

**QUARTERLY FINANCIAL INFORMATION**
**EUTELSAT COMMUNICATIONS REPORTS A 5.6% INCREASE IN REVENUE FOR THE THIRD QUARTER OF 2008-2009 FINANCIAL YEAR**

- **Nine month revenues up 7.1%, above the Group's annual growth objective**
- **Ongoing execution of investment programme: entry into service of HOT BIRD™ 9, EURO BIRD™ 9A and ATLANTIC BIRD™ 4A satellites**
- **Upward revision of revenue objective for 2008-2009 to over 925 million euros**

**Paris, May 14, 2009** - Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris: ETL), one of the world's leading satellite operators, today reported financial information for the third quarter ended March 31, 2009 and for the first nine months of its fiscal year 2008-2009.

*Revenue by application*

In millions of euros	3rd quarter ended March 31		Change	9 months ended March 31		Change
	2008	<b>2009</b>	in %	2008	<b>2009</b>	in %
Video Applications	164.9	<b>172.3</b>	+4.5%	484.2	<b>508.9</b>	+5.1%
Data & Value Added Services	40.0	<b>42.3</b>	+5.8%	114.9	<b>126.6</b>	+10.1%
Multi-usage	14.2	<b>19.7</b>	+38.3%	43.8	<b>54.7</b>	+24.9%
Other	4.8	<b>2.2</b>	n.a.	10.4	<b>9.9</b>	n.a.
<b>Total</b>	223.9	<b>236.5</b>	+5.6% <sup>1</sup>	653.3	<b>700</b>	+7.1% <sup>2</sup>

Commenting on the Group's results, Giuliano Berretta, Chairman and Chief Executive Officer of Eutelsat Communications said:

*"In the current economic environment our Group is fully benefiting from its solid model as an infrastructure business focused on digital broadcasting and broadband markets with lasting prospects for growth. Our leadership in the EMEA region, combined with this strong commercial positioning have resulted in continued growth of more than 5% for this quarter, consolidating our excellent perspectives for further development.*

*This performance is particularly remarkable in view of the quasi-stability of our in-orbit resources during the first nine months of the financial year.*

*Video Applications, our principal activity accounting for almost three quarters of our revenues, showed growth of 4.5% during the last quarter driven in particular by strong traction at our 9 degrees East neighbourhood serving western and central Europe, 16 degrees East addressing Balkan markets and 36 degrees East for video markets in Russia and Africa. The long-term nature of video contracts has also resulted in a 300 million euro increase in our backlog, to 3.8 billion euros.*

*The first-class quality of our video neighbourhoods is underscored by the results of our two-year survey on cable and satellite television penetration which show an increase in the number of homes receiving channels from our satellites in Europe, North Africa and the Middle East to 187 million from 165 million. In parallel, Data and Value-Added Services continue to show strong growth of 5.8% over the quarter, with the roll-out of the new Tooway™ residential broadband service which was launched at the end of 2007, picking up speed in 21 countries across Europe, including most recently in Ireland, Spain and the UK.*

<sup>1</sup> At a constant exchange rate, third quarter revenue growth would have been 3.6%.

<sup>2</sup> At a constant exchange rate, revenue growth for the first nine months would have been 5.7%.

*Continuing our longstanding commitment to innovation, we have initiated demonstrations of 3D broadcasting, which heralds a radically new way of experiencing cinema and television and which, like HDTV, will require the bandwidth and coverage supplied by satellites for transmitting to cinemas and theatres in the initial phase, and ultimately to consumers Direct-to-Home.*

*In terms of in-orbit resources, the end of the third quarter was marked by the entry into service of HOT BIRD™ 9 at 13 degrees East, EUROBIRD™ 9A at 9 degrees East and by ATLANTIC BIRD™ 4A at the 7 degrees West position which is operated in collaboration with the Egyptian satellite company Nilesat. These deployments have enabled us to meet the dual objective of increasing in-orbit redundancy at our premium HOT BIRD™ neighbourhood and boosting capacity at orbital positions with continuing potential for growth. Together with the launch in early April of W2A, these additional resources bring us higher flexibility and reduce the operational constraints resulting from the record fill rate of more than 97% at 31 December 2008.*

