers in the United States. We face substantial competition from established pay-TV providers and increasing competition from companies providing/facilitating the delivery of video content via the Internet, among other things, to computers, televisions, and mobile devices.

Established TV Providers

- *Other Direct Broadcast Satellite Operators.* We compete directly with the DirecTV Group, Inc., or DirecTV, the largest satellite TV provider in the U.S. which had over 18.5 million subscribers at the end of 2009, representing approximately 19% of pay-TV subscribers.
- *Cable Television Companies.* We encounter substantial competition in the pay-TV industry from numerous cable television companies that operate via franchise licenses across the U.S. According to the National Cable & Telecommunications Association's 2008 Industry Overview, 96% of the 129 million U.S. housing units are passed by cable. Approximately 100 million households subscribe to a pay-TV service and approximately 62% of pay-TV subscribers receive their programming from a cable operator. Cable companies are typically able to bundle their video services with broadband and voice services and many have significant investments in companies that provide programming content.
- *Telecommunications Companies* . Large telecommunications companies have been upgrading older copper wire lines with fiber optic lines in their larger markets. These fiber optic lines provide high capacity bandwidth, enabling telecommunications companies to offer increased HD video content that can be bundled with their broadband and voice services. In particular, AT&T and Verizon have built and are continuing to build fiber-optic based networks to provide video services in substantial portions of their service areas.
- *Over-the-Air Broadcasters.* In most areas of the United States, consumers can receive over-the-air terrestrial video broadcasts typically ranging from four to fifteen channels, depending on the size of the market. These broadcasters provide local, network and syndicated programming free of charge. The transition from analog to digital delivery has allowed broadcasters to provide improved signal quality, offer additional channels including content broadcast in HD, and explore new business opportunities such as mobile video, mentioned below.

New and Emerging Technologies

- *Internet Delivered Video.* We expect to face increasing competition from content providers who distribute video directly to consumers over the Internet. Programming offered over the Internet has become more prevalent as the speed and quality of broadband networks have improved. Significant changes in consumer behavior with regard to the means by which they obtain video entertainment and information in response to this emerging digital media competition could materially adversely affect our business, results of operations and financial condition or otherwise disrupt our business.
- *Wireless Mobile Video.* We also expect to face increasing competition from wireless telecommunications providers who offer mobile video offerings. We expect mobile video offerings will likely become more prevalent in the marketplace as wireless telecommunications providers implement the fourth generation of wireless communications.

Acquisition of New Subscribers

We incur significant upfront costs to acquire subscribers, including advertising, retailer incentives, equipment and installation. In addition, customer promotions to acquire new subscribers result in less revenue to us over the promotional period. While we attempt to recoup these upfront costs over the lives of their subscription, there can be no assurance that we will. We deploy business rules such as credit requirements and contractual commitments, and we strive to provide outstanding customer service, to increase the likelihood of customers keeping their DISH Network service over longer periods of time. Our subscriber acquisition costs may vary significantly from period to period.

Advertising. We use print, radio, television and Internet media, on a local and national basis to motivate potential subscribers to call DISH Network, visit our website or contact independent third party retailers.

Retailer Incentives. We pay retailers an upfront incentive for each new subscriber they bring to DISH Network and, for certain retailers, we pay small monthly incentives for up to 60 months provided, among other things, the customer continuously subscribes to qualified programming.

Equipment. We incur significant upfront costs to provide our new subscribers with in-home equipment, including advanced HD and DVR receivers, which most of our new subscribers lease from us. While we seek to recoup such upfront equipment costs mostly through monthly fees, there can be no assurance that we will be successful in achieving that objective. In addition, upon deactivation of a subscriber we may refurbish and redeploy their equipment which lowers future upfront costs. However, our ability to capitalize on these cost savings may be limited as technological advances and consumer demand for new features may render the returned equipment obsolete.

Installation. We incur significant upfront costs to install satellite dishes and receivers in the homes of our new customers.

New Customer Promotions. We often offer free programming and/or promotional pricing during introductory periods for new subscribers. While such promotional activities have an economic cost and reduce our subscriber-related revenue, they are not included in our definitions of subscriber acquisition costs or the SAC metric.

Customer Retention

We incur significant costs to retain our existing customers, mostly by upgrading their equipment to HD and DVR receivers. As with our subscriber acquisition costs, our retention spending includes the cost of equipment and installation. In certain circumstances, we also offer free programming and/or promotional pricing for limited periods for existing customers in exchange for a contractual commitment. A component of our retention efforts includes the installation of equipment for customers who move. Our subscriber retention costs may vary significantly from period to period.

Customer Service

Customer Service Centers. We use both internally-operated and outsourced customer service centers to handle calls from prospective and existing customers. We strive to answer customer calls promptly and to resolve issues effectively on the first call. We intend to better use the Internet and other applications to provide our customers with more self-service capabilities over time.

Installation and Other In-Home Service Operations. High - quality installations, upgrades, and in-home repairs are critical to providing good customer service. Such in-home service is performed by both DISH Network employees and a network of independent contractors and includes, among other things, priority technical support, replacement equipment, cabling and power surge repairs for a monthly fee ("Service Plan").

Subscriber Management. We presently use, and depend on, CSG Systems International, Inc.'s software system for the majority of DISH Network subscriber billing and related functions.

New Business Opportunities

From time to time we evaluate opportunities for strategic investments or acquisitions that may complement our current services and products, enhance our technical capabilities, improve or sustain our competitive position, or otherwise offer growth opportunities. We may make investments in or partner with others to expand our business into mobile and portable video, data and voice services.

In 2008, we paid $712 million to acquire certain 700 MHz wireless licenses, which were granted to us by the FCC in February 2009. To commercialize these licenses and satisfy FCC build-out requirements, we will be required to make significant additional investments or partner with others. Depending on the nature and scope of such commercialization and build-out, any such investment or partnership could vary significantly. Part or all of our licenses may be terminated for failure to satisfy FCC build-out requirements. We are currently performing a market test to evaluate different technologies and consumer acceptance.

SATELLITES

Most of our programming is currently delivered using DBS satellites. We continue to explore opportunities to expand our available satellite capacity through the use of other available spectrum. Increasing our available spectrum is particularly important as more bandwidth intensive HD programming is produced and to address new video and data applications consumers may desire in the future. We utilize satellites in geostationary orbit approximately 22,300 miles above the equator detailed in the table below.

Satellites	Launch Date	Degree Orbital Location	Original Useful Life (Years)	Lease Term (Years)
Owned:				
EchoStar I (1)	December 1995	77	12	
EchoStar VII	February 2002	119	12	
EchoStar X	February 2006	110	12	
EchoStar XI	July 2008	110	12	
Leased from EchoStar:				
EchoStar III (1)	October 1997	61.5	12	
EchoStar VI (1)	July 2000	72.7	12	
EchoStar VIII (1)(2)	August 2002	77	12	
EchoStar XII (1)	July 2003	61.5	10	
Nimiq 5 (2)	September 2009	72.7	10	10
Leased from Other Third Party:				
Anik F3 (3)	April 2007	118.7	15	15
Ciel II (3)	December 2008	129	10	10
Under Construction:				
Owned:				
EchoStar XIV	Early 2010	119	15	
EchoStar XV	Mid-2010	61.5	15	
Leased from EchoStar:				
QuetzSat-1	2011	77	10	10
EchoStar XVI	2012	61.5	10	10

(1) Discussed under "Leased from/to EchoStar" below.

(2) We lease a portion of the capacity on these satellites.

(3) These satellites are accounted for as capital leases.

Satellite Capacity Leased from/to EchoStar

In connection with the Spin-off and subsequent to the Spin-off, we entered into certain satellite capacity agreements pursuant to which we lease certain satellite capacity on certain satellites owned or leased by EchoStar. In December 2009, we entered into a satellite capacity agreement pursuant to which EchoStar leases satellite capacity on a certain satellite owned 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 frequency on which the applicable satellite provides services. The term of each of the leases is set forth below:

EchoStar III, VI, VIII, and XII. We lease certain satellite capacity from EchoStar on EchoStar III, VI, VIII, and XII. The leases generally terminate upon the earlier of: (i) the end of the life or the 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 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 in service, and the exercise of certain renewal options. We generally have 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.

EchoStar I. EchoStar leases certain satellite capacity from us on EchoStar I. The lease generally terminates upon the earlier of: (i) the end of the life or the replacement of the satellite (unless EchoStar 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 in service, and the exercise of certain renewal options. EchoStar generally has 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.

Nimiq 5 . During September 2009, we entered into a ten-year satellite service agreement with EchoStar for capacity on the Nimiq 5 satellite. Pursuant to this agreement, we will receive service from EchoStar on all 32 of the DBS transponders covered by the transponder contract with Telesat Canada ("Telesat"). We began receiving service on 16 of these DBS transponders upon service commencement of the satellite and will receive service on the remaining 16 DBS transponders over a phase-in period that will be completed in 2012.

Satellite Capacity Leased from Other Third Parties

- *Anik F3* . Anik F3, an FSS satellite, is equipped with 32 Ku-band transponders, 24 C-band transponders and a small Ka-band payload. We have leased 100% of the Ku-band capacity on Anik F3 for a period of 15 years.
- *Ciel II.* Ciel II, a Canadian DBS satellite, has both spot beam capabilities and the ability to provide service to the entire continental United States ("CONUS"). We have leased 100% of the capacity on Ciel II for a period of ten years.

Satellites under Construction

As of December 31, 2009, we had entered into the following contracts to construct new satellites which are contractually scheduled to be completed within the next year.

- *EchoStar XIV* . During 2007, we entered into a contract for the construction of EchoStar XIV, a DBS satellite, which was shipped from the manufacturer to the launch site and is scheduled for launch in early 2010. This satellite has been designed with a combination of full CONUS and spot beam capacity and could be used at multiple orbital locations. EchoStar XIV will enable better bandwidth utilization, provide back-up protection for our existing offerings, and could allow DISH Network to offer other value-added services.
- *EchoStar XV* . During 2008, we entered into a contract for the construction of EchoStar XV, a DBS satellite, which is expected to be completed in mid-2010. This satellite will provide CONUS service and enable better bandwidth utilization, provide back-up protection for our existing offerings, and could allow us to offer other value-added services.

In addition, we have agreed to lease capacity on two satellites from EchoStar that are currently under construction.

- *QuetzSat-1.* During 2008, we entered into a ten-year transponder service agreement with EchoStar to lease 24 DBS transponders on QuetzSat-1, a Mexican DBS satellite being constructed by SES Latin America S.A. ("SES"). QuetzSat-1 is expected to be completed during 2011 and 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. Upon a launch failure, in-orbit failure or end-of-life of the QuetzSat-1 satellite, and in certain other circumstances, we have certain rights to receive service from EchoStar on a replacement satellite. QuetzSat-1 will enable better bandwidth utilization, provide back-up protection for our existing offerings, and could allow us to offer other value-added services.
- *EchoStar XVI.* During 2009, we entered into a ten-year transponder service agreement with EchoStar to lease capacity on EchoStar XVI, a DBS satellite, which is expected to be completed during 2012. EchoStar XVI will replace the satellites currently at the 61.5 degree orbital location and will allow us to offer other value-added services. We will lease certain satellite capacity from EchoStar 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, we have 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.

Satellite Anomalies

Operation of our programming service requires that we have adequate satellite transmission capacity for the programming we offer. Moreover, current competitive conditions require that we continue to expand our offering of new programming, particularly by expanding local HD coverage and offering more HD national channels. While

we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited.

In the event of a failure or loss of any of our satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other satellites and use it as a replacement for the failed or lost satellite. Such a failure could result in a prolonged loss of critical programming or a significant delay in our plans to expand programming as necessary to remain competitive and thus may have a material adverse effect on our business, financial condition and results of operations.

Prior to 2009, certain satellites in our fleet have experienced anomalies, some of which have had a significant adverse impact on their remaining life and commercial operation. There can be no assurance that future anomalies will not further impact the remaining life and commercial operation of any of these satellites. See "Long-Lived Satellite Assets" below for further discussion of evaluation of impairment and Note 7 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K. 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 do not anticipate carrying insurance for any of the in-orbit satellites that we own, and we will bear the risk associated with any in-orbit satellite failures. Recent developments with respect to our satellites are discussed below.

Owned Satellites

EchoStar V. EchoStar V was originally designed with a minimum 12-year design life. Momentum wheel failures in prior years, together with relocation of the satellite between orbital locations, resulted in increased fuel consumption, as disclosed in previous SEC filings. During 2005, as a result of this increased fuel consumption, we reduced the remaining estimated useful life of the satellite and as of October 2008, the satellite was fully depreciated. In late July 2009, it was determined that the satellite had less fuel remaining than previously estimated, therefore the satellite was removed from the 148 degree orbital location and retired from commercial service on August 3, 2009. This retirement did not have a material impact on the DISH Network service.

As a result of the retirement of EchoStar V, we currently do not have any satellites positioned at the 148 degree orbital location. While we have requested a waiver from the FCC for the continued use of this orbital location, there can be no assurance that the FCC will determine that our proposed future use of this orbital location complies fully with all licensing requirements. If the FCC decides to revoke this license, we may be required to write-off its $68 million carrying value.

Leased Satellites

EchoStar III . EchoStar III was originally designed to operate a maximum of 32 DBS transponders in CONUS mode 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 and an additional pair of TWTA failures during August 2009, only 14 transponders are currently available for use. Due to redundancy switching limitations and specific channel authorizations, we are currently operating on 13 of our FCC authorized frequencies at the 61.5 degree orbital location. While the failures have not impacted commercial operation of the satellite, it is likely that additional TWTA failures will occur from time to time in the future and such failures could impact commercial operation of the satellite.

EchoStar XII. Prior to 2009, EchoStar XII experienced anomalies resulting in the loss of electrical power available from its solar arrays. During March and May 2009, EchoStar XII experienced more of these anomalies, which further reduced the electrical power available to operate EchoStar XII. We currently operate EchoStar XII in CONUS/spot beam hybrid mode. If we continue to operate the satellite in this mode, as a result of this loss of electrical power, we would be unable to use the full complement of its available transponders for the remaining useful life of the satellite. However, since the number of useable transponders on EchoStar XII depends on, among other things, whether EchoStar XII is operated in CONUS, spot beam, or hybrid CONUS/spot beam mode, we are unable to determine at this time the actual number of transponders that will be available at any given time or how many transponders can be used during the remaining estimated life of the satellite.

Long-Lived Satellite Assets

We evaluate our satellite fleet for impairment as one asset group and test for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. While certain of the anomalies discussed above, and previously disclosed, may be considered to represent a significant adverse change in the physical condition of an individual satellite, based on the redundancy designed within each satellite and considering the asset grouping, these anomalies are not considered to be significant events that would require evaluation for impairment recognition. Unless and until a specific satellite is abandoned or otherwise determined to have no service potential, the net carrying amount related to the satellite would not be written off.

GOVERNMENT REGULATIONS

We are subject to comprehensive regulation by the FCC for our domestic operations. We are also regulated by other federal agencies, state and local authorities, the International Telecommunication Union ("ITU") and certain foreign governments. Depending upon the circumstances, noncompliance with legislation or regulations promulgated by these entities could result in suspension or revocation of our licenses or authorizations, the termination or loss of contracts or the imposition of contractual damages, civil fines or criminal penalties.

The following summary of regulatory developments and legislation in the United States is not intended to describe all present and proposed government regulation and legislation affecting the satellite and video programming distribution industries. Government regulations that are currently the subject of judicial or administrative proceedings, legislative hearings or administrative proposals could change our industry to varying degrees. We cannot predict either the outcome of these proceedings or any potential impact they might have on the industry or on our operations.

FCC Regulation under the Communications Act

FCC Jurisdiction over our Operations. The Communications Act gives the FCC broad authority to regulate the operations of satellite companies. Specifically, the Communications Act gives the FCC regulatory jurisdiction over the following areas relating to communications satellite operations:

- the assignment of satellite radio frequencies and orbital locations;
- licensing of satellites, earth stations, the granting of related authorizations, and evaluation of the fitness of a company to be a licensee;
- approval for the relocation of satellites to different orbital locations or the replacement of an existing satellite with a new satellite;
- ensuring compliance with the terms and conditions of such assignments and authorizations, including required timetables for construction and operation of satellites and other due diligence requirements;
- avoiding interference with other radio frequency emitters; and
- ensuring compliance with other applicable provisions of the Communications Act and FCC rules and regulations governing the operations of satellite communications providers and multi-channel video distributors.

To obtain FCC satellite licenses and authorizations, satellite operators must satisfy strict legal, technical and financial qualification requirements. Once issued, these licenses and authorizations are subject to a number of conditions including, among other things, satisfaction of ongoing due diligence obligations, construction milestones, and various reporting requirements.

Overview of Our Satellites and FCC Authorizations . Our satellites are located in orbital positions, or slots, that are designated by their western longitude. An orbital position describes both a physical location and an assignment of spectrum in the applicable frequency band. Each DBS orbital position has 500 MHz of available Ku-band spectrum that is divided into 32 frequency channels. Through digital compression technology, we can currently transmit between nine and 13 standard definition digital video channels per DBS frequency channel. Several of our satellites

also include spot-beam technology which enables us to increase the number of markets where we provide local channels, but reduces the number of video channels that could otherwise be offered across the entire United States.

The FCC has licensed us to operate a total of 82 DBS frequencies at the following orbital locations:

- 21 DBS frequencies at the 119 degree orbital location, capable of providing service to CONUS;
- 29 DBS frequencies at the 110 degree orbital location, capable of providing service to CONUS; and
- 32 DBS frequencies at the 148 degree orbital location, capable of providing service to the Western United States.

We currently do not have any satellites positioned at the 148 degree orbital location as a result of the retirement of EchoStar V. While we have requested a waiver from the FCC for the continued use of this orbital location, there can be no assurance that the FCC will determine that our proposed future use of this orbital location complies fully with all licensing requirements.

In addition, we currently lease or have entered into agreements to lease capacity on satellites using the following spectrum at the following orbital locations:

- 500 MHz of Ku-band FSS spectrum that is divided into 32 frequency channels (each of which is capable of transmitting between five and eight standard definition digital video channels) at the 118.7 degree orbital location, which is a Canadian FSS slot that is capable of providing service to the United States, Alaska and Hawaii;
- 32 DBS frequencies at the 129 degree orbital location, which is a Canadian DBS slot that is capable of providing service to most of the United States;
- 32 DBS frequencies at the 61.5 degree orbital location, capable of providing service to most of the United States;
- 24 DBS frequencies at the 77 degree orbital location, which is a Mexican DBS slot that is capable of providing service to most of the United States and Mexico; and
- 32 DBS frequencies at the 72.7 degree orbital location, which is a Canadian DBS slot that is capable of providing service to the United States. We began receiving service on 16 of these DBS transponders upon service commencement of the satellite and will receive service on the remaining 16 DBS transponders over a phase-in period that will be completed in 2012.

We also have occasional-use month-to-month FSS capacity available from EchoStar on satellites located at the 85, 105 and 121 degree orbital location.

700 MHz Spectrum. In 2008, we paid $712 million to acquire certain 700 MHz wireless licenses, which were granted to us by the FCC in February 2009. To commercialize these licenses and satisfy FCC build-out requirements, we will be required to make significant additional investments or partner with others. Depending on the nature and scope of such commercialization and build-out, any such investment or partnership could vary significantly. Part or all of our licenses may be terminated for failure to satisfy FCC build-out requirements. We are currently performing a market test to evaluate different technologies and consumer acceptance.

Duration of our DBS Satellite Licenses. Generally speaking, all of our satellite licenses are subject to expiration unless renewed by the FCC. The term of each of our DBS licenses is ten years. Our licenses are currently set to expire at various times. In addition, our special temporary authorizations are granted for periods of only 180 days or less, subject again to possible renewal by the FCC.

Opposition and other Risks to our Licenses. Several third parties have opposed, and we expect them to continue to oppose, some of our FCC satellite authorizations and pending requests to the FCC for extensions, modifications, waivers and approvals of our licenses. In addition, we may not have fully complied with all of the FCC reporting, filing and other requirements in connection with our satellite authorizations. Consequently, it is possible the FCC could revoke, terminate, condition or decline to extend or renew certain of our authorizations or licenses.

