

**EUTELSAT COMMUNICATIONS REPORTS FURTHER GROWTH IN PROFITS FOR THE FIRST HALF 2009-2010
THE GROUP RAISES ITS 2009-2010 OBJECTIVES**

- Continued strong revenue growth (+9.6%) across all business applications
- EBITDA¹ margin maintained at the highest level of leading satellite operators: 81%
- Record 19.1% increase in backlog, which is equivalent to 4.2 years of annual revenues
- High level of net cash flow from operating activities, representing 62.3% of revenues
- Revised 2009-2010 objectives: revenues exceeding €1,020 million and EBITDA above €795 million

Paris, February 18, 2010 – The Board of Directors' meeting of Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris: ETL), under the chairmanship of Giuliano Berretta, met yesterday and reviewed the results for the first half year ended December 31, 2009.

Six months ended December 31		2008	2009	Change
Key elements of consolidated income statement				
Revenues	€m	463.5	508.0	+9.6%
EBITDA	€m	375.0	411.6	+9.7%
EBITDA margin	%	80.9	81.0	+0.1 pt
Group share of net income	€m	135.2	139.5	+3.2%
Diluted earnings per share	€	0.615	0.634	+3.1%
Key elements of consolidated cash flow statement				
Net cash flow from operating activities	€m	353.7	316.4	-10.5%
Capital expenditure	€m	140.6	226.1	+60.8%
Operating free cash flow	€m	213.1	90.2	-57.7%
Key elements of financial structure				
Net debt	€m	2,408	2,440	+1.3%
Net debt/EBITDA ²	X	3.34	3.13	
Backlog				
Backlog	€bn	3.5	4.2	+19.1%

Commenting on the first half 2009-2010 results, Michel de Rosen, CEO of Eutelsat Communications, said:

"The strong progress of Eutelsat's results for our first half-year once again underlines the commercial momentum of our markets. It also highlights the efficiency with which our strategy has been implemented over the last years through clearly targeted and entirely self-financed investments. New satellite resources deployed during the past 12 months have been rapidly leased, enabling our revenues to increase by 9% and our backlog by more than 19%. Eutelsat continues to benefit from a very high level of profitability and exceptional visibility on revenues, which now represent more than four years of annual turnover. With this momentum, we are revising upwards our revenue objective to more than €1,020 million with EBITDA in excess of €795 million for the current fiscal year. For the 2009-2012 period, we are now targeting a compound annual revenue growth rate of more than 7%".

¹ EBITDA is defined as operating income before depreciation, amortisation and other operating income/charges (impairment charges, dilution profits (losses), insurance compensations, etc.).

² On a twelve months rolling basis.

STRONG GROWTH ACROSS ALL BUSINESS APPLICATIONS

Note: Unless otherwise stated, all growth indicators or comparisons are made against the previous fiscal year or December 31, 2008. The share of each application as a percentage of total revenues is calculated excluding "other revenues" and "one-off revenues".

Revenues by business application (in millions of euros)

Six months ended December 31	2008	2009	Change	
			(in € million)	(in %)
Video Applications	336.6	361.4	+24.8	+7.4%
Data & Value Added Services	84.2	96.4	+12.2	+14.4%
<i>Data Services</i>	64.5	74.2	+9.8	+15.2%
<i>Value Added Services</i>	19.8	22.2	+2.4	+12.1%
Multi-usage	34.9	44.4	+9.5	+27.1%
Others	7.7	2.7	-5.0	-
Sub-total	463.5	504.9	+41.4	+8.9%
One-off revenues ³	-	3.2	+3.2	-
Total	463.5	508.0	+44.6	+9.6%

At a constant euro-dollar exchange rate, revenue growth would have been 11% compared with the first half of the 2008-2009 fiscal year. Excluding one-off revenues and at a constant euro-dollar exchange rate, growth would have been 10.3%.

VIDEO APPLICATIONS (72% of revenues⁴)

Video Applications registered another six months of strong growth (+7.4%), driven by the full effect of contracts activated with the entry into service of three satellites and the redeployment of three further satellites in stable orbit during the second half of the previous fiscal year.