*With the combined effects of our excellent operational performance and the progressive availability of new satellite capacity, Eutelsat Communications is revising upwards its revenue objective for the financial year to more than 925 million euros, from the previously indicated objective of more than 910 million euros."*

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## REVENUE ANALYSIS

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Note: unless otherwise stated, all growth indicators or comparisons are made against the third quarter of the prior year. The share of each application as a percentage of total revenue is calculated excluding "other revenues".

### Video Applications (74% of revenues)

With a 4.5% increase in revenues of 172.3 million euros, Video Applications continue to register steady growth. This increase primarily reflects:

- **The strength of the HOT BIRD™** neighbourhood which broadcasts nearly 1,100 channels. In particular during the quarter, Globecast renewed to 2016 its contracts for the lease of five transponders while pay-TV clients, including Poland's Cyfrowy Polsat and Sky Italia (Italy) increased capacity.
- **The 9° East neighbourhood which was further consolidated** with the entry into service on February 24 of EUROBIRD™ 9A (formerly HOT BIRD™ 7A). This deployment increased the number of operational transponders at 9° East from 20 to 38 to further support rapid take-up of services. Benefiting from its proximity to the HOT BIRD™ neighbourhood, EUROBIRD™ 9A was broadcasting 220 channels as of March 31. During the third quarter, the KabelKiosk German digital cable platform began simulcasting at 9° East and ATLANTIC BIRD™ 2. The 9° East neighbourhood also benefited from the expansion of existing video clients including Russia's Platforma.

### Data and Value Added Services (18% of revenues)

Revenue from Data and Value Added Services is up by 5.8% to 42.3 million euros for the quarter.

**Data Services** increased by 9.2% at 33.1 million euros, confirming the recovery already recorded in the previous quarters. Emerging markets, led by the Middle East and Africa, are the main regions of growth, shown by new contracts with ACS (Angola), Hughes Network Systems, Etisalat (United Arab Emirates) and Algérie Telecom.

**Value Added Services** posted a slight decline of 0.5 million euros to 9.2 million euros due to an erosion of Euteltracs activity connected to the road haulage sector. Higher broadband traffic from D-Star™ and Tooway™ terminals deployed in the previous quarters partially offset lower equipment sales compared to the third quarter of the previous financial year, which was marked by the deployment of significant programmes, notably for Swisscom and the SNCF (French National Railway). Over the first nine months of the year Value Added Services were up by 9%, in line with the annual growth rate of previous years.

The Tooway™ consumer broadband service is developing in line with growing interest by European governments in satellite broadband, illustrated by the Plan Numérique 2012 in France,

Digital Britain in Great Britain and the Irish National Broadband Scheme in Ireland. During the quarter, the Group continued to rapidly expand its distribution network which now comprises 40 distributors in 21 countries, including most recently the UK, Ireland and Spain.

### **Multi-Usage (8% of revenues)**

Multi-Usage revenues were 19.7 million euros, up 38.3%<sup>3</sup> in the third quarter. This very favourable trend is in line with the first half of the year and can be attributed to:

- Renewals at higher prices of contracts which expired during previous quarters
- The appreciation of the US dollar against the euro during the period.

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## **YEAR-TO-DATE 2008-2009 REVENUE HIGHLIGHTS**

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Revenues for the first nine months of the 2008-2009 fiscal year are 700 million euros, up 7.1%<sup>4</sup> year-on-year. This progression is even more significant with respect to the quasi-stability of the Group's in-orbit resources over the first nine months of the year as almost all new capacity entered into service from February-March 2009.