FCC Actions Affecting our Licenses and Applications . A number of our other applications have been denied or dismissed without prejudice by the FCC, or remain pending. We cannot be sure that the FCC will grant any of our outstanding applications, or that the authorizations, if granted, will not be subject to onerous conditions. Moreover, the cost of building, launching and insuring a satellite can be as much as $300 million or more, and we cannot be sure that we will be able to construct and launch all of the satellites for which we have requested authorizations. The FCC has also imposed a bond requirement for up to $3 million for each of our fixed satellite services satellite licenses, all or part of which would be forfeited by a licensee that does not meet its diligence milestones for a particular satellite.

4.5 Degree Spacing Tweener Satellites . The FCC has proposed to allow so-called "tweener" DBS operations – DBS satellites operating from orbital locations 4.5 degrees (half of the usual nine degrees) away from other DBS satellites. The FCC has already granted authorizations to Spectrum Five and EchoStar for tweener satellites at the 114.5 and 86.5 degree orbital locations, respectively. Certain tweener operations, as proposed, could cause harmful interference into our service and constrain our future operations. The FCC has not completed its rulemaking on the operating and service rules for tweener satellites.

Interference from Other Services Sharing Satellite Spectrum . The FCC has adopted rules that allow non-geostationary orbit fixed satellite services to operate on a co-primary basis in the same frequency band as DBS and Ku-band-based fixed satellite services. The FCC has also authorized the use of terrestrial communication services ("MVDDS") in the DBS band. MVDDS licenses were auctioned in 2004. Despite regulatory provisions to protect DBS operations from harmful interference, there can be no assurance that operations by other satellites or terrestrial communication services in the DBS band will not interfere with our DBS operations and adversely affect our business.

International Satellite Competition and Interference . DirecTV has obtained FCC authority to provide service to the United States from a Canadian DBS orbital slot, and EchoStar has obtained authority to provide service to the United States from both a Mexican and a Canadian DBS orbital slot. Further, we have also received authority to do the same from a Canadian DBS orbital slot at 129 degrees and a Canadian FSS orbital slot at 118.7 degrees. The possibility that the FCC will allow service to the U.S. from additional foreign slots may permit additional competition against us from other satellite providers. It may also provide a means by which to increase our available satellite capacity in the United States. In addition, a number of administrations, such as Great Britain and the Netherlands, have requested to add orbital locations serving the U.S. close to our licensed slots. Such operations could cause harmful interference to our satellites and constrain our future operations at those slots if such "tweener" operations are approved by the FCC.

Rules Relating to Broadcast Services . The FCC imposes different rules for "subscription" and "broadcast" services. We believe that because we offer a subscription programming service, we are not subject to many of the regulatory obligations imposed upon broadcast licensees. However, we cannot be certain whether the FCC will find in the future that we must comply with regulatory obligations as a broadcast licensee, and certain parties have requested that we be treated as a broadcaster. If the FCC determines that we are a broadcast licensee, it could require us to comply with all regulatory obligations imposed upon broadcast licensees, which are generally subject to more burdensome regulation than subscription television service providers.

Public Interest Requirements . Under a requirement of the Cable Act, the FCC imposed public interest requirements on DBS licensees. These rules require us to set aside four percent of our channel capacity exclusively for noncommercial programming for which we must charge programmers below-cost rates and for which we may not impose additional charges on subscribers. This could displace programming for which we could earn commercial rates and could adversely affect our financial results. We cannot be sure that if the FCC were to review our methodology for processing public interest carriage requests, computing the channel capacity we must set aside or determining the rates that we charge public interest programmers, it would find them in compliance with the public interest requirements.

Plug and Play . The FCC has adopted the so-called "plug and play" standard for compatibility between digital television sets and cable systems. That standard was developed through negotiations involving the cable and consumer electronics industries, but not us. The FCC is considering various proposals to establish two-way digital cable "plug and play" rules. That proceeding also asks about means to incorporate all pay-TV providers into its

"plug and play" rules. The cable industry and consumer electronics companies have reached a tru2way commercial agreement to resolve many of the outstanding issues in this docket. We cannot predict whether the FCC will impose rules on our DBS operations that are based on cable system architecture or the private cable/consumer electronics tru2way commercial arrangement. Complying with the separate security and other "plug and play" requirements would require potentially costly modifications to our set-top boxes and operations. We cannot predict the timing or outcome of this FCC proceeding.

Digital HD Must Carry Requirement. We are subject to digital HD "carry-one-carry-all" requirements that will cause capacity constraints. To provide any full-power local broadcast signal in any market, we are required to retransmit all qualifying broadcast signals in that market ("carry-one-carry-all"). The digital transition required all full-power broadcasters to cease transmission using analog signals and switch over to digital signals by June 12, 2009. The switch to digital provides broadcasters significantly greater capacity to provide high definition and multicast programming. In March 2008, the FCC adopted new digital carriage rules that require DBS providers to phase in carry-one-carry-all obligations with respect to the carriage of full-power broadcasters' HD signals by February 2013 in HD local markets. The carriage of additional HD signals on our DBS system could cause us to experience significant capacity constraints and limit the number of local markets that we can serve. Certain provisions of the Satellite Home Viewer Extension and Reauthorization Act ("SHVERA"), which permits a satellite carrier to retransmit distant television signals to subscribers for private home viewing and to commercial establishments for a per subscriber fee, were set to expire on December 31, 2009, and are currently pending reauthorization. We are uncertain about how the pending SHVERA reauthorization legislation may affect carry-one-carry-all requirements, if at all.

In addition, the FCC is now considering whether to require DBS providers to carry broadcast stations in both standard definition and high definition starting in 2010, in conjunction with the phased-in HD "carry-one-carry-all" requirements adopted by the FCC. If we were required to carry multiple versions of each broadcast station, we would have to dedicate more of our finite satellite capacity to each broadcast station, which may force us to reduce the number of local markets served and limit our ability to meet competitive needs. We cannot predict the outcome or timing of that proceeding. We are also uncertain about how the pending SHVERA reauthorization legislation may affect this requirement, if at all.

Retransmission Consent. SHVERA generally gives satellite companies a statutory copyright license to retransmit local broadcast channels by satellite back into the market from which they originated, subject to obtaining the retransmission consent of the local network station. If we fail to reach retransmission consent agreements with broadcasters, we cannot carry their signals. This could have an adverse effect on our strategy to compete with cable and other satellite companies that provide local signals. While we have been able to reach retransmission consent agreements with most local network stations in markets where we currently offer local channels by satellite, roll-out of local channels in additional cities and in high definition will require that we obtain additional retransmission agreements. We cannot be sure that we will secure these agreements or that we will secure new agreements upon the expiration of our current retransmission consent agreements, some of which are short-term. We are also uncertain about how the pending SHVERA reauthorization legislation may affect these agreements, if at all.

Distant Signals. Due to a court injunction, we are unable to retransmit distant network signals to otherwise eligible customers under the distant signal license of the Copyright Act of 1976, as amended. DirecTV is not subject to that injunction and can use the license, which is currently set to expire on February 28, 2010. This places us at a competitive disadvantage to DirecTV. We are also uncertain about how the pending SHVERA reauthorization legislation may affect our and DirecTV's ability to retransmit distant network signals, if at all.

Dependence on Cable Act for Program Access. We purchase a large percentage of our programming from cable-affiliated programmers. The provisions of the Cable Act of 1992, as amended, ("Cable Act") prohibiting exclusive contracting practices with cable affiliated programmers were extended for another five-year period in September 2007. Cable companies have appealed the FCC's decision and oral argument was held before the United States Court of Appeals for the District of Columbia Circuit ("D.C. Circuit") in September 2009. We cannot predict the outcome or timing of that litigation. Any change in the Cable Act and the FCC's rules that permit the cable industry or cable-affiliated programmers to discriminate against competing businesses, such as ours, in the sale of programming could adversely affect our ability to acquire cable-affiliated programming at all or to acquire

programming on a cost-effective basis. As a result, we may be limited in our ability to obtain access on nondiscriminatory terms to programming from programmers that are affiliated with the cable system operators.

In addition, affiliates of certain cable providers have denied us access to sports programming they feed to their cable systems terrestrially, rather than by satellite. The FCC recently held that new denials of such service are unfair if they have the purpose or effect of significantly hindering us from providing programming to consumers. However, we cannot be sure that we can make that showing, prevail in a complaint related to such programming, and gain access to it. Our continuing failure to access such programming could materially and adversely affect our ability to compete in regions serviced by these cable providers.

MDU Exclusivity . The FCC has found that cable companies should not be permitted to have exclusive relationships with multiple dwelling units (e.g., apartment buildings). In May 2009, the D.C. Circuit upheld the FCC's decision. The FCC has now asked whether DBS and Private Cable Operators ("PCOs") should be prohibited from having similar relationships with multiple dwelling units. If the cable exclusivity ban were to be extended to DBS providers, our ability to serve these types of buildings and communities would be adversely affected. We cannot predict the timing or outcome of the FCC's consideration of this proposal.

Net Neutrality and the National Broadband Plan . The FCC has initiated a proceeding where it has proposed certain rules to safeguard the open nature of the Internet, including requirements of nondiscrimination and transparency with respect to network management practices. The FCC is also currently developing a national broadband plan to expand availability of broadband and encourage adoption of that service. We cannot be sure whether these initiatives will result in burdens on us such as the need to use our satellite capacity to comply with any additional mandates, or contribution obligations.

Comcast/NBC Universal Transaction . Comcast and General Electric have agreed to join their programming properties, including NBC, Bravo and many others, in a venture to be controlled by Comcast. The transaction will require FCC and other governmental approvals before it can be completed. This transaction may affect us adversely by, among other things, making it more difficult for us to obtain access to the programming networks on nondiscriminatory and fair terms, or at all. We cannot predict when or if the transaction will receive the requisite regulatory approvals or if it will be appropriately conditioned to mitigate potential public interest harms.

The International Telecommunication Union

Our DBS system also must conform to the ITU broadcasting satellite service plan for Region 2 (which includes the United States). If any of our operations are not consistent with this plan, the ITU will only provide authorization on a non-interference basis pending successful modification of the plan or the agreement of all affected administrations to the non-conforming operations. Accordingly, unless and until the ITU modifies its broadcasting satellite service plan to include the technical parameters of DBS applicants' operations, our satellites, along with those of other DBS operators, must not cause harmful electrical interference with other assignments that are in conformance with the plan. Further, DBS satellites are not presently entitled to any protection from other satellites that are in conformance with the plan.

Export Control Regulation

The delivery of satellites and related technical information for the purpose of launch by foreign launch services providers is subject to strict export control and prior approval requirements.

Broadband Service Regulation

The American Recovery and Reinvestment Act of 2009 ("ARRA") has allocated $7.2 billion to expand access to broadband services. Of this amount, $2.5 billion is administered by the Rural Utilities Service ("RUS") for deployment of broadband projects in rural, unserved and underserved communities across the United States and $4.7 billion has been allocated to the National Telecommunications and Information Administration ("NTIA") of the United States Department of Commerce to fund broadband initiatives throughout the U.S, including unserved and underserved areas. Our application for broadband stimulus funds in the first round was not granted. The agencies have announced a second round of funding that will total several billion dollars. This will include a set-aside of a

minimum of $100 million for satellite projects. We are currently evaluating whether to submit an application for funding and we cannot be sure if any such application will be granted, or that it will be granted on acceptable terms. If our application is granted and we accept the terms of such grant, we may become subject to certain regulations promulgated by the agencies.

PATENTS AND TRADEMARKS

Many entities, including some of our competitors, have or may in the future obtain patents and other intellectual property rights that cover or affect products or services related to those that we offer. In general, if a court determines that one or more of our products infringes on intellectual property held by others, we may be required to cease developing or marketing those products, to obtain licenses from the holders of the intellectual property at a material cost, or to redesign those products in such a way as to avoid infringing the patent claims. If those intellectual property rights are held by a competitor, we may be unable to obtain the intellectual property at any price, which could adversely affect our competitive position.

We may not be aware of all intellectual property rights that our products may potentially infringe. In addition, patent applications in the United States are confidential until the Patent and Trademark Office either publishes the application or issues a patent (whichever arises first) and, accordingly, our products may infringe claims contained in pending patent applications of which we are not aware. Further, the process of determining definitively whether a claim of infringement is valid often involves expensive and protracted litigation, even if we are ultimately successful on the merits.

We cannot estimate the extent to which we may be required in the future to obtain intellectual property licenses or the availability and cost of any such licenses. Those costs, and their impact on our results of operations, could be material. Damages in patent infringement cases may also be trebled in certain circumstances. To the extent that we are required to pay unanticipated royalties to third parties, these increased costs of doing business could negatively affect our liquidity and operating results. We are currently defending multiple patent infringement actions. We cannot be certain the courts will conclude these companies do not own the rights they claim, that our products 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 to avoid infringement. See "Item 3. Legal Proceedings."

ENVIRONMENTAL REGULATIONS

We are subject to the requirements of federal, state, local and foreign environmental and occupational safety and health laws and regulations. These include laws regulating air emissions, water discharge and waste management. We attempt to maintain compliance with all such requirements. We do not expect capital or other expenditures for environmental compliance to be material in 2010 or 2011. Environmental requirements are complex, change frequently and have become more stringent over time. Accordingly, we cannot provide assurance that these requirements will not change or become more stringent in the future in a manner that could have a material adverse effect on our business.

SEGMENT REPORTING DATA AND GEOGRAPHIC AREA DATA

For operating segment and principal geographic area data for 2009, 2008 and 2007 see Note 15 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K.

EMPLOYEES

We had approximately 24,500 employees at December 31, 2009, most of whom are located in the United States. We generally consider relations with our employees to be good.

Approximately 170 employees in four of our field offices have voted to have a union represent them in contract negotiations. While we are not currently a party to any collective bargaining agreements, we are currently negotiating collective bargaining agreements at these offices.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act and accordingly file our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other information with the SEC. The public may read and copy any materials filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information on the operation of the Public Reference Room. As an electronic filer, our public filings are also maintained on the SEC's Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that website is http://www.sec.gov .

WEBSITE ACCESS

Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act also may be accessed free of charge through our website as soon as reasonably practicable after we have electronically filed such material with, or furnished it to, the SEC. The address of that website is http://www.dishnetwork.com .

We have adopted a written code of ethics that applies to all of our directors, officers and employees, including our principal executive officer and senior financial officers, in accordance with Section 406 of the Sarbanes-Oxley Act of 2002 and the rules of the SEC promulgated thereunder. Our code of ethics is available on our corporate website at http://www.dishnetwork.com . In the event that we make changes in, or provide waivers of, the provisions of this code of ethics that the SEC requires us to disclose, we intend to disclose these events on our website.

EXECUTIVE OFFICERS OF THE REGISTRANT
(furnished in accordance with Item 401 (b) of Regulation S-K, pursuant to General Instruction G(3) of Form 10-K)

The following table sets forth the name, age and position with DISH Network of each of our executive officers, the period during which each executive officer has served as such, and each executive officer's business experience during the past five years:

Name	Age	Position
Charles W. Ergen	57	Chairman, President, Chief Executive Officer and Director
W. Erik Carlson	40	Executive Vice President, Operations
Thomas A. Cullen	50	Executive Vice President, Programming, Sales and Marketing
James DeFranco	57	Executive Vice President and Director
R. Stanton Dodge	42	Executive Vice President, General Counsel and Secretary
Bernard L. Han	45	Executive Vice President and Chief Operating Officer
Michael Kelly	48	Executive Vice President, Commercial and Business Development
Roger J. Lynch	47	Executive Vice President, Advanced Technologies
Robert E. Olson	50	Executive Vice President and Chief Financial Officer
Stephen W. Wood	51	Executive Vice President, Human Resources

Charles W. Ergen. Mr. Ergen has been Chairman of the Board of Directors and Chief Executive Officer of DISH Network since its formation and, during the past five years, has held various executive officer and director positions with DISH Network's subsidiaries. Mr. Ergen also serves as Chairman of EchoStar. Mr. Ergen was appointed President of DISH Network in February 2008. Mr. Ergen, along with his spouse, Cantey Ergen, and James DeFranco, was a co-founder of DISH Network in 1980.

W. Erik Carlson. Mr. Carlson has served as our Executive Vice President, Operations since February 2008 and is responsible for overseeing our residential and commercial installations, customer billing and equipment retrieval and refurbishment operations. Mr. Carlson previously was Senior Vice President of Retail Services, a position he held since mid-2006. He joined DISH Network in 1995 and has held progressively larger operating roles over the years.

Thomas A. Cullen. Mr. Cullen has served as our Executive Vice President, Programming, Sales and Marketing since April 2009. Mr. Cullen served as our Executive Vice President, Corporate Development from December 2006 until April 2009. Before joining DISH Network, Mr. Cullen served as President of TensorComm, a venture-backed wireless technology company. From August 2003 to April 2005, Mr. Cullen was with Charter Communications Inc. ("Charter"), serving as Senior Vice President, Advanced Services and Business Development from August 2003 until he was promoted to Executive Vice President in August 2004.

James DeFranco. Mr. DeFranco is one of our Executive Vice Presidents and has been one of our vice presidents and a member of the Board of Directors since our formation. During the past five years he has held various executive officer and director positions with our subsidiaries. Mr. DeFranco co-founded DISH Network with Charles W. Ergen and Mr. Ergen's spouse, Cantey Ergen, in 1980.

R. Stanton Dodge. Mr. Dodge has served as our Executive Vice President, General Counsel and Secretary of DISH Network since June 2007 and is responsible for all legal and government affairs for DISH Network and its subsidiaries. Mr. Dodge also serves as EchoStar's Executive Vice President, General Counsel and Secretary and is responsible for all legal and government affairs of EchoStar and its subsidiaries pursuant to a management services agreement between DISH Network and EchoStar that was entered into in connection with the Spin-off of EchoStar from DISH Network. Since joining DISH Network in November 1996, he has held various positions of increasing responsibility in DISH Network's legal department, and assumed responsibility for Human Resources in January 2010.

Bernard L. Han. Mr. Han has served as our Executive Vice President and Chief Operating Officer since April 2009 and is in charge of operations, information technology, accounting and finance functions of DISH Network.

Mr. Han served as Executive Vice President and Chief Financial Officer of DISH Network from September 2006 until April 2009. Mr. Han also serves as EchoStar's Executive Vice President and Chief Financial Officer pursuant to a management services agreement between DISH Network and EchoStar that was entered into in connection with the Spin-off of EchoStar from DISH Network. From October 2002 to May 2005, Mr. Han served as Executive Vice President and Chief Financial Officer of Northwest Airlines, Inc.

Michael Kelly. Mr. Kelly is currently the Executive Vice President, Commercial and Business Development. Mr. Kelly served as the Executive Vice President of DISH Network Service L.L.C. and Customer Service from February 2004 until December 2005.

Roger J. Lynch. Mr. Lynch has served as our Executive Vice President, Advanced Technologies since November 2009. Mr. Lynch also serves as Executive Vice President, Advanced Technologies at EchoStar. Prior to joining DISH Network, Mr. Lynch served as Chairman and CEO of Video Networks International, Ltd., an IPTV technology company in the United Kingdom from 2002 until 2009.

Robert E. Olson. Mr. Olson has served as our Executive Vice President and Chief Financial Officer since April 2009. Mr. Olson was the Chief Financial Officer of Trane Commercial Systems, the largest operating division of American Standard, from April 2006 to August 2008. From April 2003 to January 2006 Mr. Olson served as the Chief Financial Officer of AT&T's Consumer Services division and later its Business Services division.

Stephen W. Wood. Mr. Wood has served as our Executive Vice President, Human Resources since May 2006 and is responsible for all human resource functions of DISH Network and its subsidiaries. Prior to joining DISH Network, Mr. Wood served as an Executive Vice President for Gate Gourmet International from 2004 to 2006.

There are no arrangements or understandings between any executive officer and any other person pursuant to which any executive officer was selected as such. Pursuant to the Bylaws of DISH Network, executive officers serve at the discretion of the Board of Directors.

Item 1A. RISK FACTORS

The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we are unaware of or that we currently believe to be immaterial also may become important factors that affect us.

If any of the following events occur, our business, financial condition or results of operations could be materially and adversely affected.

Weak economic conditions, including higher unemployment and reduced consumer spending, may adversely affect our ability to grow or maintain our business.