The number of TV channels broadcast by Eutelsat's fleet at December 31, 2009 was up by 230 to 3,448 (+ 7.1% year-on-year). HDTV channels increased by 27 to more than 100 (up 37% year-on-year).

New in-orbit resources in particular enabled:

- Further strengthening of the HOT BIRD™ neighbourhood, underscored by the extension of long-term contracts with anchor customers, including Sky Italia (Italy) and TPSA for Orange (Poland). At the end of the first half 2009-2010, the number of channels broadcast at the HOT BIRD™ neighbourhood totalled 1,079, of which 38 in HD;
- Increased capacity to be deployed for rapidly growing markets in the Middle East, Central and Eastern Europe, Russia and Africa. At December 31, 2009, the four neighbourhoods specifically addressing these markets (7° West, 7° East, 16° East, 36° East) were broadcasting 1,330 channels, of which 28 in HD.

DATA and VALUE-ADDED SERVICES (19.2% of revenues)

Data Services registered strong revenue growth of 15.2%, which was sustained by the entry into service in May 2009 of the W2A satellite at 10° East. This satellite principally responds to requirements for interconnecting mobile and corporate networks in Africa, Central Asia and the Middle East.

More generally, the Group benefited from the increasing take-up of Internet traffic, its satellites being a solution for backbone Internet connectivity for Internet Service Providers operating in regions beyond range of fibre. New contracts were activated with operators which include Telespazio, France Telecom, ACS Angola, Hughes Network Systems, the London Satellite Exchange, Horizon Satellite, Vizada Networks and British Telecom.

Value-Added Services, which encompass satellite capacity and supply of user equipment and services, continued to post sustained growth of 12.1% driven by strong demand for satellite-based Internet solutions able to close the digital divide in areas beyond terrestrial broadband networks. In the first half 2009-2010 revenues from Value-Added Services were driven by:

³ Non-recurring revenues comprise late delivery penalties and outage penalties

⁴ Percentage calculated excluding "other revenues" and "one-off revenues"

- Increased traffic through the installed base of D-STAR terminals which are principally used for broadband connectivity for enterprises, schools and communities, in particular in the Middle East and Africa;
- Continued roll-out across Europe of the Tooway™ consumer broadband service. At December 31, 2009 the distribution network for Tooway™ comprised 58 partners in 26 countries. The service was notably recently selected by SFR in France to offer broadband to homes and businesses not eligible for ADSL under the label “SHD broadband for all with SFR”.

MULTI-USAGE (8.8% of revenues)

Multi-usage services (up 27.1%) continue to benefit from strong demand from governments, notably to serve regions in Central Asia and the Middle East. All contracts coming up for renewal were extended during the first half and new contracts were signed, in particular for capacity on the EUROIRD™ 4A⁵ satellite which was relocated in June 2009. At constant euro-dollar exchange rate, revenue growth would have been 33.5%.

Other revenues and one-off revenues

The decline in “Other revenues” can be attributed to lower gains on currency hedging instruments. In the first half of the previous fiscal year, “Other revenues” also included various invoices to Solaris Mobile.

One-off revenues booked in the first half 2009-2010 correspond to late delivery penalties related to the W2A satellite.

RECORD 19.1% BACKLOG INCREASE TO €4.2 BILLION

Backlog main indicators

	31/12/08	30/06/09	31/12/09
Value of contracts (in billions of euros)	3.5	3.9	4.2
Weighted average residual life of contracts (in years)	7.7	7.8	8.2
Share of Video Applications	92%	92%	93%

The €670 million increase in backlog reflects the conclusion of significant long-term contracts in markets which include Africa, the Middle East and Russia, notably on the following satellites:

- W7 (36° East):
 - Renewal of 14 transponders and lease of six additional transponders by MultiChoice Africa for DStv, the leading pay-TV platform across sub-Saharan Africa;
 - Lease by the Russian operator Intersputnik of 16 transponders to boost channels offered in the NTV Plus and Tricolor TV platforms.
- ATLANTIC BIRD™ 4A (7° West):
 - Expansion of resources leased by the Egyptian operator Nilesat, within the framework of the development of this neighbourhood, jointly operated by both companies, for video broadcasting across the Middle East, the Gulf and North Africa.

