

XCOR Aerospace ...



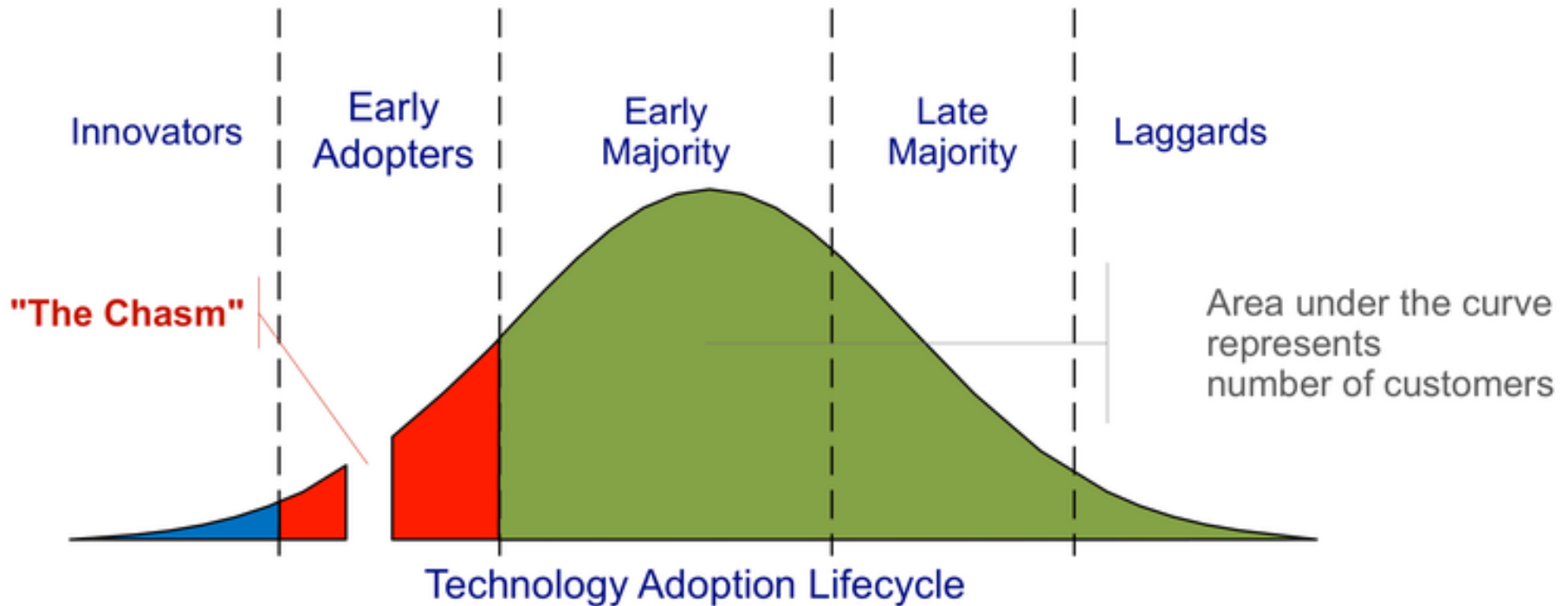
SUBORBITAL MARKETS

*...Providing Low Cost,
Safe & Responsive
Access to Space
October 2010*

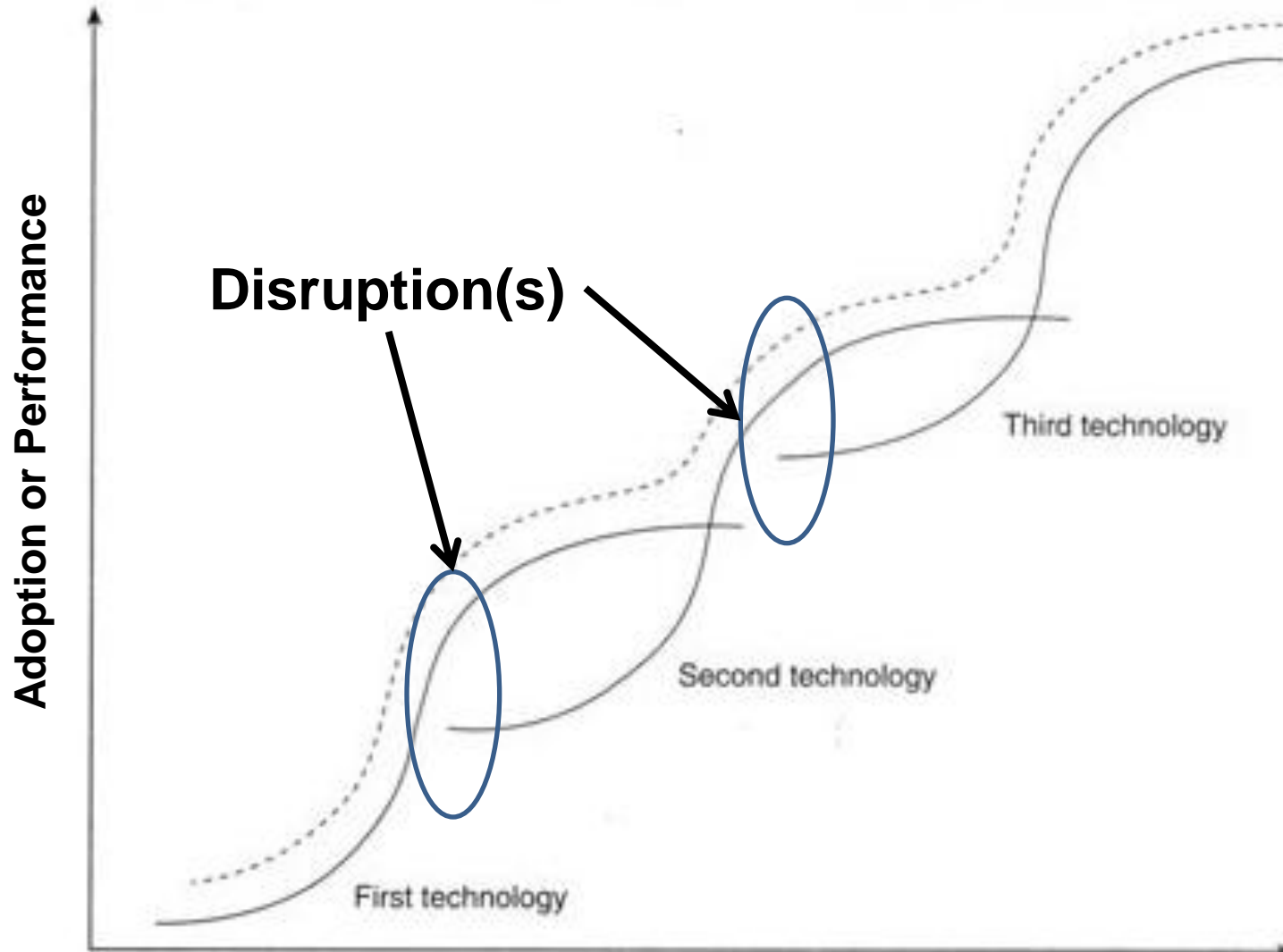