Our ability to grow or maintain our business may be adversely affected by weak economic conditions, including the effect of wavering consumer confidence, high unemployment and other factors that may adversely affect the pay-TV industry. In particular, the weak economic conditions could result in the following:

- ***Fewer Gross Subscriber Additions and Increased Churn.*** We could face fewer gross subscriber additions and increased churn due to, among other things: (i) the weak housing market in the United States combined with lower discretionary spending; (ii) increased price competition for our products and services; and (iii) the potential loss of retailers, who generate a significant portion of our new subscribers, because many of them are small businesses that are more susceptible to the negative effects of a weak economy. In particular, subscriber churn may increase with respect to subscribers who purchase our lower tier programming packages and who may be more sensitive to weak economic conditions.
- ***Lower Average Monthly Revenue per Subscriber ("ARPU")*** . Our ARPU could be negatively impacted by more aggressive introductory offers by our competitors. Furthermore, due to lower levels of disposable income, our customers may downgrade to lower cost programming packages and elect not to purchase premium services or pay per view movies.

- *Higher Subscriber Acquisition and Retention Costs*. Our profits may be adversely affected by increased subscriber acquisition and retention costs necessary to attract and retain subscribers in a more difficult economic environment.
- *Increased Impairment Charges*. We may be more likely to incur impairment charges or losses related to our debt and equity investments due to the weak debt and equity markets. Prolonged weak economic conditions could further reduce the value of certain assets including, among other things, satellites and FCC licenses, and thus increase the possibility of impairment charges related to these investments as well.

If we do not improve our operational performance and maintain customer satisfaction, our gross subscriber additions may decrease and our subscriber churn may increase.

If we are unable to improve our operational performance and maintain customer satisfaction or if we are unable to combat signal theft or other forms of fraud, we may experience a decrease in gross subscriber additions and an increase in churn, which could have a material adverse effect on our business, financial condition and results of operations. To address our operational inefficiencies, we have streamlined our hardware offerings and continue to make significant investments in staffing, training, information systems, and other initiatives, primarily in our call center and in-home service operations. These investments are intended to help combat inefficiencies introduced by the increasing complexity of our business, improve customer satisfaction, reduce churn, increase productivity, and allow us to scale better over the long run. We cannot, however, be certain that our increased spending will ultimately be successful in addressing our operational inefficiencies. In the meantime, we may continue to incur higher costs as a result of both our operational inefficiencies and increased spending. The adoption of these measures has contributed to higher expenses and lower margins. While we believe that the increased costs will be outweighed by longer-term benefits, there can be no assurance when or if we will realize these benefits at all.

If DISH Network gross subscriber additions decrease, or if subscriber churn, subscriber acquisition or retention costs increase, our financial performance will be further adversely affected.

We have not always met our own standards for performing high-quality installations, effectively resolving subscriber issues when they arise, answering subscriber calls in an acceptable timeframe, effectively communicating with our subscriber base, reducing calls driven by the complexity of our business, improving the reliability of certain systems and subscriber equipment, and aligning the interests of certain third party retailers and installers to provide high-quality service.

Most of these factors have affected both gross subscriber additions as well as existing subscriber churn. Our future gross subscriber additions and subscriber churn may continue to be negatively impacted by these factors, which could in turn adversely affect our revenue growth and results of operations.

We may incur increased costs to acquire new and retain existing subscribers. Our subscriber acquisition costs could increase as a result of increased spending for advertising and the installation of more HD and DVR receivers, which are generally more expensive than other receivers. Meanwhile, retention costs may be driven higher by a faster rate of upgrading existing subscribers' equipment to HD and DVR receivers. Additionally, certain of our promotions allow consumers with relatively lower credit scores to become subscribers and these subscribers typically churn at a higher rate.

Our subscriber acquisition costs and our subscriber retention costs can vary significantly from period to period and can cause material variability to our net income (loss) and free cash flow. Any material increase in subscriber acquisition or retention costs from current levels could have a material adverse effect on our business, financial position and results of operations.

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 would be subject to substantial liability and would be prohibited from offering DVR functionality that would result in a significant loss of subscribers and place us at a significant disadvantage to our competitors.

In June 2009, the United States District Court granted Tivo's motion for contempt finding that our next-generation DVRs continue to infringe Tivo's intellectual property and awarded Tivo an additional $103 million dollars in supplemental damages and interest for the period from September 2006 through April 2008. In September 2009, the District Court partially granted Tivo's motion for contempt sanctions. In partially granting Tivo's motion for contempt sanctions, the District Court 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 enforcement of the award has been stayed by the District Court pending DISH Network's appeal of the underlying June 2009 contempt order). As previously disclosed, we increased our reserve for the Tivo litigation to reflect both the supplemental damages award for the period September 2006 to April 2008 and for the estimated cost of alleged software infringement for the period from April 2008 through June 2009.

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 would be required to eliminate DVR functionality in all but approximately 192,000 digital set-top boxes in the field and cease distribution of digital set-top boxes with DVR functionality. In that event we would be at a significant disadvantage to our competitors who could continue offering DVR functionality, which would likely result in a significant decrease in new subscriber additions as well as a substantial loss of current subscribers. Furthermore, the inability to offer DVR functionality could cause certain of our distribution channels to terminate or significantly decrease their marketing of DISH Network services. The adverse effect on our financial position and results of operations if the District Court's contempt order is upheld is likely to be significant. Additionally, the awards described above do not include damages, contempt sanctions or interest for the period after June 2009. In the event that we are unsuccessful in our appeal, we could also have to pay substantial additional damages, contempt sanctions and interest. Depending on the amount of any additional damage or sanction award or any monetary settlement, we may be required to raise additional capital at a time and in circumstances in which we would normally not raise capital. 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. We believe the cost of such capital and its terms and conditions may be substantially less attractive than our previous financings.

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 or could be required to modify or eliminate our then-current DVR functionality in some or all set-top boxes in the field. 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 could be material. We could also have to pay substantial additional damages.

Because both we and EchoStar are defendants in the Tivo lawsuit, we and EchoStar are jointly and severally liable to Tivo for any final damages and sanctions that may be awarded by the District Court. We have determined that we are obligated under the agreements entered into in connection with the Spin-off to indemnify EchoStar for substantially all liability arising from this lawsuit. EchoStar has agreed with us to contribute an amount equal to its $5 million intellectual property liability limit under the Receiver Agreement. We and EchoStar have further agreed that EchoStar's $5 million contribution would not exhaust EchoStar's liability to us for other intellectual property claims that may arise under the Receiver Agreement. We and EchoStar 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.

We face intense and increasing competition from satellite television providers, cable television providers and telecommunications companies.

Our business is focused on providing pay-TV services and we have traditionally competed against satellite and cable television providers, some of whom have greater financial, marketing and other resources than we do. Many of these competitors offer video services bundled with broadband, telephony services, HD offerings, interactive services and video on demand services that consumers may find attractive. Moreover, mergers and acquisitions, joint ventures and alliances among cable television providers, telecommunications companies and others may result in, among other things, greater financial leverage and increase the availability of offerings from providers capable of bundling television, broadband and telephone services in competition with our services.

In addition, DirecTV's satellite receivers and services are offered through a significantly greater number of consumer electronics stores than ours. As a result of this and other factors, our services are less known to consumers than those of DirecTV. Due to this relative lack of consumer awareness and other factors, we are at a competitive marketing disadvantage compared to DirecTV. DirecTV also offers exclusive programming that may be attractive to prospective subscribers, and may have access to discounts on programming not available to us.

Competition has intensified in recent quarters with the rapid growth of fiber-based pay-TV services offered by telecommunications companies such as Verizon and AT&T. These telecommunications companies are upgrading their older copper wire telephone lines with high-bandwidth fiber optic lines in larger markets. These fiber optic lines provide significantly greater capacity, enabling the telecommunications companies to offer substantial HD programming content as well as bundled services.

In addition, the recent transition from analog to digital delivery has allowed broadcasters to provide improved signal quality, offer additional channels including content broadcast in HD, and explore new business opportunities such as mobile video.

This increasingly competitive environment may require us to increase subscriber acquisition and retention spending or accept lower subscriber acquisitions and higher subscriber churn.

Emerging digital media competition including companies that provide/facilitate the delivery of video content via the Internet could materially adversely affect us.

Our business is focused on pay-TV services, and we face emerging competition from providers of digital media including those companies that offer online services distributing movies, television shows and other video programming. Moreover, new technologies have been, and will likely continue to be, developed that further increase the number of competitors we face for our video services. For example, wireless and other emerging mobile technologies that provide for the distribution and viewing of video programming may offer services and technologies that compete with our pay-TV services. Some of these companies have greater financial, marketing and other resources than we do. In particular, programming offered over the Internet has become more prevalent as the speed and quality of broadband networks have improved. Significant changes in consumer behavior with regard to the means by which they obtain video entertainment and information in response to this emerging digital media competition could materially adversely affect our business, results of operations and financial condition or otherwise disrupt our business.

We depend on others to provide the programming that we offer to our subscribers and, if we lose access to this programming, our subscriber additions may decline or we may suffer subscriber losses and subscriber churn may increase.

We depend on third parties to provide us with programming services. Our programming agreements have remaining terms ranging from less than one to up to several years and contain various renewal and cancellation provisions. We may not be able to renew these agreements on favorable terms or at all, and these agreements may be canceled prior to expiration of their original term. If we are unable to renew any of these agreements or the other parties cancel the agreements, there can be no assurance that we would be able to obtain substitute programming, or that such substitute programming would be comparable in quality or cost to our existing programming. In addition, the loss of programming could increase our subscriber churn. We also expect programming costs to continue to increase.

We may be unable to pass programming costs on to our customers, which could have a material adverse effect on our business, financial condition and results of operations.

We may be required to make substantial additional investments to maintain competitive HD programming offerings.

We believe that the availability and extent of HD programming has become and will continue to be a significant factor in consumer's choice among pay-TV providers. Other pay-TV providers may have more successfully marketed and promoted their HD programming packages and may also be better equipped and have greater resources to increase their HD offerings to respond to increasing consumer demand for this content. We may be required to make substantial additional investments in infrastructure to respond to competitive pressure to deliver additional HD programming, and there can be no assurance that we will be able to compete effectively with HD programming offerings from other pay-TV providers. In particular, in recent quarters, our capital expenditures have increased because we have made significant efforts to expand our HD capability and provide more of our subscribers with HD set top boxes.

Technology in our industry changes rapidly and could cause our services and products to become obsolete.

Our operating results are dependent to a significant extent upon our ability to continue to introduce new products and services on a timely basis and to reduce costs of our existing products and services. We may not be able to successfully identify new product or service opportunities or develop and market these opportunities in a timely or cost-effective manner. The success of new product development depends on many factors, including proper identification of customer need, cost, timely completion and introduction, differentiation from offerings of competitors and market acceptance. New technologies could also create new competitors for us. For instance, we may face threats from companies who use the Internet to deliver digital video services as the speed and quality of broadband and wireless services improve.

Technology in the pay-TV industry changes rapidly as new technologies are developed, which could cause our services and products to become obsolete. We and our suppliers may not be able to keep pace with technological developments. If the new technologies on which we intend to focus our research and development investments fail to achieve acceptance in the marketplace, our competitive position could be negatively impacted causing a reduction in our revenues and earnings. We may also be at a competitive disadvantage in developing and introducing complex new products and technologies because of the substantial costs we may incur in making these products or technologies available across our installed base of over 14 million subscribers. For example, our competitors could be the first to obtain proprietary technologies that are perceived by the market as being superior. Further, after we have incurred substantial costs, one or more of the technologies under our development, or under development by one or more of our strategic partners, could become obsolete prior to its introduction. In addition, delays in the delivery of components or other unforeseen problems in our DBS system may occur that could materially and adversely affect our ability to generate revenue, offer new services and remain competitive.

Technological innovation is important to our success and depends, to a significant degree, on the work of technically skilled employees. We rely on EchoStar to design and develop set-top boxes with advanced features and functionality. If EchoStar is unable to attract and retain appropriately technically skilled employees, our competitive position could be materially and adversely affected.

We may need additional capital, which may not be available on acceptable terms or at all, to continue investing in our business and to finance acquisitions and other strategic transactions.

The weak financial markets could make it more difficult for non-investment grade borrowers of high yield indebtedness to access capital markets at acceptable terms or at all. We may need to raise additional capital in the future to among other things, continue investing in our business, construct and launch new satellites, and to pursue acquisitions and other strategic transactions.

Furthermore, weak equity markets could make it difficult for us to raise equity financing without incurring substantial dilution to our existing shareholders. In addition, weak economic conditions may limit our ability to generate sufficient internal cash to fund these investments, capital expenditures, acquisitions and other strategic

transactions. As a result, these conditions make it difficult for us to accurately forecast and plan future business activities because we may not have access to funding sources necessary for us to pursue organic and strategic business development opportunities.

A portion of our investment portfolio is invested in securities that have experienced limited or no liquidity and may not be immediately accessible to support our financing needs.

A portion of our investment portfolio is invested in auction rate securities, mortgage backed securities, and strategic investments and as a result a portion of our portfolio has restricted liquidity. Liquidity in the markets for these investments has been adversely impacted and these market conditions have adversely affected our liquidity. If the credit ratings of these securities deteriorate or the lack of liquidity in the marketplace becomes prolonged, we may be required to record impairment charges. Moreover, the significant volatility of domestic and global financial markets has greatly affected the volatility and value of our marketable investment securities. To the extent we require access to funds, we may need to sell these securities under unfavorable market conditions, record further impairment charges and fall short of our financing needs.

AT&T's termination of its distribution agreement with us may increase churn.

Our distribution relationship with AT&T was a substantial contributor to our gross and net subscriber additions in prior years, accounting for approximately 17% of our gross subscriber additions for the year ended December 31, 2008. This distribution relationship ended January 31, 2009. Consequently, beginning with the second quarter 2009, AT&T no longer contributed to our gross subscriber additions. In addition, nearly one million of our current subscribers were acquired through our distribution relationship with AT&T and subscribers acquired through this channel have historically churned at a higher rate than our overall subscriber base. Although AT&T is not permitted to target these subscribers for transition to another pay-TV service and we and AT&T are required to maintain bundled billing and cooperative customer service for these subscribers, these subscribers may continue to churn at higher than historical rates following termination of the AT&T distribution relationship.

As technology changes, and to remain competitive, we may have to upgrade or replace subscriber equipment and make substantial investments in our infrastructure.

Our competitive position depends in part on our ability to offer new subscribers and upgrade existing subscribers with more advanced equipment, such as receivers with DVR and HD technology and by otherwise making additional infrastructure investments, such as those related to our information technology and call centers. Furthermore, the increase in demand for HD programming requires investments in additional satellite capacity. We may not be able to pass on to our subscribers the entire cost of these upgrades and infrastructure investments.

We rely on EchoStar to design and develop all of our new set-top boxes and certain related components, and to provide transponder capacity, digital broadcast operations and other services for us. Our business would be adversely affected if EchoStar ceases to provide these services to us and we are unable to obtain suitable replacement services from third parties.

EchoStar is our sole supplier of digital set-top boxes and digital broadcast operations. In addition, EchoStar is a key supplier of other satellite services to us. Because our digital set-top box purchases are made and digital broadcast operations are received pursuant to contracts that generally expire on January 1, 2011, EchoStar will have no obligation to supply digital set-top boxes or digital broadcast operations to us after that date, however, we have the right to renew this agreement for an additional year. Equipment, transponder leasing and digital broadcast operation costs may increase beyond our current expectations. We may be unable to renew agreements for digital set-top boxes or digital broadcast operations with EchoStar on acceptable terms or at all. EchoStar's inability to develop and produce, or our inability to obtain, equipment with the latest technology, or our inability to obtain transponder capacity and digital broadcast operations and other services from third parties, could affect our subscriber acquisition and churn and cause related revenue to decline.

Furthermore, any transition to a new supplier of set-top boxes could result in increased costs, resources and development and customer qualification time which could affect our subscriber acquisition and churn and cause

revenue to decline. Any reduction in our supply of set-top boxes could significantly delay our ability to ship set-top boxes to our subscribers and potentially damage our relationships with our subscribers.

We rely on one or a limited number of vendors, and the inability of these key vendors to meet our needs could have a material adverse effect on our business.

We have contracted with a limited number of vendors to provide certain key products or services to us such as information technology support, billing systems, and security access devices. Our dependence on these vendors makes our operations vulnerable to such third parties' failure to perform adequately. In addition, we have historically relied on a single source for certain items. If these vendors are unable to meet our needs because they are no longer in business or because they discontinue a certain product or service we need, our business, financial position and results of operations may be adversely affected. Our inability to develop alternative sources quickly and on a cost-effective basis could materially impair our ability to timely deliver our products to our subscribers or operate our business. Furthermore, our vendors may request changes in pricing, payment terms or other contractual obligations between the parties which could cause us to make substantial additional investments.

Our programming signals are subject to theft, and we are vulnerable to other forms of fraud that could require us to make significant expenditures to remedy.

Increases in theft of our signal, or our competitors' signals, could in addition to reducing new subscriber activations, also cause subscriber churn to increase. We use security access devices in our receiver systems to control access to authorized programming content.

Our signal encryption has been compromised in the past and may be compromised in the future even though we continue to respond with significant investment in security measures, such as Security Access Device replacement programs and updates in security software, that are intended to make signal theft more difficult. It has been our prior experience that security measures may only be effective for short periods of time or not at all and that we remain susceptible to additional signal theft. During the second quarter of 2009, we completed the replacement of our Security Access Devices that re-secured our system. However, we expect additional future replacements of these devices will be necessary to keep our system secure. We cannot ensure that we will be successful in reducing or controlling theft of our programming content and we may incur additional costs in the future if our system's security is compromised.

We are also vulnerable to other forms of fraud. While we are addressing certain fraud through a number of actions, including terminating retailers that we believe were in violation of DISH Network's business rules, there can be no assurance that we will not continue to experience fraud which could impact our subscriber growth and churn. Weak economic conditions may create greater incentive for signal theft and other forms of fraud, which could lead to higher subscriber churn and reduced revenue.

We depend on third parties to solicit orders for DISH Network services that represent a significant percentage of our total gross subscriber acquisitions.

Most of our retailers are not exclusive to us and may favor our competitors' products and services over ours based on the relative financial arrangements associated with selling our products and those of our competitors. Furthermore, some of these retailers are significantly smaller than we are and may be more susceptible to weak economic conditions that will make it more difficult for them to operate profitably. Because our retailers receive most of their incentive value at activation and not over an extended period of time, our interests in obtaining and retaining subscribers through good customer service may not always be aligned with our retailers. It may be difficult to better align our interests with our resellers' because of their capital and liquidity constraints. Loss of these relationships could have an adverse effect on our subscriber base and certain of our other key operating metrics because we may not be able to develop comparable alternative distribution channels.

Our competitors may be able to leverage their relationships with programmers so that they are able to reduce their programming costs and offer exclusive content that will place them at a competitive advantage to us.

The cost of programming represents a large percentage of our overall costs. Certain of our competitors own directly or are affiliated with companies that own programming content that may enable them to obtain lower programming costs or offer exclusive programming that may be attractive to prospective subscribers. Unlike our larger cable and satellite competitors, we have not made significant investments in programming providers. For example, Comcast and General Electric have agreed to join their programming properties, including NBC, Bravo and many others that are available in the majority of our programming packages, in a venture to be controlled by Comcast. This transaction may affect us adversely by, among other things, making it more difficult for us to obtain access to their programming networks on nondiscriminatory and fair terms, or at all. We cannot predict when or if the transaction will receive the requisite regulatory approvals or if it will be appropriately conditioned to mitigate potential public interest harms.

We depend on the Cable Act for access to programming from cable-affiliate programmers at cost-effective rates.