### **All of the Group's applications have shown growth:**

- **Video Applications (+5.1%).** Taking full advantage of the strength of the HOT BIRD™ neighbourhood the Group renewed at higher tariffs all contracts which expired at this orbital position during the period. The Group also further anchored other positions, including 36° East, 16° East, 9° East, 7° East and 7° West which address rapidly-expanding broadcast markets in Russia, Africa, Turkey, the Middle East, as well as Central and Eastern Europe where it has a long-standing presence.
- **Data and Value Added Services (+10.1%).** Driven by strong demand from emerging markets and from broadband users located beyond range of terrestrial networks, Data and Value Added Services show robust growth of 10.4% for Data Services and 9% for Value Added Services.
- **Multi-Usage (+24.9%).** This remarkable growth is driven by the combination of two favourable trends:
  - Sustained capacity demand for government applications in the Middle East and central Asia
  - A volume/price effect resulting from new contracts and the renewal of contracts at higher prices
  - The appreciation of the US dollar against the euro<sup>5</sup>.

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## **EVOLUTION OF THE SATELLITE FLEET**

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### **New capacity and satellite redeployment programmes.**

As of March 31, 2009, the Group's in-orbit operational resources were 527 transponders in comparison to 501 transponders as of 31 December 2008.

The main developments to the satellite fleet which took place during the third quarter and which are scheduled to take place in the fourth quarter are:

- January 2009: entry into service of two transponders on the Express A4 satellite under the name ATLANTIC BIRD™ 14 at 14° West in order to ensure continuity of service for clients formerly using Express A3.
- February 17, 2009: entry into service of HOT BIRD™ 9 at 13° East, releasing HOT BIRD™ 7A.

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<sup>3</sup> At a constant exchange rate, revenue growth for multi-usage applications would have been +17.5% compared to the third quarter 2008.

<sup>4</sup> At a constant exchange rate, revenue growth would have been 5.7%

<sup>5</sup> At a constant exchange rate, revenue growth for multi-usage applications would have been +14.6% compared to the first nine months of 2007-2008

- February 24, 2009: redeployment of HOT BIRD™ 7A to 9° East under the name EUROBIRD™ 9A.
- March 30, 2009: entry into service of ATLANTIC BIRD™ 4A (launched as HOT BIRD™ 10) at 7° West.  
  
May 19, 2009: entry into service of the C-band and Ku band capacity on W2A at 10° East. The Group also confirms that current evaluation of the in-orbit tests performed on the S-band payload belonging to Solaris Mobile indicate an anomaly which requires further tests, in collaboration with prime contractor Thales Alenia Space.
- May 23, 2009 entry into service of ATLANTIC BIRD™ 4 at 16° East under the name EUROBIRD™ 16.
- Early June 2009: redeployment of W1 to 4° East under the name EUROBIRD™ 4A

With the entry into service of new satellites and the dynamic management of existing resources, in-orbit operational capacity is expected to reach 574 transponders by June 30, 2009.

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### **OTHER HIGHLIGHTS AND RECENT EVENTS**

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- **Commissioning of the W3C satellite**

Thales Alenia Space has been commissioned to deliver the W3C satellite. This order follows Eutelsat's decision taken in January 2009 not to integrate the W2M satellite into its fleet following a major anomaly. As a consequence of this incident, Eutelsat decided that the already-ordered W3B satellite will replace W2M at the 16° East position. W3C was subsequently ordered to assume W3B's initial mission: to increase resources and raise in-orbit security at 7° East and ensure a solution for continuity of service in the event of the loss of the W7 or W3B satellites.

- **Strategic Agreement with Nilesat and procurement of ATLANTIC BIRD™ 7**

On March 24, the Group announced the signature of a new strategic agreement with the Egyptian operator Nilesat to pursue joint development of the 7° West neighbourhood.

With more than 450 channels already reaching over 38 million homes this neighbourhood is a premium location for satellite broadcasting in rapidly-expanding markets in the Middle East and North Africa.

In the framework of this agreement, on March 30 Eutelsat deployed HOT BIRD™ 10, under the name ATLANTIC BIRD™ 4A, to 7 degrees West. Co-located with the Nilesat 101 and Nilesat 102 satellites, ATLANTIC BIRD™ 4A has increased Eutelsat's operational resources at this position from 15 to 26 transponders.