Adoption Theory



- Geoffrey Moore, *Crossing the Chasm*, 1991



S-Curves & Families of S-Curves



Disruptive Technology

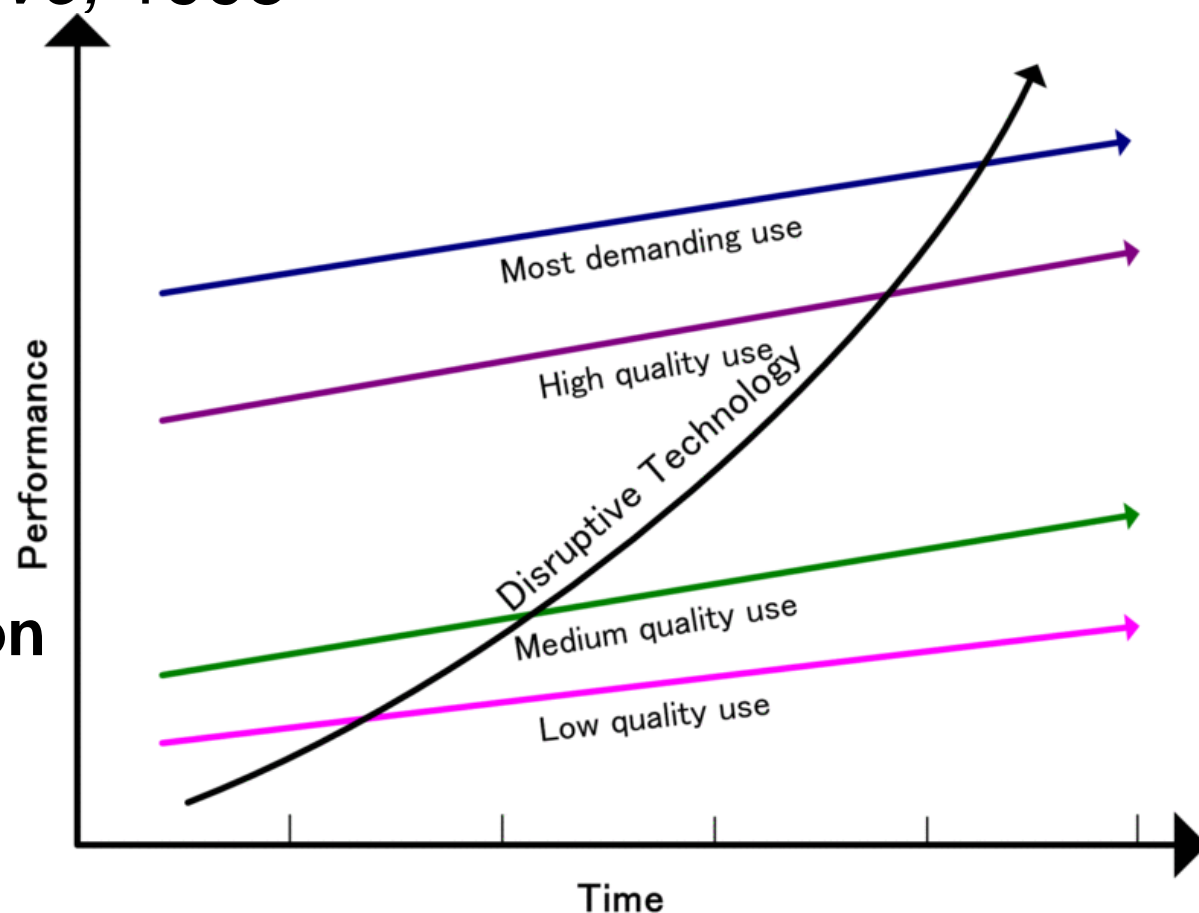


