

## **KEYON RESPONSE TO BUSINESSWEEK**

TO THE EDITOR:

**“A Broadband Player's Unorthodox Stock Play”** by staff writer Ben Steverman suggests that KeyOn Communication’s stock performance is directly and solely related to independent research published on the company rather than the many financial, operational and strategic milestones recently achieved. Worse, it casts a shadow on the shareholders, management and employees of a vibrant, seven-year-old company whose sole focus is to bring affordable broadband to rural and underserved markets across America’s heartland.

In focusing on the recent rise in KeyOn’s stock price, Steverman neglects to discuss the company’s many accomplishments - including operational performance, balance sheet restructurings, federal stimulus application submissions and a \$3 million contingent grant from the State of Illinois - all of which have bolstered the company’s image among investors and competitors alike.

Instead, the article seems to imply the only reason for the increase in share price “has been... bullish comments from an analyst...” which obscures the fact that KeyOn’s equity market capitalization is approximately where it was in August 2007 when the company went public.

The article’s main argument is that Emerging Growth Research (EGR) did not perform adequate disclosure of its ownership position in KeyOn stock. The implication here is that KeyOn somehow exerts external control over EGR’s disclosure practices. We do not; EGR is an independent company acting under its own guidance and policies. Having said that, we believe EGR has properly disclosed its relationship with KeyOn.

Microcap companies such as KeyOn routinely engage research analysts to prepare reports on a company’s prospects as a way of gaining visibility. KeyOn engaged Emerging Growth Research to develop a broadband stimulus program report designed for a general investor audience. The article’s inclusion of the Michael Mayhew quotation mischaracterizes the role of independent research and attempts to tarnish the credibility of that industry.

KeyOn has worked to earn the respect of investors; to suggest that one or more analysts are responsible for the company’s stock performance ignores key facts and does a disservice to the diligent work of company officers and employees to strengthen KeyOn’s operations during these challenging economic times. KeyOn is EBITDA positive and is supporting its operations through ongoing transactions and a focus on our core business strategy of acquisitions, organic growth and the provision of value-added services to our existing customer base. And, KeyOn has aggressively worked to restructure much of its debt through conversions to equity and extension of maturity dates.

The article neglects to mention any of these initiatives as possibilities for why KeyOn’s market value might have returned to levels from 2 years ago.

Sincerely,  
Jonathan Snyder  
Chief Executive Officer  
KeyOn Communications Holdings Inc.