We purchase a large percentage of our programming from cable-affiliated programmers. The Cable Act's provisions prohibiting exclusive contracting practices with cable affiliated programmers were extended for another five-year period in September 2007. Cable companies have appealed the FCC's decision and oral argument was held before the D.C. Circuit in September 2009. We cannot predict the outcome or timing of that litigation. Any change in the Cable Act and the FCC's rules that permit the cable industry or cable-affiliated programmers to discriminate against competing businesses, such as ours, in the sale of programming could adversely affect our ability to acquire cable-affiliated programming at all or to acquire programming on a cost-effective basis. As a result, we may be limited in our ability to obtain access on nondiscriminatory terms to programming from programmers that are affiliated with the cable system operators. In the case of certain types of programming networks affiliated with Comcast and Liberty, access to the programming is subject to compulsory arbitration if we and the programmer cannot reach agreement on terms, subject to FCC review. We cannot be sure that this procedure will result in favorable terms for us or that the FCC conditions that establish this procedure will not sunset.

In addition, affiliates of certain cable providers have denied us access to sports programming they feed to their cable systems terrestrially, rather than by satellite. The FCC recently held that new denials of such service are unfair if they have the purpose or effect of significantly hindering us from providing programming to consumers. But we cannot be sure that we can prevail in a complaint related to such programming, and gain access to it. Our continuing failure to access such programming could materially and adversely affect our ability to compete in regions serviced by these cable providers.

We face increasing competition from other distributors of foreign language programming that may limit our ability to maintain our foreign language programming subscriber base.

We face increasing competition from other distributors of foreign language programming, including programming distributed over the Internet. There can be no assurance that we will maintain subscribers in our foreign-language programming services. In addition, the increasing availability of foreign language programming from our competitors, which in certain cases has resulted from our inability to renew programming agreements on an exclusive basis or at all, could contribute to an increase in our subscriber churn. Our agreements with distributors of foreign language programming have varying expiration dates, and some agreements are on a month-to-month basis. There can be no assurance that we will be able to grow or maintain our foreign language programming subscriber base.

Our local programming strategy faces uncertainty because we may not be able to obtain necessary retransmission consents from local network stations.

SHVERA generally gives satellite companies a statutory copyright license to retransmit local broadcast channels by satellite back into the market from which they originated, subject to obtaining the retransmission consent of the local network station. If we fail to reach retransmission consent agreements with broadcasters, we cannot carry their

signals. This could have an adverse effect on our strategy to compete with cable and other satellite companies which provide local signals. While we have been able to reach retransmission consent agreements with most local network stations in markets where we currently offer local channels by satellite, roll-out of local channels in additional cities and in high definition will require that we obtain additional retransmission agreements. We cannot be sure that we will secure these agreements or that we will secure new agreements on acceptable terms upon the expiration of our current retransmission consent agreements, some of which are short-term.

We are subject to significant regulatory oversight and changes in applicable regulatory requirements could adversely affect our business.

DBS operators are subject to significant government regulation, primarily by the FCC and, to a certain extent, by Congress, other federal agencies and foreign, state and local authorities. Depending upon the circumstances, noncompliance with legislation or regulations promulgated by these entities could result in the suspension or revocation of our licenses or registrations, the termination or loss of contracts or the imposition of contractual damages, civil fines or criminal penalties any of which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, the adoption or modification of laws or regulations relating to the Internet or other areas of our business could limit or otherwise adversely affect the manner in which we currently conduct our business. If we are required to comply with new regulations or legislation or new interpretations of existing regulations or legislation that govern Internet network neutrality, this compliance could cause us to incur additional expenses or alter our business model. The manner in which legislation governing Internet network neutrality may be interpreted and enforced cannot be precisely determined which in turn could have an adverse effect on our business, financial condition and results of operations. You should review the regulatory disclosures under the caption "*Item 1. Business — Government Regulation — FCC Regulation under the Communication Act*" of this Annual Report on Form 10-K.

We have made a substantial investment in certain 700 MHz wireless licenses and will be required to make significant additional investments or partner with others to commercialize these licenses and recoup our investment.

In 2008, we paid $712 million to acquire certain 700 MHz wireless licenses, which were granted to us by the FCC in February 2009. To commercialize these licenses and satisfy FCC build-out requirements, we will be required to make significant additional investments or partner with others. Depending on the nature and scope of such commercialization and build-out, any such investment or partnership could vary significantly. Part or all of our licenses may be terminated for failure to satisfy FCC build-out requirements. We are currently performing a market test to evaluate different technologies and consumer acceptance.

There can be no assurance that we will be able to develop and implement a business model that will realize a return on these investments and profitably deploy the spectrum represented by the 700 MHz licenses.

Furthermore, the fair values of wireless licenses may vary significantly in the future. In particular, valuation swings could occur if:

- consolidation in the wireless industry allows or requires wireless carriers to sell significant portions of their wireless spectrum holdings, which could in turn reduce the value of our spectrum holdings; or
- a sudden large sale of spectrum by one or more wireless providers occurs.

In addition, the fair value of wireless licenses could decline as a result of the FCC's pursuit of policies, including auctions, designed to increase the number of wireless licenses available in each of our markets. If the fair value of our 700 MHz licenses were to decline significantly, the value of our 700 MHz licenses could be subject to non-cash impairment charges. We assess potential impairments to our indefinite-lived intangible assets, including our 700 MHz licenses annually to determine whether there is evidence that events or changes in circumstances indicate that an impairment condition may exist.

We have substantial debt outstanding and may incur additional debt.

As of December 31, 2009, our total debt, including the debt of our subsidiaries, was $6.497 billion. Our debt levels could have significant consequences, including:

- requiring us to devote a substantial portion of our cash to make interest and principal payments on our debt, thereby reducing the amount of cash available for other purposes. As a result, we would have limited financial and operating flexibility in responding to changing economic and competitive conditions;
- limiting our ability to raise additional debt because it may be more difficult for us to obtain debt financing on attractive terms; and
- placing us at a disadvantage compared to our competitors that have less debt.

In addition, we may incur substantial additional debt in the future. The terms of the indentures relating to our senior notes permit us to incur additional debt. If new debt is added to our current debt levels, the risks we now face could intensify.

We have limited owned and leased satellite capacity and satellite failures could adversely affect our business.

Operation of our programming service requires that we have adequate satellite transmission capacity for the programming we offer. Moreover, current competitive conditions require that we continue to expand our offering of new programming, particularly by expanding local HD coverage and offering more HD national channels. While we generally have had in-orbit satellite capacity sufficient to transmit our existing channels and some backup capacity to recover the transmission of certain critical programming, our backup capacity is limited.

In the event of a failure or loss of any of our satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other satellites and use it as a replacement for the failed or lost satellite. Such a failure could result in a prolonged loss of critical programming or a significant delay in our plans to expand programming as necessary to remain competitive and thus may have a material adverse effect on our business, financial condition and results of operations.

Our owned and leased satellites under construction are subject to risks related to construction and launch that could limit our ability to utilize these satellites.

A key component of our business strategy is our ability to expand our offering of new programming and services, including increased local and HD programming. In order to accomplish this goal, we need to construct and launch satellites. Satellite construction and launch is subject to significant risks, including construction and launch delays, launch failure and incorrect orbital placement. Certain launch vehicles that may be used by us have either unproven track records or have experienced launch failures in the recent past. The risks of launch delay and failure are usually greater when the launch vehicle does not have a track record of previous successful flights. Launch failures result in significant delays in the deployment of satellites because of the need both to construct replacement satellites, which can take more than three years, and to obtain other launch opportunities. Significant construction or launch delays could materially and adversely affect our ability to generate revenues. If we were unable to obtain launch insurance, or obtain launch insurance at rates we deem commercially reasonable, and a significant launch failure were to occur, it could have a material adverse effect on our ability to generate revenues and fund future satellite procurement and launch opportunities.

In addition, the occurrence of future launch failures may materially and adversely affect our ability to insure the launch of our satellites at commercially reasonable premiums, if at all. Please see further discussion under the caption " *We currently have no commercial insurance coverage on the satellites we own and could face significant impairment charges if one of our satellites fails* " below.

Our owned and leased satellites in orbit are subject to significant operational and environmental risks that could limit our ability to utilize these satellites.

Satellites are subject to significant operational risks while in orbit. These risks include malfunctions, commonly referred to as anomalies, that have occurred in our satellites and the satellites of other operators as a result of various factors, such as satellite manufacturers' errors, problems with the power systems or control systems of the satellites and general failures resulting from operating satellites in the harsh environment of space.

Although we work closely with the satellite manufacturers to determine and eliminate the cause of anomalies in new satellites and provide for redundancies of many critical components in the satellites, we may experience anomalies in the future, whether of the types described above or arising from the failure of other systems or components.

Any single anomaly or series of anomalies could materially and adversely affect our operations and revenues and our relationship with current customers, as well as our ability to attract new customers for our multi-channel video services. In particular, future anomalies may result in the loss of individual transponders on a satellite, a group of transponders on that satellite or the entire satellite, depending on the nature of the anomaly. Anomalies may also reduce the expected useful life of a satellite, thereby reducing the channels that could be offered using that satellite, or create additional expenses due to the need to provide replacement or back-up satellites. You should review the disclosures relating to satellite anomalies set forth under Note 7 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K.

Meteoroid events pose a potential threat to all in-orbit satellites. The probability that meteoroids will damage those satellites increases significantly when the Earth passes through the particulate stream left behind by comets. Occasionally, increased solar activity also poses a potential threat to all in-orbit satellites.

Some decommissioned spacecraft are in uncontrolled orbits which pass through the geostationary belt at various points, and present hazards to operational spacecraft, including our satellites. We may be required to perform maneuvers to avoid collisions and these maneuvers may prove unsuccessful or could reduce the useful life of the satellite through the expenditure of fuel to perform these maneuvers. The loss, damage or destruction of any of our satellites as a result of an electrostatic storm, collision with space debris, malfunction or other event could have a material adverse effect on our business, financial condition and results of operations.

Our owned and leased satellites have minimum design lives ranging from 12 to 15 years, but could fail or suffer reduced capacity before then.

Our ability to earn revenue depends on the usefulness of our satellites, each of which has a limited useful life. A number of factors affect the useful lives of the satellites, including, among other things, the quality of their construction, the durability of their component parts, the ability to continue to maintain proper orbit and control over the satellite's functions, the efficiency of the launch vehicle used, and the remaining on-board fuel following orbit insertion. Generally, the minimum design life of each of our satellites ranges from 12 to 15 years. We can provide no assurance, however, as to the actual useful lives of the satellites. Our operating results could be adversely affected if the useful life of any of our satellites were significantly shorter than 12 years from the launch date.

In the event of a failure or loss of any of our satellites, we may need to acquire or lease additional satellite capacity or relocate one of our other satellites and use it as a replacement for the failed or lost satellite, any of which could have a material adverse effect on our business, financial condition and results of operations. A relocation would require FCC approval and, among other things, a showing to the FCC that the replacement satellite would not cause additional interference compared to the failed or lost satellite. We cannot be certain that we could obtain such FCC approval. If we choose to use a satellite in this manner, this use could adversely affect our ability to meet the operation deadlines associated with our authorizations. Failure to meet those deadlines could result in the loss of such authorizations, which would have an adverse effect on our ability to generate revenues.

We currently have no commercial insurance coverage on the satellites we own and could face significant impairment charges if one of our satellites fails.

Generally, we do not carry launch or in-orbit insurance on the satellites we use. We currently do not carry in-orbit insurance on any of our satellites and do not use commercial insurance to mitigate the potential financial impact of launch or in-orbit failures because we believe that the cost of insurance premiums is uneconomical relative to the risk of such failures. If one or more of our in-orbit satellites fail, we could be required to record significant impairment charges.

We may have potential conflicts of interest with EchoStar due to our common ownership and management.

Questions relating to conflicts of interest may arise between EchoStar and us in a number of areas relating to our past and ongoing relationships. Areas in which conflicts of interest between EchoStar and us could arise include, but are not limited to, the following:

- *Cross officerships, directorships and stock ownership* . We have significant overlap in directors and executive officers with EchoStar, which may lead to conflicting interests. For instance, certain of our executive officers, including Roger J. Lynch, our Executive Vice President, Advanced Technologies, serve as executive officers of EchoStar. Three of our executive officers provide management services to EchoStar pursuant to a management services agreement between EchoStar and us and two executive officers are employees of both us and EchoStar. These individuals may have actual or apparent conflicts of interest with respect to matters involving or affecting each company. Furthermore, our Board of Directors and executive officers include persons who are members of the Board of Directors of EchoStar, including Charles W. Ergen, who serves as the Chairman of EchoStar and us. The executive officers and the members of our Board of Directors who overlap with EchoStar have fiduciary duties to EchoStar's shareholders. For example, there is the potential for a conflict of interest when we or EchoStar look at acquisitions and other corporate opportunities that may be suitable for both companies. In addition, certain of our directors and officers own EchoStar stock and options to purchase EchoStar stock, which they acquired or were granted prior to the Spin-off of EchoStar from us, including Mr. Ergen, who owns approximately 46.3% of the total equity and controls approximately 61.2% of the voting power of EchoStar. Mr. Ergen's beneficial ownership of EchoStar excludes 16,276,214 shares of its Class A Common Stock issuable upon conversion of shares of its Class B Common Stock currently held by certain trusts established by Mr. Ergen for the benefit of his family. These trusts beneficially own approximately 32.1% of EchoStar's total equity securities and possess approximately 31.7% of EchoStar's total voting power. These ownership interests could create actual, apparent or potential conflicts of interest when these individuals are faced with decisions that could have different implications for us and EchoStar.
- *Intercompany agreements related to the Spin-off.* We have entered into certain agreements with EchoStar pursuant to which we will provide EchoStar with certain management, administrative, accounting, tax, legal and other services, for which EchoStar will pay us our cost plus a fixed margin. In addition, we have entered into a number of intercompany agreements covering matters such as tax sharing and EchoStar's responsibility for certain liabilities previously undertaken by us for certain of EchoStar's businesses. We have also entered into certain commercial agreements with EchoStar pursuant to which EchoStar is, among other things, obligated to sell to us at specified prices, set-top boxes and related equipment. The terms of certain of these agreements were established while EchoStar was a wholly-owned subsidiary of us and were not the result of arm's length negotiations. The allocation of assets, liabilities, rights, indemnifications and other obligations between EchoStar and us under the separation and other intercompany agreements we entered into with EchoStar in connection with the Spin-off of EchoStar may have been different if agreed to by two unaffiliated parties. Had these agreements been negotiated with unaffiliated third parties, their terms may have been more favorable, or less favorable, to us. In addition, conflicts could arise between us and EchoStar in the interpretation or any extension or renegotiation of these existing agreements.
- *Additional intercompany transactions.* EchoStar or its affiliates have and will continue to enter into transactions with us or our subsidiaries or other affiliates. Although the terms of any such transactions will be established based upon negotiations between EchoStar and us and, when appropriate, subject to the approval of the disinterested directors on our board or a committee of disinterested directors, there can be no assurance that the terms of any such transactions will be as favorable to us or our subsidiaries or affiliates as may otherwise be obtained in arm's length negotiations.

- *Business Opportunities.* We have retained interests in various U.S. and international companies that have subsidiaries or controlled affiliates that own or operate domestic or foreign services that may compete with services offered by EchoStar. We may also compete with EchoStar when we participate in auctions for spectrum or orbital slots for our satellites. In addition, EchoStar may in the future use its satellites, uplink and transmission assets to compete directly against us in the subscription television business.

We may not be able to resolve any potential conflicts, and, even if we do so, the resolution may be less favorable to us than if we were dealing with an unaffiliated party.

We also do not have any agreements with EchoStar that would prevent either company from competing with the other.

We rely on key personnel and the loss of their services may negatively affect our businesses.

We believe that our future success will depend to a significant extent upon the performance of Charles W. Ergen, our Chairman, President and Chief Executive Officer and certain other executives. The loss of Mr. Ergen or of certain other key executives could have a material adverse effect on our business, financial condition and results of operations. Although all of our executives have executed agreements limiting their ability to work for or consult with competitors if they leave us, we do not have employment agreements with any of them. Pursuant to a management services agreement with EchoStar entered into at the time of the Spin-off, we have agreed to make certain of our key officers available to provide services to EchoStar. In addition, Roger J. Lynch also serves as Executive Vice President, Advanced Technologies of EchoStar. To the extent Mr. Lynch and such other officers are performing services for EchoStar, this may divert their time and attention away from our business and may therefore adversely affect our business.

We are party to various lawsuits which, if adversely decided, could have a significant adverse impact on our business, particularly lawsuits regarding intellectual property.

We are subject to various legal proceedings and claims which arise in the ordinary course of business, including among other things, disputes with programmers regarding fees. Many entities, including some of our competitors, have or may in the future obtain patents and other intellectual property rights that cover or affect products or services related to those that we offer. In general, if a court determines that one or more of our products infringes on intellectual property held by others, we may be required to cease developing or marketing those products, to obtain licenses from the holders of the intellectual property at a material cost, or to redesign those products in such a way as to avoid infringing the patent claims. If those intellectual property rights are held by a competitor, we may be unable to obtain the intellectual property at any price, which could adversely affect our competitive position. Please see further discussion under *Item 1. Business — Patents and Trademarks* of this Annual Report on Form 10-K.

We may not be aware of all intellectual property rights that our services or the products used in connection with our services may potentially infringe. In addition, patent applications in the United States are confidential until the Patent and Trademark Office issues a patent. Therefore, it is difficult to evaluate the extent to which our services or the products used in connection with our services may infringe claims contained in pending patent applications. Further, it is often not possible to determine definitively whether a claim of infringement is valid.

We may pursue acquisitions and other strategic transactions to complement or expand our business that may not be successful and we may lose up to the entire value of our investment in these acquisitions and transactions.

Our future success may depend on opportunities to buy other businesses or technologies that could complement, enhance or expand our current business or products or that might otherwise offer us growth opportunities. We may not be able to complete such transactions and such transactions, if executed, pose significant risks and could have a negative effect on our operations. Any transactions that we are able to identify and complete may involve a number of risks, including:

- the diversion of our management's attention from our existing business to integrate the operations and personnel of the acquired or combined business or joint venture;
- possible adverse effects on our operating results during the integration process;
- a high degree of risk involved in these transactions, which could become substantial over time, and higher exposure to significant financial losses if the underlying ventures are not successful; and
- our possible inability to achieve the intended objectives of the transaction.

In addition, we may not be able to successfully or profitably integrate, operate, maintain and manage our newly acquired operations or employees. We may not be able to maintain uniform standards, controls, procedures and policies, and this may lead to operational inefficiencies.

New acquisitions, joint ventures and other transactions may require the commitment of significant capital that would otherwise be directed to investments in our existing businesses or be distributed to shareholders. Commitment of this capital may cause us to defer or suspend any share repurchases that we otherwise may have made.

Our business depends on FCC licenses that can expire or be revoked or modified and applications for FCC licenses that may not be granted.

If the FCC were to cancel, revoke, suspend, or fail to renew any of our licenses or authorizations, or fail to grant our applications for FCC licenses, it could have a material adverse effect on our financial condition, profitability and cash flows. Specifically, loss of a frequency authorization would reduce the amount of spectrum available to us, potentially reducing the amount of programming and other services available to our subscribers. The materiality of such a loss of authorizations would vary based upon, among other things, the location of the frequency used or the availability of replacement spectrum. In addition, Congress often considers and enacts legislation that could affect us, and FCC proceedings to implement the Communications Act and enforce its regulations are ongoing. We cannot predict the outcomes of these legislative or regulatory proceedings or their effect on our business.

We are subject to digital HD " carry-one-carry-all " requirements that cause capacity constraints.

To provide any full-power local broadcast signal in any market, we are required to retransmit all qualifying broadcast signals in that market ("carry-one-carry-all"). The digital transition required all full-power broadcasters to cease transmission using analog signals and switch over to digital signals by June 12, 2009. The switch to digital provides broadcasters significantly greater capacity to provide high definition and multicast programming. In March 2008, the FCC adopted new digital carriage rules that require DBS providers to phase in carry-one-carry-all obligations with respect to the carriage of full-power broadcasters' HD signals by February 2013 in HD local markets. The carriage of additional HD signals on our DBS system could cause us to experience significant capacity constraints and limit the number of local markets that we can serve. We are also uncertain about how the pending SHVERA reauthorization legislation may affect this requirement.

In addition, the FCC is now considering whether to require DBS providers to carry broadcast stations in both standard definition and high definition starting in 2010, in conjunction with the phased-in HD "carry-one-carry-all" requirements adopted by the FCC. If we were required to carry multiple versions of each broadcast station, we would have to dedicate more of our finite satellite capacity to each broadcast station, which may force us to reduce the number of local markets served and limit our ability to meet competitive needs. We cannot predict the outcome or timing of that proceeding. We are also uncertain about how the pending SHVERA reauthorization legislation may affect this requirement.