- Clayton Christianson, *Disruptive Technologies: Catching the Wave*, 1995

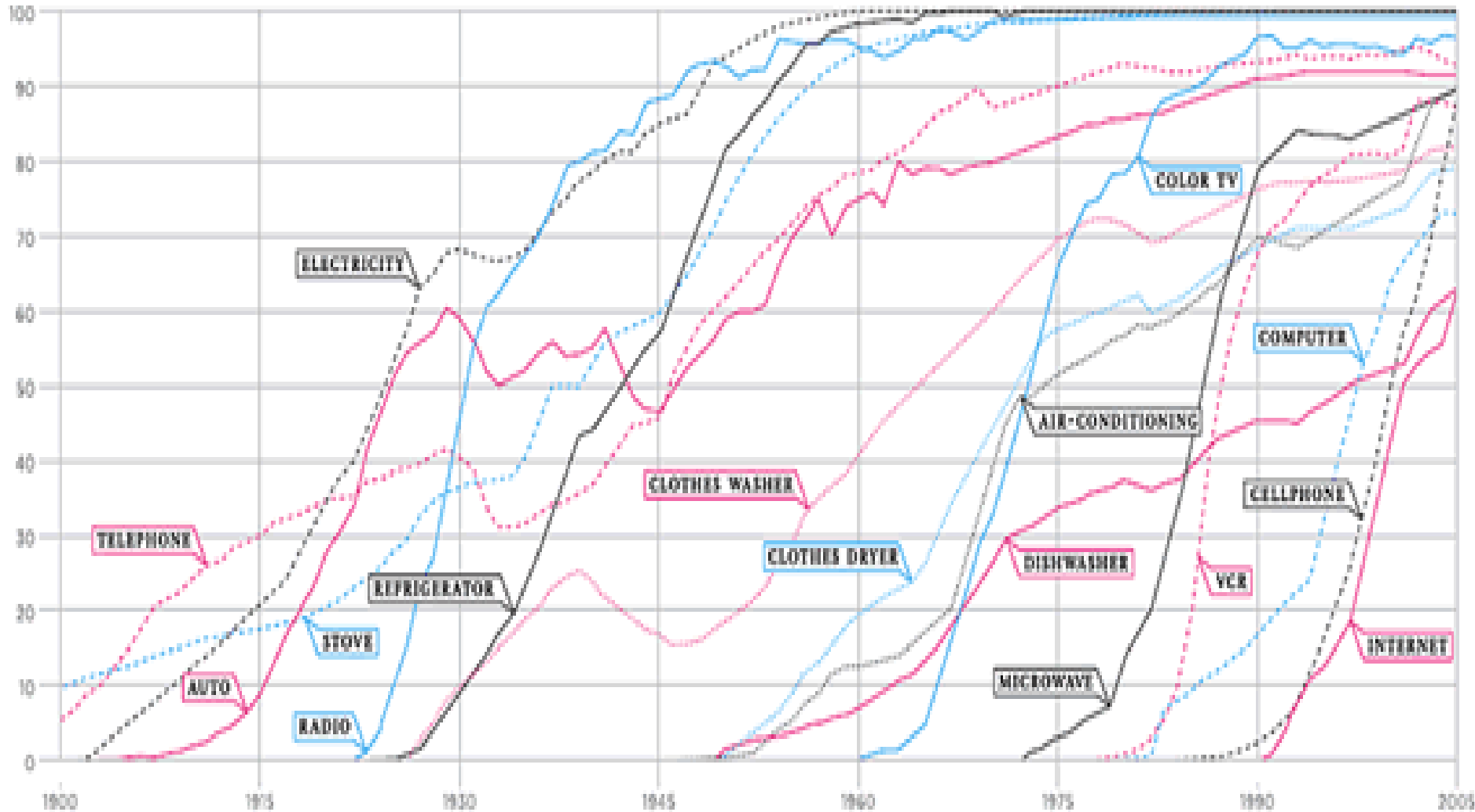
Low End Disruption

and

New Market Disruption



Adoption Rates Accelerating ...