In a second step, after the launch in mid-2010 of the Nilesat 201 satellite Eutelsat will deploy ATLANTIC BIRD™ 7, ordered from Astrium, at 7° West to further raise Group capacity from 26 to up to 50 transponders. The launch of this satellite is scheduled for 4<sup>th</sup> quarter 2011. ATLANTIC BIRD™ 4A will subsequently be relocated to 13° East under its original name of HOT BIRD™ 10 in order to complete the in-orbit redundancy programme at the HOT BIRD™ neighbourhood.

The corresponding investment is included in the capital expenditure programme covering the 2008-2011 period and which amounts to 450 million euros on average per year.

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### **2008-2009 OUTLOOK**

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With the combined effects of the Group's excellent operational performance and the progressive availability of new satellite capacity, Eutelsat Communications is revising upwards its revenue objective for the financial year to more than 925 million euros from the previously indicated objective of more than 910 million euros.

The Group is maintaining all other annual objectives, including a more than 78% EBITDA margin for the current financial year.

An update of the outlook for the 2009-2012 period will be provided with the announcement of the 2008-2009 results, on July 31.

### Financial calendar

- July 31, 2009: full year results.
- November 2009:
  - First quarter 2009-2010 revenues
  - Annual General Meeting of shareholders

The above financial calendar is provided for information purposes only. It is subject to change and will be regularly updated.

### About Eutelsat Communications

Eutelsat Communications (Euronext Paris: ETL, ISIN code: FR0010221234) is the holding company of Eutelsat S.A.. With capacity commercialised on 27 satellites that provide coverage over the entire European continent, as well as the Middle East, Africa, India and significant parts of Asia and the Americas, Eutelsat is one of the world's three leading satellite operators in terms of revenues. At 31 March 2008, Eutelsat's satellites were broadcasting almost 3,200 television channels and 1,100 radio stations. More than 1,100 channels broadcast via its HOT BIRD™ video neighbourhood at 13 degrees East which serves over 120 million cable and satellite homes in Europe, the Middle East and North Africa. The Group's satellites also serve a wide range of fixed and mobile telecommunications services, TV contribution markets, corporate networks, and broadband markets for Internet Service Providers and for transport, maritime and in-flight markets. Eutelsat's broadband subsidiary, Skylogic, markets and operates services through teleports in France and Italy that serve enterprises, local communities, government agencies and aid organisations in Europe, Africa, Asia and the Americas. Headquartered in Paris, Eutelsat and its subsidiaries employ 591 commercial, technical and operational experts from 28 countries.

[www.eutelsat.com](http://www.eutelsat.com)

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## Appendix

### Quarterly revenues by business application

In million euros	2007-2008				2008-2009		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Video Applications	158.1	161.2	164.9	165.2	166.7	169.8	172.3
Data & Value Added Services	37.3	37.7	40.0	37.5	41.1	43.2	42.3
<i>Data Services</i>	<i>29.1</i>	<i>28.9</i>	<i>30.3</i>	<i>29.4</i>	<i>31.4</i>	<i>33.1</i>	<i>33.1</i>
<i>Value Added Services</i>	<i>8.2</i>	<i>8.7</i>	<i>9.7</i>	<i>8.1</i>	<i>9.7</i>	<i>10.1</i>	<i>9.2</i>
Multi-Usage	14.5	15.0	14.2	14.3	15.6	19.3	19.7
Others	2.0	3.6	4.8	7.4	3.2	4.5	2.2
<b>Total</b>	<b>211.9</b>	<b>217.5</b>	<b>223.9</b>	<b>224.4</b>	<b>226.7</b>	<b>236.8</b>	<b>236.5</b>

**Revenue breakdown excluding other revenues**

9 months	<b>2008</b>	<b>2009</b>
Video Applications	75%	74%
Data & Value Added Services	18%	18%
Multi-Usage	7%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>