This performance substantially increases the Group’s long-term visibility on revenues and on cash flow. The backlog is equivalent to more than 4.2 times annual revenues, with weighted average residual life of contracts exceeding eight years.

8.8% INCREASE IN THE NUMBER OF LEASED TRANSPONDERS

As of December 31, 2009, the Group was operating 609 transponders in stable orbit. This year-on-year increase (+21.6%) reflects the launch of three satellites in the second half of the previous fiscal year and the redeployment of three others, as well as the optimisation of operational resources on the ATLANTIC BIRD™ 4A and W2A satellites.

The efficiency with which these operations were conducted enabled the Group to lease 43 additional transponders over the 2009 calendar year, and to significantly improve the operating flexibility of the fleet: the fill rate was brought back to 87.4% as of December 31, 2009.

⁵ Formerly W1 which was redeployed to 4° East.

⁶ Backlog represents future revenues from capacity lease agreements (including contracts for satellites yet to be delivered). These capacity lease agreements can be for the entire operational life of the satellites.

Fleet evolution

	June 30, 2008	December 31, 2008	June 30, 2009	December 31, 2009
Operational transponders ⁷	501	501	589	609
Leased transponders ⁸	468	489	523	532
Fill rate	93.4%	97.6%	88.8%	87.4%

NB: The W7 satellite is not included in the above table.

FURTHER IMPROVEMENT OF PROFITS

Extract from the consolidated income statement (in millions of euros)⁹

Six months ended December 31	2008	2009	Change (%)
Revenues	463.5	508.0	+9.6%
Operating expenses ¹⁰	(88.4)	(96.5)	+9.1%
EBITDA	375.0	411.6	+9.7%
Depreciation and amortisation ¹¹	(143.4)	(157.3)	+9.7%
Other operating revenues (costs)	24.6	(0.4)	NM
Operating income	256.3	253.9	-0.9%
Financial result	(49.8)	(40.6)	-18.5%
Income tax	(71.2)	(74.5)	+4.6%
Income from equity investments	6.7	7.5	+11.0%
Minority interests	(6.8)	(6.8)	-0.7%
Group share of net income	135.2	139.5	+3.2%

EBITDA margin maintained at the highest level of leading satellite operators

EBITDA is up €36.5 million compared to the first half of the previous fiscal year thanks to excellent commercial performance and continued good cost control.

As in previous years, there is some seasonality in the EBITDA margin, which also includes reimbursement of €3.2 million of mandatory taxes.

At 81%, the EBITDA margin remains the highest of leading satellite operators.

Group share of net income up to €139.5 million

Net income Group share recorded another semester of growth of + 3.2%.

This improvement stands out against the €25 million non-recurring profit for the disposal of certain rights in Hispasat that boosted the first half of the previous fiscal year.

The year-on-year change in net income consequently reflects the following elements:

- Slight contraction in operating income (by €2.4 million) explained by the absence of the previously mentioned non-recurring profit of €25 million¹² and by a €13.9 million increase in depreciation reflecting the entry into service of new satellites and the end of depreciation of the W2 satellite effective in July 2009.
- €9.2 million improvement in net financial charges, mainly due to the effect of lower interest rates;
- Slightly higher tax charge (up €3.3 million) reflecting the rise in Group profits during the semester;

7 Number of transponders in stable orbit, excluding spare capacity.

8 Number of transponders leased on satellites in stable orbit.

9 For more detail, please refer to Group interim consolidated accounts at www.eutelsat.com.

10 Operating expenses is defined as the sum of cost of operations and of sales & administrative expenses.

11 Comprises amortisation expense of €22.2 million corresponding to the intangible asset "Customer Contracts and Relationships" identified during the acquisition of Eutelsat S.A. by Eutelsat Communications.

12 Excluding this non-recurring item, operating income would have risen by 9.8%

- €0.8 million increase in income from equity investments, reflecting the excellent commercial and operating performance of Hispasat, the leading satellite operator in Spanish and Portuguese-language markets, of which Eutelsat owns 27.69%.