It may be difficult for a third party to acquire us, even if doing so may be beneficial to our shareholders, because of our capital structure.

Certain provisions of our certificate of incorporation and bylaws may discourage, delay or prevent a change in control of our company that a shareholder may consider favorable. These provisions include the following:

- a capital structure with multiple classes of common stock: a Class A that entitles the holders to one vote per share, a Class B that entitles the holders to ten votes per share, a Class C that entitles the holders to one vote per share, except upon a change in control of our company in which case the holders of Class C are entitled to ten votes per share;
- a provision that authorizes the issuance of "blank check" preferred stock, which could be issued by our Board of Directors to increase the number of outstanding shares and thwart a takeover attempt;
- a provision limiting who may call special meetings of shareholders; and
- a provision establishing advance notice requirements for nominations of candidates for election to our Board of Directors or for proposing matters that can be acted upon by shareholders at shareholder meetings.

In addition, pursuant to our certificate of incorporation we have a significant amount of authorized and unissued stock which would allow our Board of Directors to issue shares to persons friendly to current management, thereby protecting the continuity of its management, or which could be used to dilute the stock ownership of persons seeking to obtain control of us.

We are controlled by one principal stockholder who is also our Chairman, President and Chief Executive Officer.

Charles W. Ergen, our Chairman, President and Chief Executive Officer, currently beneficially owns approximately 51.2% of our total equity securities and possesses approximately 83.5% of the total voting power. Mr. Ergen's beneficial ownership of shares of Class A Common Stock excludes 22,023,267 shares of Class A Common Stock issuable upon conversion of shares of Class B Common Stock currently held by certain trusts established by Mr. Ergen for the benefit of his family. These trusts beneficially own approximately 10.0% of our total equity securities and possess approximately 8.5% of the total voting power. Through his voting power, Mr. Ergen has the ability to elect a majority of our directors and to control all other matters requiring the approval of our stockholders. As a result, DISH Network is a "controlled company" as defined in the Nasdaq listing rules and is, therefore, not subject to Nasdaq requirements that would otherwise require us to have (i) a majority of independent directors; (ii) a nominating committee composed solely of independent directors; (iii) compensation of our executive officers determined by a majority of the independent directors or a compensation committee composed solely of independent directors; and (iv) director nominees selected, or recommended for the Board's selection, either by a majority of the independent directors or a nominating committee composed solely of independent directors.

There can be no assurance that there will not be deficiencies leading to material weaknesses in our internal control over financial reporting.

We periodically evaluate and test our internal control over financial reporting to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act. Our management has concluded that our internal control over financial reporting was effective as of December 31, 2009. If in the future we are unable to report that our internal control over financial reporting is effective (or if our auditors do not agree with our assessment of the effectiveness of, or are unable to express an opinion on, our internal control over financial reporting), investors, customers and business partners could lose confidence in the accuracy of our financial reports, which could in turn have a material adverse effect on our business, investor confidence in our financial results may weaken, and our stock price may suffer.

We may face other risks described from time to time in periodic and current reports we file with the SEC.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

The following table sets forth certain information concerning our principal properties.

Description/Use/Location	Segment(s) Using Property	Owned	Leased From EchoStar	Leased From Other Third Party
Corporate headquarters, Englewood, Colorado	DISH Network		X	
Customer call center and general offices, Pine Brook, New Jersey	DISH Network			X
Customer call center and general offices, Tulsa, Oklahoma	DISH Network			X
Customer call center, Alvin, Texas	DISH Network			X
Customer call center, Bluefield, West Virginia	DISH Network	X		
Customer call center, Christiansburg, Virginia	DISH Network	X		
Customer call center, College Point, New York	DISH Network			X
Customer call center, Harlingen, Texas	DISH Network	X		
Customer call center, Hilliard, Ohio	DISH Network			X
Customer call center, Littleton, Colorado	DISH Network		X	
Customer call center, Phoenix, Arizona	DISH Network			X
Customer call center, Thornton, Colorado	DISH Network	X		
Customer call center, warehouse and service center, El Paso, Texas	DISH Network	X		
Service center, Englewood, Colorado	DISH Network		X	
Service center, Spartanburg, South Carolina	DISH Network			X
Warehouse and distribution center, Denver, Colorado	DISH Network			X
Warehouse and distribution center, Sacramento, California	DISH Network	X		
Warehouse, Denver, Colorado	DISH Network	X		
Warehouse, distribution and service center, Atlanta, Georgia	DISH Network			X

In addition to the principal properties listed above, we operate several DISH Network service centers strategically located in regions throughout the United States. Furthermore, we own or lease capacity on 11 satellites which are a major component of our DISH Network DBS System. See further discussion under "Item 1. Business — Satellites" in this Annual Report on Form 10-K.

Item 3. LEGAL PROCEEDINGS

In connection with the Spin-off, we entered into a separation agreement with EchoStar, which provides among other things for the division of certain liabilities, including liabilities resulting from litigation. Under the terms of the separation agreement, EchoStar has assumed certain liabilities that relate to its 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, EchoStar will only be liable for its acts or omissions following the Spin-off and we will indemnify EchoStar for any liabilities or damages resulting from intellectual property claims relating to the period prior to the Spin-off as well as our acts or omissions following the Spin-off.

Acacia

During 2004, Acacia Media Technologies ("Acacia") filed a lawsuit against us and EchoStar 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. The plaintiffs have appealed.

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 cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Broadcast Innovation, L.L.C.

During 2001, Broadcast Innovation, L.L.C. ("Broadcast Innovation") filed a lawsuit against us, EchoStar, DirecTV, Thomson Consumer Electronics and others in United States District Court in Denver, Colorado. 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 us as the only defendant.

During 2004, the judge 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 the '094 patent finding of invalidity 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 Federal Circuit 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 cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Channel Bundling Class Action

During 2007, a purported class of cable and satellite subscribers filed an antitrust action against us in the United States District Court for the Central District of California. The suit also names as defendants DirecTV, Comcast, Cablevision, Cox, Charter, Time Warner, Inc., Time Warner Cable, NBC Universal, Viacom, Fox Entertainment Group, and Walt Disney Company. The suit alleges, among other things, that the defendants engaged in a conspiracy to provide customers with access only to bundled channel offerings as opposed to giving customers the ability to purchase channels on an "a la carte" basis. On October 16, 2009, the District Court granted defendants' motion to dismiss with prejudice. The plaintiffs have appealed. We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Enron Commercial Paper Investment

During 2001, we received approximately $40 million from the sale of Enron commercial paper to a third party broker. That commercial paper was ultimately purchased by Enron. During 2003, an action was commenced in the United States Bankruptcy Court for the Southern District of New York against approximately 100 defendants, including us, who invested in Enron's commercial paper. On April 7, 2009, we settled the litigation for an immaterial amount.

ESPN

During 2008, we filed a lawsuit against ESPN, Inc., ESPN Classic, Inc., ABC Cable Networks Group, Soapnet L.L.C., and International Family Entertainment (collectively, "ESPN") for breach of contract in New York State Supreme Court. Our complaint alleges that ESPN failed to provide us with certain high-definition feeds of the Disney Channel, ESPN News, Toon, and ABC Family. ESPN asserted a counterclaim, and then filed a motion for summary judgment, alleging that we owed approximately $35 million under the applicable affiliation agreements. We brought a motion to amend our complaint to assert that ESPN was in breach of certain most-favored-nation provisions under the applicable affiliation agreements. On April 15, 2009, the trial court granted our motion to

amend the complaint, and granted, in part, ESPN's motion on the counterclaim, finding that we are liable for some of the amount alleged to be owing but that the actual amount owing is disputed and will have to be determined at a later date. We will appeal the partial grant of ESPN's motion. Since the partial grant of ESPN's motion, ESPN has sought an additional $30 million under the applicable affiliation agreements. We intend to vigorously prosecute and defend this case. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

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 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 EchoStar, together with NagraStar LLC, 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. During April 2008, the Federal Circuit reversed the judgment against DirecTV and ordered a new trial. During January 2010, the Federal Circuit affirmed the District Court's grant of summary judgment to DirecTV, and dismissed the action with prejudice. We are evaluating the impact of the Federal Circuit's decision.

We intend to vigorously prosecute 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 modify our system architecture. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Global Communications

During April 2007, Global Communications, Inc. ("Global") filed a patent infringement action against us and EchoStar in the United States District Court for the Eastern District of Texas. The suit alleges infringement of United States Patent No. 6,947,702 (the '702 patent), which relates to satellite reception. In October 2007, the United States Patent and Trademark Office granted our request for reexamination of the '702 patent and issued an initial Office Action finding that all of the claims of the '702 patent were invalid. At the request of the parties, the District Court stayed the litigation until the reexamination proceeding is concluded and/or other Global patent applications issue.

During June 2009, Global filed a patent infringement action against us and EchoStar in the United States District Court for the Northern District of Florida. The suit alleges infringement of United States Patent No. 7,542,717 (the '717 patent), which relates to satellite reception. In December 2009, we and EchoStar settled the Texas and Florida actions with Global on terms and conditions that did not have a material impact on our results of operations.

Guardian Media

During 2008, Guardian Media Technologies LTD ("Guardian") filed suit against us, EchoStar, EchoStar Technologies L.L.C., DirecTV and several other defendants in the United States District Court for the Central District of California alleging infringement of United States Patent Nos. 4,930,158 and 4,930,160. Both patents are expired and relate to certain parental lock features. On September 9, 2009, Guardian voluntarily dismissed the case against us with prejudice.

Katz Communications

During 2007, Ronald A. Katz Technology Licensing, L.P. ("Katz") filed a patent infringement action against us in the United States District Court for the Northern District of California. The suit alleges infringement of 19 patents owned by Katz. The patents relate to interactive voice response, or IVR, technology.

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 cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Multimedia Patent Trust

On February 13, 2009, Multimedia Patent Trust ("MPT") filed suit against us, EchoStar, DirecTV and several other defendants in the United States District Court for the Southern District of California alleging infringement of United States Patent Nos. 4,958,226, 5,227,878, 5,136,377, 5,500,678 and 5,563,593, which relate to video encoding, decoding and compression technology. MPT is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein. In December 2009, we and EchoStar reached a settlement with MPT that did not have a material impact on our results of operations.

NorthPoint Technology

On July 2, 2009, NorthPoint Technology, Ltd. filed suit against us, EchoStar, 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 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. filed suit against us, EchoStar 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.

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 cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

Retailer Class Actions

During 2000, lawsuits were filed by retailers in Colorado state and federal courts attempting to certify nationwide classes on behalf of certain of our retailers. The plaintiffs are requesting the Courts declare certain provisions of, and changes to, alleged agreements between us and the retailers invalid and unenforceable, and to award damages for lost incentives and payments, charge backs, and other compensation. We have asserted a variety of counterclaims. The federal court action has been stayed during the pendency of the state court action. We filed a motion for summary judgment on all counts and against all plaintiffs. The plaintiffs filed a motion for additional time to conduct discovery to enable them to respond to our motion. The state court granted limited discovery which ended during 2004. The plaintiffs claimed we did not provide adequate disclosure during the discovery process. The state court agreed, and denied our motion for summary judgment as a result. In April 2008, the state court granted plaintiff's class certification motion and in January 2009, the state court entered an order excluding certain evidence that we can present at trial based on the prior discovery issues. The state court also denied plaintiffs' request to dismiss our counterclaims. The final impact of the court's evidentiary ruling cannot be fully assessed at this time. In May 2009, plaintiffs filed a motion for default judgment based on new allegations of discovery misconduct. We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the lawsuit or determine the extent of any potential liability or damages.

Technology Development Licensing

On January 22, 2009, Technology Development and Licensing LLC filed suit against us and EchoStar in the United States District Court for the Northern District of Illinois alleging infringement of United States Patent No. 35, 952, which relates to certain favorite channel features. 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 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. As of September 2008, we had recorded a total reserve of $132 million on our Consolidated Balance Sheets to reflect the April 2006 jury verdict, supplemental damages through September 2006 and pre-judgment interest awarded by the Texas court, together with the estimated cost of potential further software infringement prior to implementation of our alternative technology, discussed below, plus interest subsequent to entry of the judgment. 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, approximately $105 million of the total $132 million reserve was released from an escrow account 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 we disable DVR functionality in all but approximately 192,000 digital set-top boxes in the field. 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. We 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. In so doing, the Federal Circuit found, at a minimum, that we had a substantial case on the merits. Oral argument on our appeal of the contempt ruling took place on November 2, 2009 before three judges of the Federal Circuit.

The District Court held a hearing on July 28, 2009 on Tivo's claims for contempt sanctions, but has ordered that enforcement of any sanctions award will be stayed pending our appeal of the contempt order. 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 we 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 August 3, 2009, the Patent and Trademark Office (the "PTO") issued an initial office action rejecting the software claims of United States Patent No. 6,233,389 (the '389 patent) as being invalid in light of two prior patents. These are the same software claims that we were found to have infringed and which underlie the contempt ruling now pending on appeal. We believe that the PTO's conclusions are relevant to the issues on appeal as well as the pending sanctions proceedings in the District Court. The PTO's conclusions support our position that our original alternative technology is more than colorably different than the devices found to infringe by the jury; that our original alternative technology does not infringe; and that we acted in good faith to design around Tivo's patent.

On September 4, 2009, the District Court partially granted Tivo's motion for contempt sanctions. In partially granting Tivo's motion for contempt sanctions, the District Court 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 enforcement of the award has been stayed by the District Court pending DISH Network's appeal of the underlying June 2009 contempt order). The District Court also awarded Tivo its attorneys' fees incurred during the contempt proceedings. 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. During the year ended December 31, 2009, we increased our total reserve by $361 million to reflect the supplemental damages and interest for the period from implementation of our original alternative technology through April 2008 and for the estimated cost of alleged software infringement (including contempt sanctions for the period from April 2008 through June 2009) for the period from April 2008 through December 2009 plus interest. Our total reserve at December 31, 2009 was $394 million and is included in "Tivo litigation accrual" on our Consolidated Balance Sheets.

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 EchoStar's development process, EchoStar downloaded several of our design-around options to less than 1,000 subscribers for "beta" testing.

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 would be required to eliminate DVR functionality in all but approximately 192,000 digital set-top boxes in the field and cease distribution of digital set-top boxes with DVR functionality. In that event we would be at a significant disadvantage to our competitors who could continue offering DVR functionality, which would likely result in a significant decrease in new subscriber additions as well as a substantial loss of current subscribers. Furthermore, the inability to offer DVR functionality could cause certain of our distribution channels to terminate or significantly decrease their marketing of DISH Network services. The adverse effect on our financial position and results of operations if the District Court's contempt order is upheld is likely to be significant. Additionally, the supplemental damage award of $103 million and further award of approximately $200 million does not include damages, contempt sanctions or interest for the period after June 2009. In the event that we are unsuccessful in our appeal, we could also have to pay substantial additional damages, contempt sanctions and interest. Depending on the amount of any additional damage or sanction award or any monetary settlement, we may be required to raise additional capital at a time and in circumstances in which we would normally not raise capital. 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. We believe the cost of such capital and its terms and conditions may be substantially less attractive than our previous financings.

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 or could be required to modify or eliminate our then-current DVR functionality in some or all set-top boxes in the field. 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 could be material. We could also have to pay substantial additional damages.

Because both we and EchoStar are defendants in the Tivo lawsuit, we and EchoStar are jointly and severally liable to Tivo for any final damages and sanctions that may be awarded by the District Court. We have determined that we are obligated under the agreements entered into in connection with the Spin-off to indemnify EchoStar for substantially all liability arising from this lawsuit. EchoStar has agreed to contribute an amount equal to its $5 million intellectual property liability limit under the Receiver Agreement. We and EchoStar have further agreed that EchoStar's $5 million contribution would not exhaust EchoStar's liability to us for other intellectual property claims that may arise under the Receiver Agreement. We and EchoStar 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.

Voom

On May 28, 2008, Voom HD Holdings ("Voom") filed a complaint against us in New York Supreme Court. The suit alleges breach of contract arising from our termination of the affiliation agreement we had with Voom for the carriage of certain Voom HD channels on the DISH Network satellite television service. In January 2008, Voom sought a preliminary injunction to prevent us from terminating the agreement. The Court denied Voom's motion, finding, among other things, that Voom was not likely to prevail on the merits of its case. Voom is claiming over $2.5 billion in damages. We intend to vigorously defend this case. We cannot predict with any degree of certainty the outcome of the suit or determine the extent of any potential liability or damages.

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, including among other things, disputes with programmers regarding fees. 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.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Market Information. Our Class A common stock is quoted on the Nasdaq Global Select Market under the symbol "DISH." The high and low closing sale prices of our Class A common stock during 2009 and 2008 on the Nasdaq Global Select Market (as reported by Nasdaq) are set forth below. The sales prices of our Class A common stock reported below are not adjusted to reflect the dividend paid on December 2, 2009, discussed below.

2009	High	Low
First Quarter	$13.91	$ 9.07
Second Quarter	17.92	11.54
Third Quarter	19.30	14.50
Fourth Quarter	22.15	17.28

2008	High	Low
First Quarter	$33.48	$26.64
Second Quarter	35.66	29.09
Third Quarter	31.57	19.97
Fourth Quarter	20.69	8.37

As of February 12, 2010, there were approximately 10,983 holders of record of our Class A common stock, not including stockholders who beneficially own Class A common stock held in nominee or street name. As of February 12, 2010, 216,411,941 of the 238,435,208 outstanding shares of our Class B common stock were held by Charles W. Ergen, our Chairman, President and Chief Executive Officer and the remaining 22,023,267 were held in trusts established by Mr. Ergen for the benefit of his family. There is currently no trading market for our Class B common stock.

Dividend . On December 2, 2009, we paid a cash dividend of $2.00 per share, or approximately $894 million, on our outstanding Class A and Class B common stock to shareholders of record at the close of business on November 20, 2009.

We currently do not intend to declare additional dividends on our common stock. Payment of any future dividends will depend upon our earnings and capital requirements, restrictions in our debt facilities, and other factors the Board of Directors considers appropriate. We currently intend to retain our earnings, if any, to support future growth and expansion although we expect to repurchases shares of our common stock from time to time. See further discussion under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources" in this Annual Report on Form 10-K.

Securities Authorized for Issuance Under Equity Compensation Plans. See "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" in this Annual Report on Form 10-K.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information regarding purchases of our Class A common stock made by us for the period from October 1, 2009 through December 31, 2009.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (1)
		(In thousands, except share data)		
October 1, 2009 – October 31, 2009	—	$ —	—	$ 980,580
November 1, 2009 – November 2, 2009	—	$ —	—	$ 980,580
November 3, 2009 – November 30, 2009	—	$ —	—	$ 1,000,000
December 1, 2009 – December 31, 2009	—	$ —	—	$ 1,000,000
Total	—	$ —	—	$ 1,000,000

(1) Our Board of Directors previously authorized stock repurchases of up to $1.0 billion of our Class A common stock. On November 3, 2009, 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 $1.0 billion of our outstanding shares through and including December 31, 2010. This authorization is not subject to a limitation to purchase no more than 20% of our outstanding common stock. Purchases under our repurchase program may be made through open market purchases, privately negotiated transactions, or Rule 10b5-1 trading plans, subject to market conditions and other factors. We may elect not to purchase the maximum amount of shares allowable under this program and we may also enter into additional share repurchase programs authorized by our Board of Directors.

Item 6. SELECTED FINANCIAL DATA

The selected consolidated financial data as of and for each of the five years ended December 31, 2009 have been derived from, and are qualified by reference to our Consolidated Financial Statements. Certain prior year amounts have been reclassified to conform to the current year presentation. See further discussion under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Explanation of Key Metrics and Other Items" in this Annual Report on Form 10-K. This data should be read in conjunction with our Consolidated Financial Statements and related Notes thereto for the three years ended December 31, 2009, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this report.