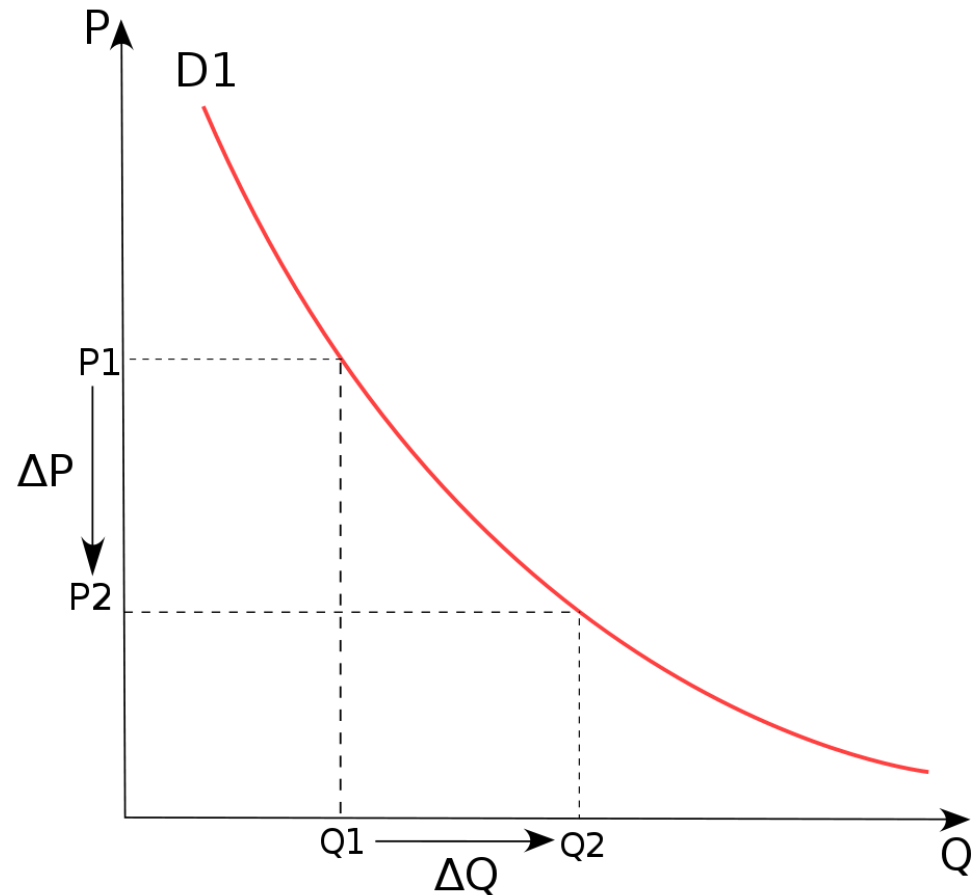


Source: New York Times, 2008

Price Elasticity of Demand



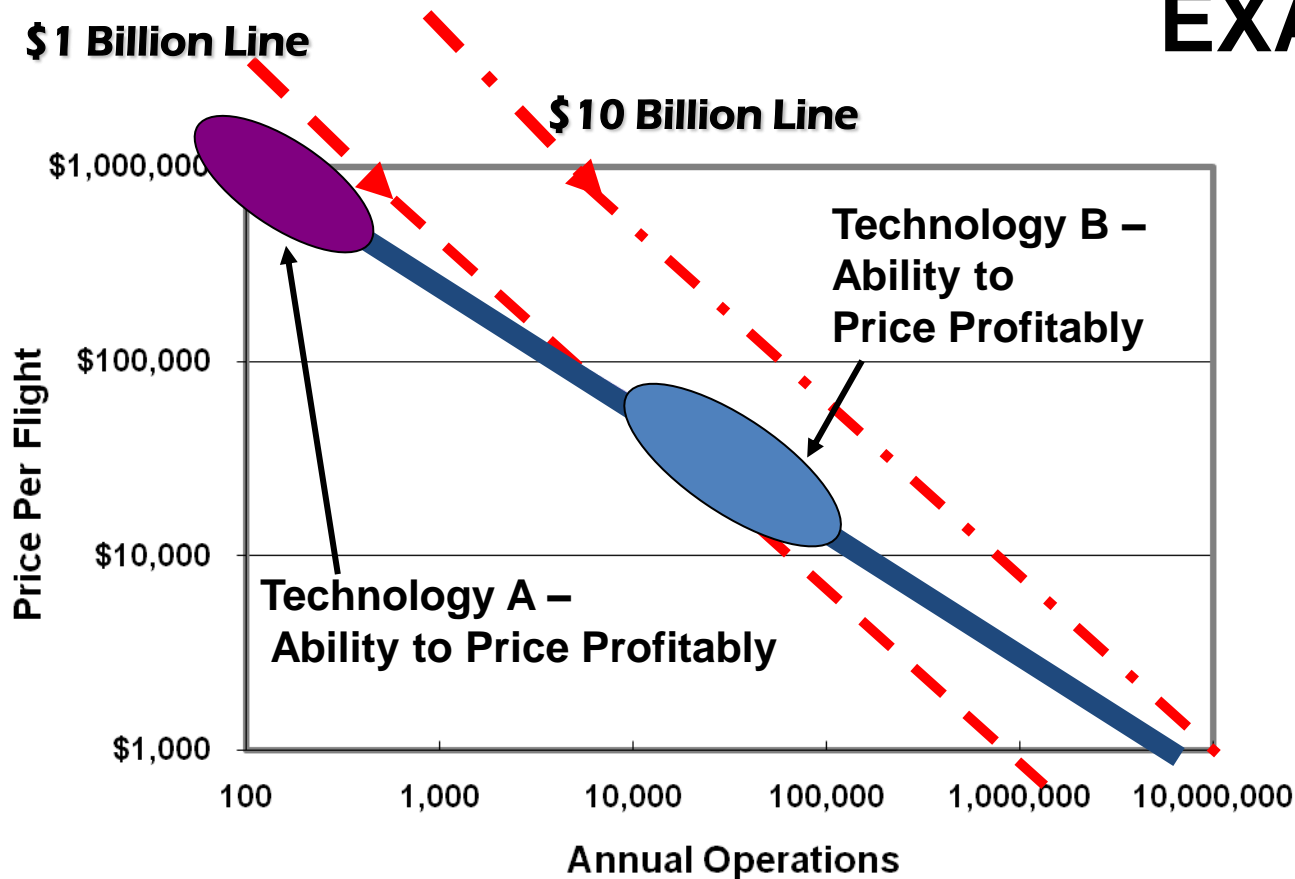
- Alfred Marshall, 1890
- Quantity demanded of a good or service to a change in its price
- Generally always a negative number
 - Except for “Giffen” or “Veblen” good