HIGH LEVEL OF NET CASH FLOW FROM OPERATING ACTIVITIES

Net cash flow from operating activities: €316.4 million, or 62.3% of revenues

The Group continued to generate strong net cash flow from operating activities, highlighting the strength of its business model. The €37.3 million decrease over the first half 2008-2009 can be mainly attributed to:

- Payment in the first half 2009-2010 of a €24.9 million income tax balance related to the fiscal year 2008-2009 compared to a €21.6 million reimbursement of income tax in the first half 2008-2009;
- One-off inflow of €25 million in the first half 2008-2009¹³.

At €90.2 million, operating free cash flow remains largely a surplus. The change compared with the first half 2008-2009 is due to increased capital expenditures which amounted to €226.1 million. This is fully in line with the 3-year objective disclosed in July 2009 of on average €450 million investment par annum. These investments were dedicated to:

- Completion of the W7 programme and the satellite's launch on November 24, 2009;
- On-going manufacturing of satellites ordered during the previous fiscal years: W3B, KA-SAT, W3C and ATLANTIC BIRD™ 7.

Strengthening of Group financial structure

The net debt¹⁴ to EBITDA ratio improved to 3.13x, down from 3.34x a year ago. It is stable compared to June 30, 2009, despite the 10% dividend increase at €156.2 million.

Net debt to EBITDA ratio

At December 31		2008	2009	Change
Net debt at the beginning of the period	€m	2,422	2,326	-96
Net debt at the end of the period	€m	2,408	2,440	+32
Net debt / EBITDA¹⁵	X	3.34	3.13	

As a reminder, the Group's financial debt comprises two syndicated facilities:

- €1.9 billion (of which €300 million undrawn) with maturity ending in June 2013;
- €1.3 billion (of which €400 million undrawn) with maturity ending in November 2011.

During previous fiscal years, the Group put hedging instruments in place against interest rate variations covering a large part of syndicated facilities up to their maturity. The average cost of debt drawn by the Group during the first half 2009-2010 was 3.47%, net of hedging effects.

Since autumn 2009 the two credit rating agencies (Moody's and Standard & Poor's) have upgraded their ratings which stands now investment grade. Eutelsat intends to maintain a solid financial structure, with a net debt to EBITDA ratio below 3.5x, in line with this rating.

GROWTH OBJECTIVES RAISED

Given the excellent performance achieved in the first half of its fiscal year, supported by the successful entry into service of the W7 satellite at 36°East the Group is revising upwards its full year objectives disclosed last July. For the current fiscal year, the Group now targets,

- Revenues above €1,020 million, compared to more than €1 billion;

¹³ Following the sale of certain rights in Hispasat.

¹⁴ Net debt includes all bank debt and all liabilities from long-term lease agreements, less cash and cash equivalents and marketable securities (net of bank credit balances).

¹⁵ On a twelve months rolling basis

- EBITDA in excess of €795 million, compared to the previous objective of over €780 million.

In addition, the Group targets revenue CAGR of more than 7% for the period 2009-2012 and reiterates the profitability, capital expenditure and distribution policy objectives for this period that were disclosed on July 31, 2009.

RECENT EVENTS

Continuation of the programme to renew and expand in-orbit resources

During the first half 2009-2010, the Group continued to implement its investment programme which covers the launch of five satellites (W7, W3B, KA-SAT, W3C, ATLANTIC BIRD™ 7) from mid-2009 to end-2011.

Entry into service of W7

In November 2009, the W7 satellite (70 operational transponders) was successfully launched to 36° East for collocation with W4.

Following the satellite's entry into service in January 2010, the Group now operates more than 650 transponders on its fleet (situation February 18, 2010).

Reconfiguration of capacity at the 16° East neighbourhood

At the beginning of January 2010, the W2M satellite was deployed to 16° East to be collocated with the EUROBIRD™ 16 (formerly ATLANTIC BIRD™ 4) and W2 satellites. The SESAT 1 satellite was also redeployed to this position following the entry into service in early January 2010 of W7 at 36° East.

This configuration of resources at 16° East enabled the Group to manage the failure of the W2 satellite, which took place on January 27, 2010, and to restore all services previously provided through W2 by the end of the following day. Depreciation of W2 ended in July 2009.

This configuration of three satellites enables Eutelsat to operate up to 40 transponders at 16° East, and will be maintained until the entry into service of the W3B satellite following its launch between August and September 2010.