	As of December 31,				
Balance Sheet Data	**2009**	**2008**	**2007**	**2006**	**2005**
			(In thousands)		
Cash, cash equivalents and current marketable investment securities	$ 2,139,336	$ 559,132	$ 2,788,196	$3,032,570	$1,181,361
Total assets	8,295,343	6,460,047	10,086,529	9,768,696	7,410,210
Long-term debt and capital lease obligations (including current portion)	6,496,564	5,007,756	6,125,704	6,967,321	5,935,301
Total stockholders' equity (deficit)	(2,091,688)	(1,949,106)	639,989	(219,383)	(866,624)

	For the Years Ended December 31,				
Statements of Operations Data	**2009**	**2008**	**2007**	**2006**	**2005**
			(In thousands, except per share amounts)		
Total revenue	$11,664,151	$11,617,187	$11,090,375	$9,818,486	$8,447,175
Total costs and expenses	10,277,221	9,561,007	9,516,971	8,601,115	7,279,927
Operating income (loss)	$ 1,386,930	$ 2,056,180	$ 1,573,404	$1,217,371	$1,167,248
Net income (loss) attributable to DISH Network common shareholders	$ 635,545	$ 902,947	$ 756,054	$ 608,272	$1,514,540(1)
Basic net income (loss) attributable to DISH Network common shareholders	$ 635,545	$ 902,947	$ 756,054	$ 608,272	$1,514,540
Diluted net income (loss) attributable to DISH Network common shareholders	$ 635,935	$ 909,585	$ 765,571	$ 618,106	$1,560,688(1)
Basic weighted-average common shares outstanding	446,874	448,786	447,302	444,743	452,118
Diluted weighted-average common shares outstanding	448,596	460,226	456,834	452,685	484,131
Basic net income (loss) per share attributable to DISH Network common shareholders	$ 1.42	$ 2.01	$ 1.69	$ 1.37	$ 3.35
Diluted net income (loss) per share attributable to DISH Network common shareholders	$ 1.42	$ 1.98	$ 1.68	$ 1.37	$ 3.22
Cash dividend per common share	$ 2.00	$ —	$ —	$ —	$ —

	For the Years Ended December 31,				
Other Data	**2009**	**2008**	**2007**	**2006**	**2005**
DISH Network subscribers, as of period end (in millions)	14.100	13.678	13.780	13.105	12.040
DISH Network subscriber additions, gross (in millions)	3.118	2.966	3.434	3.516	3.397
DISH Network subscriber additions, net (in millions)	0.422	(0.102)	0.675	1.065	1.135
Average monthly subscriber churn rate	1.64%	1.86%	1.70%	1.64%	1.65%
Average monthly revenue per subscriber ("ARPU")	$ 70.04	$ 69.27	$ 65.83	$ 62.78	$ 58.34
Average subscriber acquisition cost per subscriber ("SAC")	$ 697	$ 720	$ 656	$ 686	$ 693
Net cash flows from (in thousands):					
Operating activities	$ 2,194,543	$ 2,188,344	$ 2,616,720	$ 2,279,242	$ 1,774,074
Investing activities	$(2,605,556)	$(1,597,471)	$(2,470,832)	$(2,148,968)	$(1,478,762)
Financing activities	$ 418,283	$(1,411,841)	$ (976,016)	$ 1,022,147	$ (402,623)

(1) Net income in 2005 includes $915 million related to the reversal of our recorded valuation allowance for those net deferred tax assets that we believe are more likely than not to be realized in the future.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with the audited consolidated financial statements and notes to the financial statements included elsewhere in this annual report. This management's discussion and analysis is intended to help provide an understanding of our financial condition, changes in financial condition and results of our operations and contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in this report, including under the caption "Item 1A. Risk Factors" in this Annual Report on Form 10-K.

EXECUTIVE SUMMARY

Overview

DISH Network added approximately 422,000 net new subscribers during the year ended December 31, 2009 as a result of higher gross subscriber additions and reduced churn. Our increased gross subscriber additions were primarily a result of our sales and marketing promotions during the last half of 2009. Churn was positively impacted by, among other things, the completion of our security access device replacement program, an increase in our new subscriber commitment period and initiatives to retain subscribers. Historically, we have experienced slightly higher churn in the months following the expiration of commitments for new subscribers. In February 2008, we extended the required new subscriber commitment from 18 to 24 months. During the last half of 2009, due to the change in promotional mix, we had fewer expiring new subscriber commitments. We continue to focus on addressing operational inefficiencies specific to DISH Network which we believe will contribute to long-term subscriber growth. ARPU has been negatively impacted by promotional discounts on programming offered to new subscribers and our initiatives to retain subscribers, both of which negatively impacted our subscriber-related margins. "Subscriber-related expenses" continued to be negatively impacted by increased programming costs and initiatives to retain subscribers, migrate certain subscribers to make more efficient use of transponder capacity, and improve customer service.

The current overall economic environment has negatively impacted many industries including ours. In addition, the overall growth rate in the pay-TV industry has slowed in recent years. Within this maturing industry, competition has intensified with the rapid growth of fiber-based pay-TV services offered by telecommunications companies. Furthermore, programming offered over the Internet has become more prevalent as the speed and quality of broadband networks have improved. Significant changes in consumer behavior with regard to the means by which they obtain video entertainment and information in response to this emerging digital media competition could materially adversely affect our business, results of operations and financial condition or otherwise disrupt our business.

While economic factors have impacted the entire pay-TV industry, our relative performance has been mostly driven by issues specific to DISH Network. In recent years, DISH Network's position as the low cost provider in the pay-TV industry has been eroded by increasingly aggressive promotional pricing used by our competitors to attract new subscribers and similarly aggressive promotions and tactics used to retain existing subscribers. Some competitors have been especially aggressive and effective in marketing their service. Furthermore, our subscriber growth has been adversely affected by signal theft and other forms of fraud and by operational inefficiencies at DISH Network. We have not always met our own standards for performing high-quality installations, effectively resolving subscriber issues when they arise, answering subscriber calls in an acceptable timeframe, effectively communicating with our subscriber base, reducing calls driven by the complexity of our business, improving the reliability of certain systems and subscriber equipment, and aligning the interests of certain third party retailers and installers to provide high-quality service.

Our distribution relationship with AT&T was a substantial contributor to our gross and net subscriber additions in prior years, accounting for approximately 17% of our gross subscriber additions for the year ended December 31, 2008. This distribution relationship ended January 31, 2009. Consequently, beginning with the second quarter 2009, AT&T no longer contributed to our gross subscriber additions. In addition, nearly one million of our current subscribers were acquired through our distribution relationship with AT&T and subscribers acquired through this channel have historically churned at a higher rate than our overall subscriber base. Although AT&T is not permitted

to target these subscribers for transition to another pay-TV service and we and AT&T are required to maintain bundled billing and cooperative customer service for these subscribers, these subscribers may continue to churn at higher than historical rates following termination of the AT&T distribution relationship.

We have been investing more in advanced technology equipment as part of our subscriber acquisition and retention efforts. Recent initiatives to transmit certain programming only in MPEG-4 and to activate most new subscribers only with MPEG-4 receivers have accelerated our deployment of MPEG-4 receivers. To meet current demand, we have increased the rate at which we upgrade existing subscribers to HD and DVR receivers. While these efforts may increase our subscriber acquisition and retention costs, we believe that they will help reduce subscriber churn and costs over the long run.

We have also been changing equipment to migrate certain subscribers to make more efficient use of transponder capacity in support of HD and other initiatives. We expect to continue these initiatives through 2010. We believe that the benefit from the increase in available transponder capacity outweighs the short-term cost of these equipment changes.

To combat signal theft and improve the security of our broadcast system, we recently completed the replacement of our security access devices to re-secure our system. We expect additional future replacements of these devices to be necessary to keep our system secure. To combat other forms of fraud, we have taken a wide range of actions including terminating retailers that we believe were in violation of DISH Network's business rules. While these initiatives may inconvenience our subscribers and disrupt our distribution channels in the short-term, we believe that the long-term benefits will outweigh the costs.

To address our operational inefficiencies, we have streamlined our hardware offerings and continue to make significant investments in staffing, training, information systems, and other initiatives, primarily in our call center and in-home service operations. These investments are intended to help combat inefficiencies introduced by the increasing complexity of our business, improve customer satisfaction, reduce churn, increase productivity, and allow us to scale better over the long run. We cannot, however, be certain that our increased spending will ultimately be successful in yielding such returns. In the meantime, we may continue to incur higher costs as a result of both our operational inefficiencies and increased spending. The adoption of these measures has contributed to higher expenses and lower margins. While we believe that the increased costs will be outweighed by longer-term benefits, there can be no assurance when or if we will realize these benefits at all.

Programming costs represent a large percentage of our "Subscriber-related expenses." As a result, our margins may face further downward pressure from price increases and the renewal of long-term programming contracts on less favorable pricing terms.

To maintain and enhance our competitiveness over the long term, we plan to promote a suite of integrated products designed to maximize the convenience and ease of watching TV anytime and anywhere, which we refer to as, "TV Everywhere." TV Everywhere utilizes, among other things, Slingbox "placeshifting" technology.

Liquidity Drivers

Like many companies, we make general investments in property such as satellites, information technology and facilities that support our overall business. As a subscriber-based company, however, we also make subscriber-specific investments to acquire new subscribers and retain existing subscribers. While the general investments may be deferred without impacting the business in the short-term, the subscriber-specific investments are less discretionary. Our overall objective is to generate sufficient cash flow over the life of each subscriber to provide an adequate return against the upfront investment. Once the upfront investment has been made for each subscriber, the subsequent cash flow is generally positive.

There are a number of factors that impact our future cash flow compared to the cash flow we generate at a given point in time. The first factor is how successful we are at retaining our current subscribers. As we lose subscribers from our existing base, the positive cash flow from that base is correspondingly reduced. The second factor is how successful we are at maintaining our subscriber-related margins. To the extent our "Subscriber-related expenses" grow faster than our "Subscriber-related revenue," the amount of cash flow that is generated per existing subscriber

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Continued

is reduced. The third factor is the rate at which we acquire new subscribers. The faster we acquire new subscribers, the more our positive ongoing cash flow from existing subscribers is offset by the negative upfront cash flow associated with new subscribers. Finally, our future cash flow is impacted by the rate at which we make general investments and any cash flow from financing activities.

Our subscriber-specific investments to acquire new subscribers have a significant impact on our cash flow. While fewer subscribers might translate into lower ongoing cash flow in the long-term, cash flow is actually aided in the short-term by the reduction in subscriber-specific investment spending. As a result, a slow down in our business due to external or internal factors does not introduce the same level of short-term liquidity risk as it might in other industries.

Availability of Credit and Effect on Liquidity

While the ability to raise capital has generally existed for DISH Network despite the weak economic conditions, the cost of such capital has not been as attractive as in prior periods. Because of the cash flow of our company and the absence of any material debt payments over the next year, the higher cost of capital will not impact our current operational plans. However, we might be less likely to pursue initiatives which could increase shareholder value over the long run, such as making strategic investments, prepaying debt, or buying back our own stock. Alternatively, if we decided to pursue such initiatives, the cost of doing so would be greater. Currently, we have no existing lines of credit, nor have we historically.

Future Liquidity

Our "Subscriber-related expenses" as a percentage of "Subscriber-related revenue" grew from 51.4% to 52.2% in 2008 and reached 55.1% during 2009. Our "Subscriber-related expenses" continued to be negatively impacted by increased programming costs and initiatives to retain subscribers, migrate certain subscribers to make more efficient use of transponder capacity, and improve customer service. In addition, our "Subscriber-related revenue" was negatively impacted by our increase in the use of promotional discounts on programming offered to new subscribers and retention initiatives offered to existing subscribers. Uncertainties about these trends may impact our cash flow and results of operations. In addition, although our subscriber base has recently increased, we continue to be impacted by operational issues specific to DISH Network, as previously discussed.

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 would be required to eliminate DVR functionality in all but approximately 192,000 digital set-top boxes in the field and cease distribution of digital set-top boxes with DVR functionality. In that event we would be at a significant disadvantage to our competitors who could continue offering DVR functionality, which would likely result in a significant decrease in new subscriber additions as well as a substantial loss of current subscribers. Furthermore, the inability to offer DVR functionality could cause certain of our distribution channels to terminate or significantly decrease their marketing of DISH Network services. The adverse effect on our financial position and results of operations if the District Court's contempt order is upheld is likely to be significant. Additionally, the supplemental damage award of $103 million and further award of approximately $200 million does not include damages, contempt sanctions or interest for the period after June 2009.

In the event that we are unsuccessful in our appeal, we could also have to pay substantial additional damages, contempt sanctions and interest. Depending on the amount of any additional damage or sanction award or any monetary settlement, we may be required to raise additional capital at a time and in circumstances in which we would normally not raise capital. 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. We believe the cost of such capital and its terms and conditions may be substantially less attractive than our previous financings.

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 or could be required to modify or eliminate our then-current DVR functionality in some or all set-top boxes in the field. 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 could be material. We could also have to pay substantial additional damages.

Because both we and EchoStar are defendants in the Tivo lawsuit, we and EchoStar are jointly and severally liable to Tivo for any final damages and sanctions that may be awarded by the District Court. We have determined that we are obligated under the agreements entered into in connection with the Spin-off to indemnify EchoStar for substantially all liability arising from this lawsuit. EchoStar has agreed to contribute an amount equal to its $5 million intellectual property liability limit under the Receiver Agreement. We and EchoStar have further agreed that EchoStar's $5 million contribution would not exhaust EchoStar's liability to us for other intellectual property claims that may arise under the Receiver Agreement. We and EchoStar 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.

The Spin-off. Effective January 1, 2008, we completed the separation of the assets and businesses we owned and operated historically into two companies (the "Spin-off"):

- DISH Network, through which we retain our pay-TV business, and
- EchoStar Corporation ("EchoStar") which operates the digital set-top box business, and holds certain satellites, uplink and satellite transmission assets, real estate and other assets and related liabilities formerly held by DISH Network.

DISH Network and EchoStar now operate as separate public companies, and neither entity has any ownership interest in the other. However, a majority of the voting power of the shares of both companies is controlled by our Chairman, President and Chief Executive Officer, Charles W. Ergen. In connection with the Spin-off, DISH Network entered into certain agreements with EchoStar to define responsibility for obligations relating to, among other things, set-top box sales, transition services, taxes, employees and intellectual property, which impact several of our key operating metrics. We have entered into certain agreements with EchoStar subsequent to the Spin-off and we may enter into additional agreements with EchoStar in the future.

Prior to the Spin-off, our set-top boxes and other subscriber equipment as well as satellite, uplink and transmission services were provided internally at cost. Following the Spin-off, we purchase set-top boxes from EchoStar at its cost plus a fixed margin, which varies depending on a number of factors including the types of set-top boxes that we purchase. In addition, we now purchase and/or lease satellite, uplink and transmission services from EchoStar at its cost plus a fixed margin. The prices that we pay for these services depend upon the nature of the services that we obtain from EchoStar and the market competition for these services. Furthermore, as part of the Spin-off, certain real estate was contributed to EchoStar and leased back to us and we now incur additional costs in the form of rent paid on these leases. These additional costs are not reflected in our historical consolidated financial statements for periods prior to January 1, 2008.

EXPLANATION OF KEY METRICS AND OTHER ITEMS

Subscriber-related revenue . "Subscriber-related revenue" consists principally of revenue from basic, premium movie, local, pay-per-view, Latino and international subscription television services, equipment rental fees and other hardware related fees, including fees for DVRs and additional outlet fees from subscribers with multiple receivers, advertising services, fees earned from our in-home service operations, equipment upgrade fees, HD programming and other subscriber revenue. Certain of the amounts included in "Subscriber-related revenue" are not recurring on a monthly basis.

Equipment sales and other revenue . "Equipment sales and other revenue" principally includes the non-subsidized sales of DBS accessories to retailers and other third-party distributors of our equipment domestically and to DISH Network subscribers.

During 2007, this category also included sales of non-DISH Network digital receivers and related components to international customers and satellite and transmission revenue, which related to the set-top box business and other assets that were distributed to EchoStar in connection with the Spin-off.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Continued

Equipment sales, transitional services and other revenue — EchoStar. "Equipment sales, transitional services and other revenue — EchoStar" includes revenue related to equipment sales, and transitional services and other agreements with EchoStar associated with the Spin-off.

Subscriber-related expenses . "Subscriber-related expenses" principally include programming expenses, costs incurred in connection with our in-home service and call center operations, billing costs, refurbishment and repair costs related to receiver systems, subscriber retention and other variable subscriber expenses.

Satellite and transmission expenses — EchoStar . "Satellite and transmission expenses — EchoStar" includes the cost of digital broadcast operations provided to us by EchoStar, including satellite uplinking/downlinking, signal processing, conditional access management, telemetry, tracking and control and other professional services. In addition, this category includes the cost of leasing satellite and transponder capacity on satellites that were distributed to EchoStar, in connection with the Spin-off.

Satellite and transmission expenses — other . "Satellite and transmission expenses — other" includes executory costs associated with capital leases and costs associated with transponder leases and other related services. Prior to the Spin-off, "Satellite and transmission expenses — other" included costs associated with the operation of our digital broadcast centers, including satellite uplinking/downlinking, signal processing, conditional access management, telemetry, tracking and control, satellite and transponder leases, and other related services, which were previously performed internally.

Equipment, transitional services and other cost of sales. "Equipment, transitional services and other cost of sales" principally includes the cost of non-subsidized sales of DBS accessories to retailers and other distributors of our equipment domestically and to DISH Network subscribers. In addition, this category includes costs related to equipment sales, transitional services and other agreements with EchoStar associated with the Spin-off.

During 2007, "Equipment, transitional services and other cost of sales" also included costs associated with non-DISH Network digital receivers and related components sold to international customers and satellite and transmission expenses, which related to the set-top box business and other assets that were distributed to EchoStar in connection with the Spin-off.

Subscriber acquisition costs . In addition to leasing receivers, we generally subsidize installation and all or a portion of the cost of our receiver systems to attract new DISH Network subscribers. Our "Subscriber acquisition costs" include the cost of our receiver systems sold to retailers and other distributors of our equipment, the cost of receiver systems sold directly by us to subscribers, net costs related to our promotional incentives, and costs related to installation and acquisition advertising. We exclude the value of equipment capitalized under our lease program for new subscribers from "Subscriber acquisition costs."

SAC. Subscriber acquisition cost measures are commonly used by those evaluating companies in the pay-TV industry. We are not aware of any uniform standards for calculating the "average subscriber acquisition costs per new subscriber activation," or SAC, and we believe presentations of SAC may not be calculated consistently by different companies in the same or similar businesses. Our SAC is calculated as "Subscriber acquisition costs," plus the value of equipment capitalized under our lease program for new subscribers, divided by gross subscriber additions. We include all the costs of acquiring subscribers (e.g., subsidized and capitalized equipment) as our management believes it is a more comprehensive measure of how much we are spending to acquire subscribers. We also include all new DISH Network subscribers in our calculation, including DISH Network subscribers added with little or no subscriber acquisition costs.

General and administrative expenses . "General and administrative expenses" consists primarily of employee-related costs associated with administrative services such as legal, information systems, accounting and finance, including non-cash, stock-based compensation expense. It also includes outside professional fees (e.g., legal, information systems and accounting services) and other items associated with facilities and administration. Following the Spin-off, the general and administrative expenses associated with the business and assets distributed to EchoStar in connection with the Spin-off are no longer reflected in our "General and administrative expenses."

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Continued

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" primarily includes interest expense, prepayment premiums and amortization of debt issuance costs associated with our senior debt and convertible subordinated debt securities (net of capitalized interest) and interest expense associated with our capital lease obligations.

Other, net. The main components of "Other, net" are gains and losses realized on the sale of investments, impairment of marketable and non-marketable investment securities, unrealized gains and losses from changes in fair value of non-marketable strategic investments accounted for at fair value and equity in earnings and losses of our affiliates.

Earnings before interest, taxes, depreciation and amortization ("EBITDA"). EBITDA is defined as "Net income (loss) attributable to DISH Network common shareholders" plus "Interest expense, net of amounts capitalized" net of "Interest income," "Taxes" and "Depreciation and amortization." This "non-GAAP measure" is reconciled to "Net income (loss) attributable to DISH Network common shareholders" in our discussion of "Results of Operations" below.