Elasticity & Pricing Ability Drives Markets



EXAMPLE



Value Proposition of RLVs



- Lower Cost
- More Frequent Operation
- Better Environmental Factors
- Dedicated and Ride Share Missions
- Accessible to many more researchers

Suborbital Launch Markets (est. 2016)



**Suborbital Launch
\$3.3 Billion**

\$0.8B

People

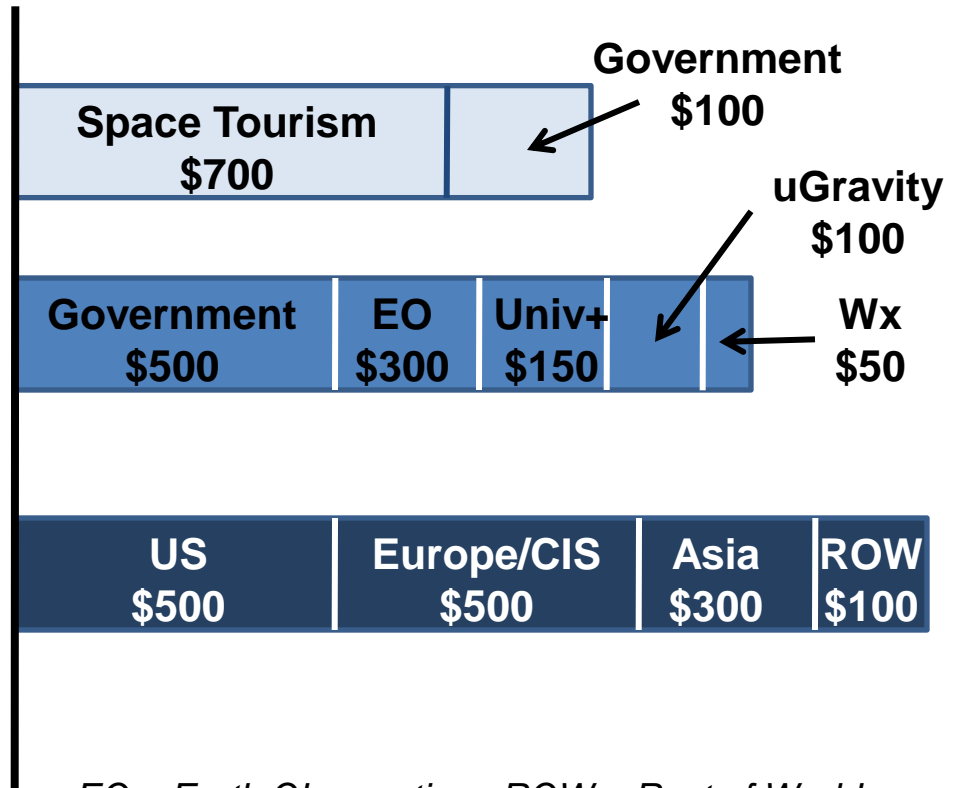
\$1.1B

Payloads

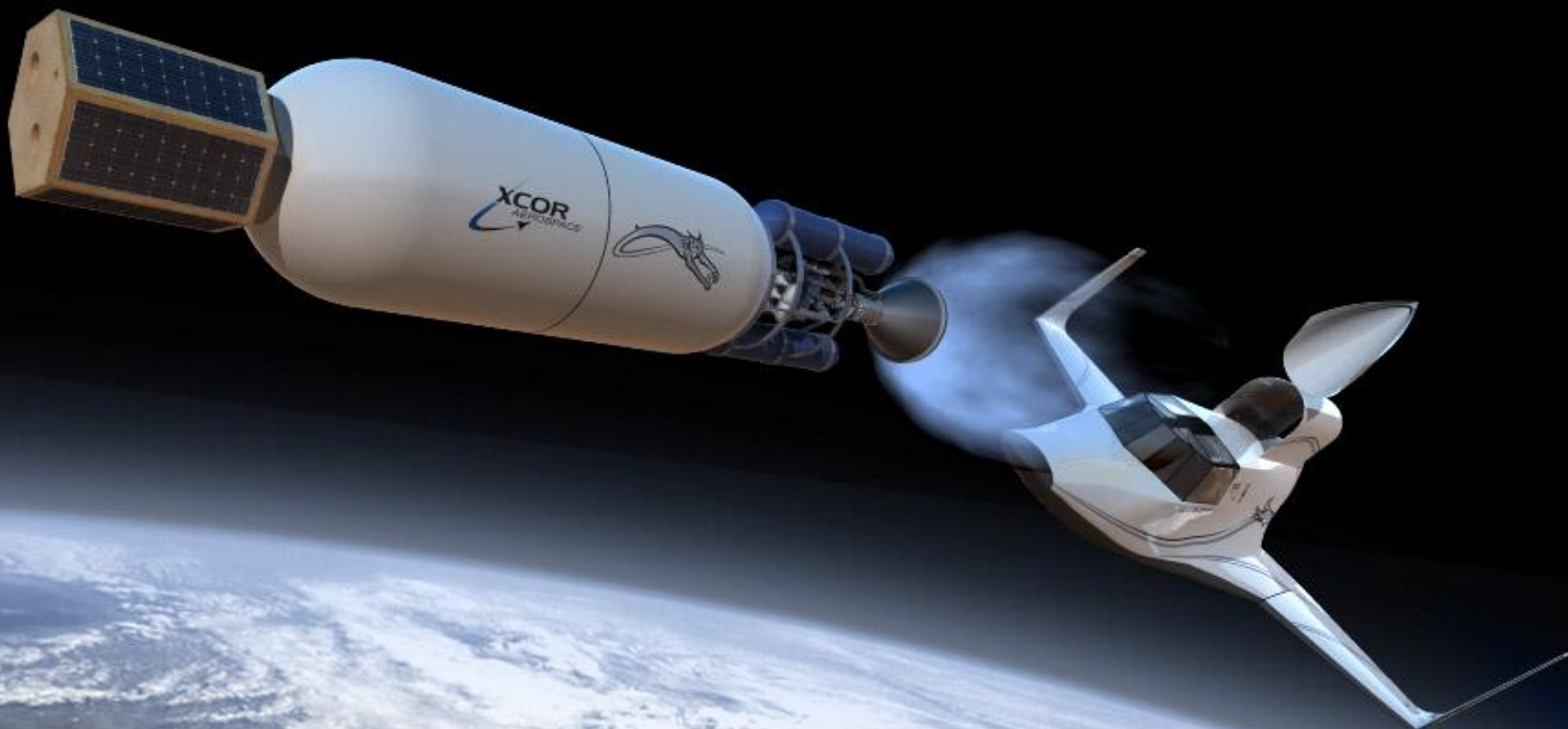
\$1.4B

SmallerSats

Breakouts (All Values in \$MM)



EO – Earth Observation ROW – Rest of World



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