DISH Network subscribers. We include customers obtained through direct sales, third-party retailers and other distribution relationships in our DISH Network subscriber count. We also provide DISH Network service to hotels, motels and other commercial accounts. For certain of these commercial accounts, we divide our total revenue for these commercial accounts by an amount approximately equal to the retail price of our America's Top 120 programming package (but taking into account, periodically, price changes and other factors), and include the resulting number, which is substantially smaller than the actual number of commercial units served, in our DISH Network subscriber count.

Average monthly revenue per subscriber ("ARPU"). We are not aware of any uniform standards for calculating ARPU and believe presentations of ARPU may not be calculated consistently by other companies in the same or similar businesses. We calculate average monthly revenue per subscriber, or ARPU, by dividing average monthly "Subscriber-related revenue" for the period (total "Subscriber-related revenue" during the period divided by the number of months in the period) by our average DISH Network subscribers for the period. Average DISH Network subscribers are calculated for the period by adding the average DISH Network subscribers for each month and dividing by the number of months in the period. Average DISH Network subscribers for each month are calculated by adding the beginning and ending DISH Network subscribers for the month and dividing by two.

Average monthly subscriber churn rate. We are not aware of any uniform standards for calculating subscriber churn rate and believe presentations of subscriber churn rates may not be calculated consistently by different companies in the same or similar businesses. We calculate subscriber churn rate for any period by dividing the number of DISH Network subscribers who terminated service during the period by the average monthly DISH Network subscribers during the period, and further dividing by the number of months in the period. When calculating subscriber churn, as is the case when calculating ARPU, the number of subscribers in a given month is based on the average of the beginning-of-month and the end-of-month subscriber counts.

Free cash flow. We define free cash flow as "Net cash flows from operating activities" less "Purchases of property and equipment," as shown on our Consolidated Statements of Cash Flows.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Continued

RESULTS OF OPERATIONS

Year Ended December 31, 2009 Compared to the Year Ended December 31, 2008.

Statements of Operations Data	For the Years Ended December 31, 2009	2008	Variance Amount	%
		(In thousands)		
Revenue:				
Subscriber-related revenue	$ 11,538,729	$ 11,455,575	$ 83,154	0.7
Equipment sales and other revenue	97,863	124,261	(26,398)	(21.2)
Equipment sales, transitional services and other revenue — EchoStar	27,559	37,351	(9,792)	(26.2)
Total revenue	11,664,151	11,617,187	46,964	0.4
Costs and Expenses:				
Subscriber-related expenses	6,359,329	5,977,355	381,974	6.4
% of Subscriber-related revenue	**55.1%**	**52.2%**		
Satellite and transmission expenses — EchoStar	319,752	305,322	14,430	4.7
% of Subscriber-related revenue	**2.8%**	**2.7%**		
Satellite and transmission expenses — Other	33,672	32,407	1,265	3.9
% of Subscriber-related revenue	**0.3%**	**0.3%**		
Equipment, transitional services and other cost of sales	121,238	169,917	(48,679)	(28.6)
Subscriber acquisition costs	1,539,562	1,531,741	7,821	0.5
General and administrative expenses	602,611	544,035	58,576	10.8
% of Total revenue	**5.2%**	**4.7%**		
Tivo litigation expense	361,024	—	361,024	NM
Depreciation and amortization	940,033	1,000,230	(60,197)	(6.0)
Total costs and expenses	10,277,221	9,561,007	716,214	7.5
Operating income (loss)	1,386,930	2,056,180	(669,250)	(32.5)
Other Income (Expense):				
Interest income	30,034	51,217	(21,183)	(41.4)
Interest expense, net of amounts capitalized	(388,425)	(369,878)	(18,547)	(5.0)
Other, net	(15,707)	(168,713)	153,006	90.7
Total other income (expense)	(374,098)	(487,374)	113,276	23.2
Income (loss) before income taxes	1,012,832	1,568,806	(555,974)	(35.4)
Income tax (provision) benefit, net	(377,429)	(665,859)	288,430	43.3
Effective tax rate	**37.3%**	**42.4%**		
Net income (loss)	635,403	902,947	(267,544)	(29.6)
Less: Net income (loss) attributable to noncontrolling interest	(142)	—	(142)	NM
Net income (loss) attributable to DISH Network common shareholders	$ 635,545	$ 902,947	$(267,402)	(29.6)
Other Data:				
DISH Network subscribers, as of period end (in millions)	14.100	13.678	0.422	3.1
DISH Network subscriber additions, gross (in millions)	3.118	2.966	0.152	5.1
DISH Network subscriber additions, net (in millions)	0.422	(0.102)	0.524	NM
Average monthly subscriber churn rate	1.64%	1.86%	(0.22)%	(11.8)
Average monthly revenue per subscriber ("ARPU")	$ 70.04	$ 69.27	$ 0.77	1.1
Average subscriber acquisition cost per subscriber ("SAC")	$ 697	$ 720	$ (23)	(3.2)
EBITDA	$ 2,311,398	$ 2,887,697	$(576,299)	(20.0)

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Continued

Overview. Revenue totaled $11.664 billion for the year ended December 31, 2009, an increase of $47 million or 0.4% compared to the same period in 2008. "Net income (loss) attributable to DISH Network common shareholders" totaled $636 million, a decrease of $267 million or 29.6%.

DISH Network added approximately 422,000 net new subscribers during the year ended December 31, 2009 as a result of higher gross subscriber additions and reduced churn. Our increased gross subscriber additions were primarily a result of our sales and marketing promotions during the last half of 2009. Churn was positively impacted by, among other things, the completion of our security access device replacement program, an increase in our new subscriber commitment period and initiatives to retain subscribers. Historically, we have experienced slightly higher churn in the months following the expiration of commitments for new subscribers. In February 2008, we extended the required new subscriber commitment from 18 to 24 months. During the last half of 2009, due to the change in promotional mix, we had fewer expiring new subscriber commitments. We continue to focus on addressing operational inefficiencies specific to DISH Network which we believe will contribute to long-term subscriber growth. ARPU has been negatively impacted by promotional discounts on programming offered to new subscribers and our initiatives to retain subscribers, both of which negatively impacted our subscriber-related margins. "Subscriber-related expenses" continued to be negatively impacted by increased programming costs and initiatives to retain subscribers, migrate certain subscribers to make more efficient use of transponder capacity, and improve customer service.

DISH Network subscribers . As of December 31, 2009, we had approximately 14.100 million DISH Network subscribers compared to approximately 13.678 million subscribers at December 31, 2008, an increase of 3.1%. DISH Network added approximately 3.118 million gross new subscribers for the year ended December 31, 2009, compared to approximately 2.966 million during the same period in 2008, an increase of 5.1%.

DISH Network added approximately 422,000 net new subscribers during the year ended December 31, 2009, compared to a loss of approximately 102,000 net new subscribers during the same period in 2008. Our average monthly subscriber churn rate for the year ended December 31, 2009 was 1.64%, compared to 1.86% for the same period in 2008. We believe this increase in net new subscribers and the decrease in churn primarily resulted from the factors discussed in the "Overview" above. Although churn declined during the year, given the increasingly competitive nature of our industry and the current economic conditions, we may not be able to maintain or continue to reduce churn without increasing our spending on customer retention incentives, which would have a negative effect on our results of operations and free cash flow.

We have not always met our own standards for performing high-quality installations, effectively resolving subscriber issues when they arise, answering subscriber calls in an acceptable timeframe, effectively communicating with our subscriber base, reducing calls driven by the complexity of our business, improving the reliability of certain systems and subscriber equipment, and aligning the interests of certain third party retailers and installers to provide high-quality service. Most of these factors have affected both gross new subscriber additions as well as existing subscriber churn. Our future gross subscriber additions and subscriber churn may continue to be negatively impacted by these factors, which could in turn adversely affect our revenue growth.

Our distribution relationship with AT&T was a substantial contributor to our gross and net subscriber additions in prior years, accounting for approximately 17% of our gross subscriber additions for the year ended December 31, 2008. This distribution relationship ended January 31, 2009. Consequently, beginning with the second quarter 2009, AT&T no longer contributed to our gross subscriber additions. In addition, nearly one million of our current subscribers were acquired through our distribution relationship with AT&T and subscribers acquired through this channel have historically churned at a higher rate than our overall subscriber base. Although AT&T is not permitted to target these subscribers for transition to another pay-TV service and we and AT&T are required to maintain bundled billing and cooperative customer service for these subscribers, these subscribers may continue to churn at higher than historical rates following termination of the AT&T distribution relationship.

Subscriber-related revenue. DISH Network "Subscriber-related revenue" totaled $11.539 billion for the year ended December 31, 2009, an increase of $83 million or 0.7% compared to the same period in 2008. This change was primarily related to the increase in "ARPU" discussed below, partially offset by the decline in our subscriber base from second quarter 2008 through first quarter 2009.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Continued

ARPU. "Average monthly revenue per subscriber" was $70.04 during the year ended December 31, 2009 versus $69.27 during the same period in 2008. The $0.77 or 1.1% increase in ARPU was primarily attributable to price increases in February 2009 and 2008 on some of our most popular programming packages and changes in the sales mix toward HD programming packages and advanced hardware offerings. As a result of our current promotions, which provide an incentive for advanced hardware offerings, we continue to see increased hardware related fees, which include fees earned from our in-home service operations, rental fees and fees for DVRs. These increases were partially offset by increases in the amount of promotional discounts on programming offered to our new subscribers and retention initiatives offered to existing subscribers, and by decreases in premium movie revenue and pay-per-view buys.

Equipment sales and other revenue. "Equipment sales and other revenue" totaled $98 million during the year ended December 31, 2009, a decrease of $26 million or 21.2% compared to the same period during 2008. The decrease in "Equipment sales and other revenue" primarily resulted from a decrease in sales of non-subsidized DBS accessories.

Subscriber-related expenses. "Subscriber-related expenses" totaled $6.359 billion during the year ended December 31, 2009, an increase of $382 million or 6.4% compared to the same period 2008. The increase in "Subscriber-related expenses" was primarily attributable to higher costs for programming content and call center operations. The increase in programming content costs was primarily related to price increases in certain of our programming contracts and the renewal of certain contracts at higher rates. The increases related to call center operations were driven in part by our investments in staffing, training, information systems, and other initiatives. These investments are intended to help combat inefficiencies introduced by the increasing complexity of our business and technology, improve customer satisfaction, reduce churn, increase productivity, and allow us to better scale our business over the long run. We cannot, however, be certain that our increased spending will ultimately yield these benefits. In the meantime, we may continue to incur higher costs as a result of both our operational inefficiencies and increased spending. "Subscriber-related expenses" represented 55.1% and 52.2% of "Subscriber-related revenue" during the years ended December 31, 2009 and 2008, respectively.

In the normal course of business, we enter into contracts to purchase programming content in which our payment obligations are fully contingent on the number of subscribers to whom we provide the respective content. Our programming expenses will continue to increase to the extent we are successful in growing our subscriber base. In addition, our "Subscriber-related expenses" may face further upward pressure from price increases and the renewal of long-term programming contracts on less favorable pricing terms.

Satellite and transmission expenses — EchoStar. "Satellite and transmission expenses — EchoStar" totaled $320 million during the year ended December 31, 2009, an increase of $14 million or 4.7% compared to 2008. The increase in "Satellite and transmission expenses — EchoStar" is primarily related to higher uplink center costs, partially offset by fewer transponders leased during the year ended December 31, 2009 compared to the same period in 2008. The higher uplink center costs were primarily associated with an increase in the charges from EchoStar related to infrastructure costs for new ground equipment to support our new satellites and the routine replacement of existing uplink equipment. The decline in transponder lease expense primarily relates to a reduction in the number of transponders leased as a result of the launch of an owned satellite. This decrease was partially offset by the increase in expense related to the Nimiq 5 satellite, which was placed in service in October 2009. "Satellite and transmission expenses — EchoStar" as a percentage of "Subscriber-related revenue" increased to 2.8% in 2009 from 2.7% in 2008.

During September 2009, we entered into a ten-year satellite service agreement with EchoStar for capacity on the Nimiq 5 satellite. Pursuant to this agreement, we will receive service from EchoStar on all 32 of the DBS transponders covered by our transponder contract with Telesat. We began receiving service on 16 of these DBS transponders upon service commencement of the satellite on October 10, 2009 and will receive service on the remaining 16 DBS transponders over a phase-in period that will be completed in 2012. We expect "Satellite and transmission expenses — EchoStar" to continue to increase in 2010 as a result of our Nimiq 5 agreement and our other new satellites to be placed in service.

Equipment, transitional services and other cost of sales. "Equipment, transitional services and other cost of sales" totaled $121 million during the year ended December 31, 2009, a decrease of $49 million or 28.6% compared to the same period in 2008. This decrease in "Equipment, transitional services and other cost of sales" primarily resulted

from lower non-subsidized sales of DBS accessories, a decline in charges for slow moving and obsolete inventory and a decrease in services provided to EchoStar under our transitional services agreement with EchoStar.

Subscriber acquisition costs. "Subscriber acquisition costs" totaled $1.540 billion for the year ended December 31, 2009, an increase of $8 million or 0.5% compared to the same period in 2008. This increase was primarily attributable to the increase in gross new subscribers discussed previously, partially offset by lower SAC discussed below.

SAC. SAC was $697 during the year ended December 31, 2009 compared to $720 during the same period in 2008, a decrease of $23, or 3.2%. This decrease was primarily attributable to a change in sales channel mix and a decrease in hardware costs per activation, partially offset by an increase in advertising costs. The decrease in hardware cost per activation was driven by a reduction in manufacturing costs for new receivers and due to more cost-effective deployment of set-top boxes, requiring less equipment per subscriber. These decreases in hardware costs were partially offset by an increase in deployment of more advanced set-top boxes, such as HD receivers and HD DVRs.

During the years ended December 31, 2009 and 2008, the amount of equipment capitalized under our lease program for new subscribers totaled $634 million and $604 million, respectively. This increase in capital expenditures under our lease program for new subscribers resulted primarily from the increase in gross new subscribers.

Capital expenditures resulting from our equipment lease program for new subscribers were partially mitigated by the redeployment of equipment returned by disconnecting lease program subscribers. However, to remain competitive we upgrade or replace subscriber equipment periodically as technology changes, and the costs associated with these upgrades may be substantial. To the extent technological changes render a portion of our existing equipment obsolete, we would be unable to redeploy all returned equipment and consequently would realize less benefit from the SAC reduction associated with redeployment of that returned lease equipment.

Our SAC calculation does not reflect any benefit from payments we received in connection with equipment not returned to us from disconnecting lease subscribers and returned equipment that is made available for sale or used in our existing customer lease program rather than being redeployed through our new lease program. During the years ended December 31, 2009 and 2008, these amounts totaled $94 million and $128 million, respectively.

Several years ago, we began deploying receivers that utilize 8PSK modulation technology and receivers that utilize MPEG-4 compression technology. These technologies, when fully deployed, will allow more programming channels to be carried over our existing satellites. A majority of our customers today, however, do not have receivers that use MPEG-4 compression and a smaller but still significant percentage do not have receivers that use 8PSK modulation. We may choose to invest significant capital to accelerate the conversion of customers to MPEG-4 and/or 8PSK to realize the bandwidth benefits sooner. In addition, given that all of our HD content is broadcast in MPEG-4, any growth in HD penetration will naturally accelerate our transition to these newer technologies and may increase our subscriber acquisition and retention costs. All new receivers that we purchase from EchoStar now have MPEG-4 technology. Although we continue to refurbish and redeploy MPEG-2 receivers, as a result of our HD initiatives and current promotions, we currently activate most new customers with higher priced MPEG-4 technology. This limits our ability to redeploy MPEG-2 receivers and, to the extent that our promotions are successful, will accelerate the transition to MPEG-4 technology, resulting in an adverse effect on our SAC.

Our "Subscriber acquisition costs" and "SAC" may materially increase in the future to the extent that we transition to newer technologies, introduce more aggressive promotions, or provide greater equipment subsidies. See further discussion under *"Liquidity and Capital Resources — Subscriber Acquisition and Retention Costs."*

General and administrative expenses. "General and administrative expenses" totaled $603 million during the year ended December 31, 2009, an increase of $59 million or 10.8% compared to the same period in 2008. This increase was primarily attributable to additional costs to support the DISH Network television service including personnel costs and professional fees. "General and administrative expenses" represented 5.2% and 4.7% of "Total revenue" during the years ended December 31, 2009 and 2008, respectively. The increase in the ratio of the expenses to "Total revenue" was primarily attributable to the increase in expenses discussed above.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Continued

Tivo litigation expense. We recorded $361 million of "Tivo litigation expense" during the year ended December 31, 2009 for supplemental damages, contempt sanctions and interest. See Note 14 in the Notes to the Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K for further discussion.

Depreciation and amortization. "Depreciation and amortization" expense totaled $940 million during the year ended December 31, 2009, a $60 million or 6.0% decrease compared to the same period in 2008. The decrease in "Depreciation and amortization" expense was primarily due to the declines in depreciation expense related to set-top boxes used in our lease programs and the abandonment of a software development project during 2008 that was designed to support our IT systems. The decrease related to set-top-boxes was primarily attributable to capitalization of a higher mix of new advanced equipment in 2009 compared to the same period in 2008, which has a longer estimated useful life. In addition, the satellite depreciation expense declined due to the retirements of certain satellites from commercial service, almost entirely offset by depreciation expense associated with satellites placed in service in 2008.

Interest income. "Interest income" totaled $30 million during the year ended December 31, 2009, a decrease of $21 million or 41.4% compared to the same period in 2008. This decrease principally resulted from lower percentage returns earned on our cash and marketable investment securities, partially offset by higher average cash and marketable investment securities balances during the year ended December 31, 2009.

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" totaled $388 million during the year ended December 31, 2009, an increase of $19 million or 5.0% compared to the same period in 2008. This change primarily resulted from an increase in interest expense related to the issuance of debt during 2009 and 2008 and the Ciel II capital lease, partially offset by a decrease in interest expense associated with 2008 debt redemptions.

Other, net. "Other, net" expense totaled $16 million during the year ended December 31, 2009 compared to $169 million in 2008, a decrease of $153 million. This decrease primarily resulted from $178 million less in impairment charges on marketable and other investment securities, partially offset by $33 million less in net gains on the sale and exchanges of investments in 2009 compared to 2008.

Earnings before interest, taxes, depreciation and amortization . EBITDA was $2.311 billion during the year ended December 31, 2009, a decrease of $576 million or 20.0% compared to the same period in 2008. EBITDA for the year ended December 31, 2009 was negatively impacted by the $361 million "Tivo litigation expense." The following table reconciles EBITDA to the accompanying financial statements.

	For the Years Ended December 31,	
	2009	2008
	(In thousands)	
EBITDA	$2,311,398	$2,887,697
Less:		
Interest expense, net	358,391	318,661
Income tax provision (benefit), net	377,429	665,859
Depreciation and amortization	940,033	1,000,230
Net income (loss) attributable to DISH Network common shareholders	$ 635,545	$ 902,947

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. EBITDA is used as a measurement of operating efficiency and overall financial performance and we believe it to be a helpful measure for those evaluating companies in the pay-TV industry. 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.

Income tax (provision) benefit, net. Our income tax provision was $377 million during the year ended December 31, 2009, a decrease of $288 million compared to the same period in 2008. The decrease in the provision was primarily related to the decrease in "Income (loss) before income taxes" and a decrease in our effective tax rate.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Continued

During the year ended December 31, 2008, our effective tax rate was negatively impacted by the establishment of an $80 million valuation allowance against deferred tax assets, which are capital in nature.

Net income (loss) attributable to DISH Network common shareholders. "Net income (loss) attributable to DISH Network common shareholders" was $636 million during the year ended December 31, 2009, a decrease of $267 million compared to $903 million for the same period in 2008. The decrease was primarily attributable to the changes in revenue and expenses discussed above.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Continued

Year Ended December 31, 2008 Compared to the Year Ended December 31, 2007.

Statements of Operations Data	For the Years Ended December 31, 2008	2007	Variance Amount	%
		(In thousands)		
Revenue:				
Subscriber-related revenue	$ 11,455,575	$ 10,690,976	$ 764,599	7.2
Equipment sales and other revenue	124,261	399,399	(275,138)	(68.9)
Equipment sales, transitional services and other revenue — EchoStar	37,351	—	37,351	NM
Total revenue	11,617,187	11,090,375	526,812	4.8
Costs and Expenses:				
Subscriber-related expenses	5,977,355	5,496,579	480,776	8.7
% of Subscriber-related revenue	**52.2%**	**51.4%**		
Satellite and transmission expenses — EchoStar	305,322	—	305,322	NM
% of Subscriber-related revenue	**2.7%**	**0.0%**		
Satellite and transmission expenses — Other	32,407	180,687	(148,280)	(82.1)
% of Subscriber-related revenue	**0.3%**	**1.7%**		
Equipment, transitional services and other cost of sales	169,917	281,722	(111,805)	(39.7)
Subscriber acquisition costs	1,531,741	1,570,415	(38,674)	(2.5)
General and administrative expenses	544,035	624,251	(80,216)	(12.8)
% of Total revenue	**4.7%**	**5.6%**		
Tivo litigation expense	—	33,907	(33,907)	(100.0)
Depreciation and amortization	1,000,230	1,329,410	(329,180)	(24.8)
Total costs and expenses	9,561,007	9,516,971	44,036	0.5
Operating income (loss)	2,056,180	1,573,404	482,776	30.7
Other Income (Expense):				
Interest income	51,217	137,872	(86,655)	(62.9)
Interest expense, net of amounts capitalized	(369,878)	(405,319)	35,441	8.7
Other, net	(168,713)	(55,804)	(112,909)	NM
Total other income (expense)	(487,374)	(323,251)	(164,123)	(50.8)
Income (loss) before income taxes	1,568,806	1,250,153	318,653	25.5
Income tax (provision) benefit, net	(665,859)	(494,099)	(171,760)	(34.8)
Effective tax rate	**42.4%**	**39.5%**		
Net income (loss)	902,947	756,054	146,893	19.4
Less: Net income (loss) attributable to noncontrolling interest	—	—	—	
Net income (loss) attributable to DISH Network common shareholders	$ 902,947	$ 756,054	$ 146,893	19.4
Other Data:				
DISH Network subscribers, as of period end (in millions)	13.678	13.780	(0.102)	(0.7)
DISH Network subscriber additions, gross (in millions)	2.966	3.434	(0.468)	(13.6)
DISH Network subscriber additions, net (in millions)	(0.102)	0.675	(0.777)	(115.1)
Average monthly subscriber churn rate	1.86%	1.70%	0.16%	9.4
Average monthly revenue per subscriber ("ARPU")	$ 69.27	$ 65.83	$ 3.44	5.2
Average subscriber acquisition cost per subscriber ("SAC")	$ 720	$ 656	$ 64	9.8
EBITDA	$ 2,887,697	$ 2,847,010	$ 40,687	1.4

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Continued

DISH Network subscribers . As of December 31, 2008, we had approximately 13.678 million DISH Network subscribers compared to approximately 13.780 million subscribers at December 31, 2007, a decrease of 102,000 or 0.7%. DISH Network added approximately 2.966 million gross new subscribers for the year ended December 31, 2008, compared to approximately 3.434 million gross new subscribers during 2007, a decrease of approximately 468,000 gross new subscribers.

DISH Network lost approximately 102,000 net subscribers for the year ended December 31, 2008, compared to adding approximately 675,000 net new subscribers during the same period in 2007. This decrease primarily resulted from lower gross new subscribers discussed above, an increase in our subscriber churn rate, and churn on a larger average subscriber base for the year. Our average monthly subscriber churn for the year ended December 31, 2008 was 1.86%, compared to 1.70% for the same period in 2007.

We believe our gross and net subscriber additions as well as our subscriber churn were negatively impacted by weak economic conditions, aggressive promotional and retention offerings by our competition, our relative discipline in our own promotional and retention activities including the amount of discounted programming or equipment we have offered, the heavy marketing of HD service by our competition, the growth of fiber-based and Internet-based pay TV providers, signal theft and other forms of fraud, and operational inefficiencies at DISH Network. Most of these factors have affected both gross new subscriber additions as well as existing subscriber churn.

Subscriber-related revenue. DISH Network "Subscriber-related revenue" totaled $11.456 billion for the year ended December 31, 2008, an increase of $765 million or 7.2% compared to 2007. This increase was primarily related to the increase in "ARPU" discussed below and a higher average subscriber base in 2008 compared to 2007.

ARPU . Average monthly revenue per subscriber was $69.27 during the year ended December 31, 2008 versus $65.83 during the same period in 2007. The $3.44 or 5.2% increase in ARPU was primarily attributable to (i) price increases in February 2008 and 2007 on some of our most popular programming packages, (ii) an increase in hardware related fees, including rental fees and fees for DVRs, (iii) increased penetration of HD programming driven in part by the availability of HD local channels, (iv) an increase in fees earned from our in-home service operations, and (v) increased advertising revenue. This increase was partially offset by a decrease in revenue from our original agreement with AT&T.

Equipment sales and other revenue . "Equipment sales and other revenue" totaled $124 million during the year ended December 31, 2008, a decrease of $275 million or 68.9% compared to the same period during 2007. The decrease in "Equipment sales and other revenue" primarily resulted from the distribution of our set-top box business and certain other revenue-generating assets to EchoStar in connection with the Spin-off, partially offset by increases in other revenue. During the year ended December 31, 2007, our set-top box business that was distributed to EchoStar accounted for $282 million of our "Equipment sales and other revenue."

Equipment sales, transitional services and other revenue — EchoStar. "Equipment sales, transitional services and other revenue — EchoStar" totaled $37 million during the year ended December 31, 2008 as a result of the Spin-off.

Subscriber-related expenses. "Subscriber-related expenses" totaled $5.977 billion during the year ended December 31, 2008, an increase of $481 million or 8.7% compared to the same period in 2007. The increase in "Subscriber-related expenses" was primarily attributable to higher costs for: (i) programming content, (ii) customer retention, (iii) call center operations, (iv) in-home service operations, (v) the refurbishment and repair of receiver systems used in our equipment lease programs, partially offset by a decrease in costs associated with our original agreement with AT&T. The increase in customer retention expense was primarily driven by more upgrading of existing customers to HD and DVR receivers and the changing of equipment for certain subscribers to make more efficient use of satellite bandwidth in support of HD and other initiatives. We believe that the benefit from the increase in available satellite bandwidth outweighs the short-term cost of these equipment changes. The increases related to call center and in-home service operations were driven in part by our investments in staffing, training, information systems, and other initiatives. These investments are intended to help combat inefficiencies introduced by the increasing complexity of our business and technology, improve customer satisfaction, reduce churn, increase productivity, and allow us to better scale our business over the long run. We cannot, however, be certain that our increased spending will ultimately yield these benefits. In the meantime, we may continue to incur higher costs as a result of both our operational inefficiencies and increased spending. "Subscriber-related expenses" represented 52.2% and 51.4% of

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

"Subscriber-related revenue" during the years ended December 31, 2008 and 2007, respectively. The increase in this expense to revenue ratio primarily resulted from the increase in "Subscriber-related expenses," partially offset by an increase in ARPU.

Satellite and transmission expenses — EchoStar . "Satellite and transmission expenses — EchoStar" totaled $305 million during the year ended December 31, 2008. As previously discussed, "Satellite and transmission expenses — EchoStar" resulted from costs associated with the services provided to us by EchoStar, including the satellite and transponder capacity leases on satellites that were distributed to EchoStar in connection with the Spin-off, and digital broadcast operations previously provided internally at cost.

Satellite and transmission expenses — other. "Satellite and transmission expenses — other" totaled $32 million during the year ended December 31, 2008, a decrease of $148 million or 82.1% compared to the same period in 2007. As previously discussed, prior to the Spin-off, "Satellite and transmission expenses — other" included costs associated with the operation of our digital broadcast centers, including satellite uplinking/downlinking, signal processing, conditional access management, telemetry, tracking and control, satellite and transponder leases, and other related services. Following the Spin-off, these digital broadcast operation services have been provided to us by EchoStar and are included in "Satellite and transmission expenses — EchoStar."

Equipment, transitional services and other cost of sales. "Equipment, transitional services and other cost of sales" totaled $170 million during the year ended December 31, 2008, a decrease of $112 million or 39.7% compared to the same period in 2007. The decrease primarily resulted from the elimination of the cost of sales related to the distribution of our set-top box business to EchoStar in connection with the Spin-off, partially offset by costs related to our transitional services and other agreements with EchoStar, charges for obsolete inventory, and an increase in other cost of sales. During the year ended December 31, 2007, the costs associated with our set-top box business that was distributed to EchoStar accounted for $163 million of our "Equipment, transitional services and other cost of sales."

Subscriber acquisition costs. "Subscriber acquisition costs" totaled $1.532 billion for the year ended December 31, 2008, a decrease of $39 million or 2.5% compared to the same period in 2007. This decrease was primarily attributable to the decline in gross new subscribers, partially offset by an increase in SAC discussed below.

SAC. SAC was $720 during the year ended December 31, 2008 compared to $656 during the same period in 2007, an increase of $64, or 9.8%. This increase was primarily attributable to an increase in equipment costs, as well as higher acquisition advertising expense and an increase in promotional incentives paid to our independent retailer network. Our equipment costs were higher during 2008 as a result of an increase in the number of new DISH Network subscribers selecting more advanced equipment, such as HD receivers, DVRs and receivers with multiple tuners and as a result of the Spin-off of our set-top box business to EchoStar. Set-top boxes were historically designed in-house and procured at our cost. We now acquire this equipment from EchoStar at its cost plus an agreed-upon margin. These increases were partially offset by the increase in the redeployment benefits of our equipment lease program for new subscribers.

During the years ended December 31, 2008 and 2007, the amount of equipment capitalized under our lease program for new subscribers totaled $604 million and $682 million, respectively. This decrease in capital expenditures under our lease program for new subscribers resulted primarily from lower subscriber growth and an increase in redeployment of equipment returned by disconnecting lease program subscribers, partially offset by higher equipment costs resulting from higher priced advanced products and the mark-up on set-top boxes as a result of the Spin-off, discussed above.

Our SAC calculation does not reflect any benefit from payments we received in connection with equipment not returned to us from disconnecting lease subscribers and returned equipment that is made available for sale or used in our existing customer lease program rather than being redeployed through our new lease program. During the years ended December 31, 2008 and 2007, these amounts totaled $128 million and $87 million, respectively.

General and administrative expenses. "General and administrative expenses" totaled $544 million during the year ended December 31, 2008, a decrease of $80 million or 12.8% compared to the same period in 2007. This decrease was primarily attributable to the reduction in headcount and administrative costs resulting from the Spin-off and a reduction in outside professional fees, partially offset by an increase in costs related to transitional services and

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commercial agreements with EchoStar as a result of the Spin-off. In addition, the 2007 amount included $22 million of in-process research and development costs associated with the acquisition of Sling Media in the fourth quarter 2007. "General and administrative expenses" represented 4.7% and 5.6% of "Total revenue" during the years ended December 31, 2008 and 2007, respectively. The decrease in the ratio of the expenses to "Total revenue" was primarily attributable to the changes in expenses discussed above.

Tivo litigation expense. The 2007 "Litigation expense" of $34 million related to the Tivo litigation and represents the estimated cost of any software infringement prior to the implementation of the alternative technology, plus interest subsequent to the jury verdict.

Depreciation and amortization. "Depreciation and amortization" expense totaled $1.000 billion during the year ended December 31, 2008, a decrease of $329 million or 24.8% compared to the same period in 2007. This decrease was primarily a result of our contribution of several satellites, uplink and satellite transmission assets, real estate and other assets to EchoStar in connection with the Spin-off. In addition, the 2007 expense included the write-off of costs associated with discontinued software development projects.

Interest income . "Interest income" totaled $51 million during the year ended December 31, 2008, a decrease of $87 million or 62.9% compared to the same period in 2007. This decrease principally resulted from lower average carrying balances, as well as rate of return, of our cash and marketable investment securities during 2008 compared to the same period in 2007.

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" totaled $370 million during the year ended December 31, 2008, a decrease of $35 million or 8.7% compared to the same period in 2007. This decrease primarily resulted from the reduction in interest expense associated with 2007 and 2008 debt redemptions and the contribution of satellite capital leases to EchoStar in connection with the Spin-off, partially offset by an increase in interest expense related to the issuance of debt during 2008.

Other, net. "Other, net" expense totaled $169 million during the year ended December 31, 2008, an increase of $113 million compared to the same period in 2007. This change primarily resulted from an increase of $191 million related to impairments of marketable investment securities, partially offset by a gain of $53 million on the sale of a non-marketable investment and a $33 million decline in unrealized losses and impairments on our other investment securities.

Earnings before interest, taxes, depreciation and amortization . EBITDA was $2.888 billion during the year ended December 31, 2008, an increase of $41 million or 1.4% compared to the same period in 2007. EBITDA for the year ended December 31, 2008 was negatively impacted by changes in revenue and expenses discussed above, including the $113 million increase in "Other" expense. The following table reconciles EBITDA to the accompanying financial statements.

	For the Years Ended December 31,	
	2008	2007
	(In thousands)	
EBITDA	$2,887,697	$2,847,010
Less:		
Interest expense, net	318,661	267,447
Income tax provision (benefit), net	665,859	494,099
Depreciation and amortization	1,000,230	1,329,410
Net income (loss) attributable to DISH Network common shareholders	$ 902,947	$ 756,054

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. EBITDA is used as a measurement of operating efficiency and overall financial performance and we believe it to be a helpful measure for those evaluating companies in the pay-TV industry. Conceptually, EBITDA measures the amount of income generated each period that could be used to

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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.

Income tax (provision) benefit, net. Our income tax provision was $666 million during the year ended December 31, 2008, an increase of $172 million compared to the same period in 2007. The increase was primarily due to the increase in "Income (loss) before income taxes" and in our effective tax rate during the period. The increase in our effective tax rate was primarily due to the establishment of an $80 million valuation allowance against deferred tax assets, which are capital in nature, related to the impairment of marketable and non-marketable investment securities in 2008.

Net income (loss) attributable to DISH Network common shareholders. Net income attributable to DISH Network common shareholders was $903 million during the year ended December 31, 2008, an increase of $147 million compared to $756 million for the same period in 2007. The increase was primarily attributable to the changes in revenue and expenses discussed above.

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LIQUIDITY AND CAPITAL RESOURCES

Cash, Cash Equivalents and Current Marketable Investment Securities

We consider all liquid investments purchased within 90 days of their maturity to be cash equivalents. See "Item 7A. — Quantitative and Qualitative Disclosures About Market Risk" for further discussion regarding our marketable investment securities. As of December 31, 2009, our cash, cash equivalents and current marketable investment securities totaled $2.139 billion compared to $559 million as of December 31, 2008, an increase of $1.580 billion. This increase in cash, cash equivalents and current marketable investment securities was primarily related to cash generated from operations of $2.195 billion and the net proceeds of $1.377 billion related to our 7 3/8% Senior Notes due 2019 issued in 2009, partially offset by capital expenditures of $1.037 billion and the $894 million dividend paid on our Class A and Class B common stock.

We have investments in various debt and equity instruments including corporate bonds, corporate equity securities, government bonds, and variable rate demand notes ("VRDNs"). 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 on a same day or on a five business day settlement basis. As of December 31, 2009 and 2008, we held VRDNs with fair values of $1.054 billion and $240 million, respectively.

The following discussion highlights our cash flow activities during the years ended December 31, 2009, 2008 and 2007.

Free Cash Flow

We define free cash flow as "Net cash flows from operating activities" less "Purchases of property and equipment," as shown on our Consolidated Statements of Cash Flows. We believe free cash flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repay debt obligations, make investments, fund acquisitions and for certain other activities. Free cash flow is not a measure determined in accordance with GAAP and should not be considered a substitute for "Operating income," "Net income," "Net cash flows from operating activities" or any other measure determined in accordance with GAAP. Since free cash flow includes investments in operating assets, we believe this non-GAAP liquidity measure is useful in addition to the most directly comparable GAAP measure "Net cash flows from operating activities."

During the years ended December 31, 2009, 2008 and 2007, free cash flow was significantly impacted by changes in operating assets and liabilities as shown in the "Net cash flows from operating activities" section of our Consolidated Statements of Cash Flows included herein. Operating asset and liability balances can fluctuate significantly from period to period and there can be no assurance that free cash flow will not be negatively impacted by material changes in operating assets and liabilities in future periods, since these changes depend upon, among other things, management's timing of payments and control of inventory levels, and cash receipts. In addition to fluctuations resulting from changes in operating assets and liabilities, free cash flow can vary significantly from period to period depending upon, among other things, subscriber growth, subscriber revenue, subscriber churn, subscriber acquisition costs including amounts capitalized under our equipment lease programs, operating efficiencies, increases or decreases in purchases of property and equipment and other factors.

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The following table reconciles free cash flow to "Net cash flows from operating activities."

	For the Years Ended December 31,		
	2009	2008	2007
		(In thousands)	
Free cash flow	$1,157,353	$1,058,454	$1,172,198
Add back:			
Purchases of property and equipment	1,037,190	1,129,890	1,444,522
Net cash flows from operating activities	$2,194,543	$2,188,344	$2,616,720

The increase in free cash flow from 2008 to 2009 of $99 million resulted from an increase in "Net cash flows from operating activities" of $6 million or 0.3% and a decrease in "Purchases of property and equipment" of $93 million or 8.2%. The increase in "Net cash flows from operating activities" was primarily attributable to an $877 million increase in cash resulting from changes in operating assets and liabilities, partially offset by a $871 million decrease in net income, adjusted to exclude non-cash changes in "Depreciation and amortization" expense, "Realized and unrealized losses (gains) on investments," and "Deferred income tax expense (benefit)." The increase in cash resulting from changes in operating assets and liabilities primarily relates to timing differences between book expense and cash payments, including a $361 million increase in the Tivo litigation accrual and a $386 million increase in cash flow related to working capital changes and other long-term operating assets. The decrease in "Purchases of property and equipment" in 2009 was primarily attributable to a decline in expenditures for satellite construction, and equipment under our lease program for existing subscribers, partially offset by increased spending for equipment under our lease program for new subscribers.

The decline in free cash flow from 2007 to 2008 of $114 million resulted from a decrease in "Net cash flows from operating activities" of $429 million, or 16.4%, partially offset by a decrease in "Purchases of property and equipment" of $315 million, or 21.8%. The decrease in "Net cash flows from operating activities" was primarily attributable to a $351 million decrease in cash resulting from changes in operating assets and liabilities and a $59 million decrease in net income, adjusted to exclude non-cash changes in "Depreciation and amortization" expense and "Realized and unrealized losses (gains) on investments." The decrease in cash resulting from changes in operating assets and liabilities primarily relates to increases in cash outflows of $619 million resulting from changes in accounts payable, accounts receivable, income tax receivable, deferred revenue and inventories, partially offset by a $277 million increase in net amounts payable to EchoStar. The decrease in "Purchases of property and equipment" in 2008 was primarily attributable to a decline in expenditures for satellite construction, corporate capital expenditures, and equipment under our lease program for new subscribers, partially offset by increased spending for equipment under our lease program for existing subscribers.

Cash flows from operating activities. We typically reinvest the cash flow from operating activities in our business primarily to grow our subscriber base and to expand our infrastructure. For the years ended December 31, 2009, 2008 and 2007, we reported net cash flows from operating activities of $2.195 billion, $2.188 billion, and $2.617 billion, respectively. See discussion of changes in net cash flows from operating activities included in "Free cash flow" above.

Cash flows from investing activities. Our investing activities generally include purchases and sales of marketable investment securities, strategic investments and cash used to grow our subscriber base and expand our infrastructure. For the years ended December 31, 2009, 2008 and 2007, we reported net cash outflows from investing activities of $2.606 billion, $1.597 billion and $2.471 billion, respectively. During the years ended December 31, 2009, 2008 and 2007, capital expenditures for new and existing customer equipment totaled $876 million, $920 million and $928 million, respectively.

The increase in net cash outflows from investing activities from 2008 to 2009 of $1.008 billion primarily resulted from a net increase in purchases of marketable investment securities, a decrease in proceeds from the sale of investments and an increase in cash used for the purchases of strategic investments. The overall net increases were partially offset by cash used for purchases of FCC licenses during 2008 and a decrease in cash used for purchases of property and equipment during 2009 compared to 2008.