Strategic partnership with Asia Broadcast Satellite (ABS)

Within the framework of a strategic partnership agreement signed between Eutelsat and Asia Broadcast Satellite (ABS), the EUROBIRD™ 4¹⁶ satellite, operating eight transponders, was redeployed in inclined orbit to 75° East and renamed W75/ABS-1B. This agreement enables a commercial offer to be launched at this new orbital position in partnership with ABS to address markets in the Middle East, central Asia and Russia.

Update on satellite launch schedule

Eutelsat has revised the launch arrangements for the W3B satellite. In agreement with the spacecraft's prime contractor, Thales Alenia Space, to safeguard its delivery schedule, W3B will be launched by an Ariane 5 vehicle between August and September 2010. The Long March launch originally assigned for W3B has consequently been reallocated to W3C, for launch between June and September 2011. The KA-SAT satellite will be launched by Proton between November 2010 and January 2011.

The W3B and W3C satellites will enable Eutelsat to renew and expand resources at 16 and 7° East, addressing dynamic video markets in Europe, Turkey and Indian Ocean islands. W3C will also significantly boost resources for professional video and data markets in Europe, North Africa and the Middle East. KA-SAT is the first pan-European Ka-band satellite optimised for mass-market delivery of consumer broadband services. It will be able to serve over one million homes beyond range of high-speed terrestrial networks.

* * *

Documentation

Consolidated accounts are available at www.eutelsat.com

¹⁶ EUROBIRD™4 is now in inclined orbit; its transponders are therefore no longer included in the fleet's number of operational transponders.

Conference call

Eutelsat Communications will also hold a conference call in English for analysts and investors on February 18. The call will begin at 4pm Paris time (New York: 10am, London: 3pm). Call-in numbers are:

- 01 70 99 42 88 (from France)
- +44 207 138 0845 (from Europe)
- +1 212 444 0895 (from United States).

A replay of the call will be available from February 18 at 7:30pm (Paris time) to February 24, midnight, by dialling:

- 01 74 20 28 00 (from France)
- +44 207 111 1244 (from Europe)
- +1 347 366 9565 (from United States).

Access code: 2450623#.

A presentation and consolidated accounts will be available on the Group's website (www.eutelsat.com) from 8am (Paris time) on February 18, 2010 and the webcast of the conference call will be available from February 19, 2010.

Financial calendar

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

- May 11, 2010: financial report for third quarter ended March 31, 2010.
- July 29, 2010: earnings for the full year ended June 30, 2010

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 December 2009, Eutelsat's satellites were broadcasting more than 3,400 television channels and close to 1,100 radio stations. More than 1,000 channels broadcast via its HOT BIRD™ video neighbourhood at 13 degrees East which serves over 123 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 615 commercial, technical and operational employees from 28 countries.

www.eutelsat.com

For further information

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Appendix

Change in net debt (in millions of euros)

Six months ended December 31	2008	2009	Change (%)
Net cash flow from operating activities	353.7	316.4	-10.5%
Capital expenditure	(140.6)	(226.1)	+60.8%
Operating free cash flow	213.1	90.2	-57.7%
Interest and other fees paid, net	(49.7)	(43.7)	-12.1%
Acquisition of minority interests	(1.8)	(3.1)	
Distributions to shareholders (including minority interests)	(141.7)	(156.2)	+10.2%
Other	(5.6)	(1.1)	
Decrease (increase) in net debt	14.3	(113.9)	

*Revenue breakdown by application (in percentage of revenues)**

Six months ended December 31	2008	2009
Video Applications	73.8%	72.0%
Data & Value-Added Services	18.5%	19.2%
.....of which Data Services	14.1%	14.8%
.....of which Value-Added Services	4.3%	4.4%
Multi-usage	7.7%	8.8%
Total	100%	100%

*excluding other revenues and one-off revenues (€7.7 million in H1 2008-2009 and €5.9 million in H1 2009-2010)

Quarterly revenues by business application

In millions of euros	Three months ended			
	30/09/2008	31/12/2008	30/09/2009	31/12/2009
Video Applications	166.7	169.8	180.8	180.6
Data & Value-Added Services	41.1	43.2	47.7	48.7
<i>Data Services</i>	31.4	33.1	36.9	37.3
<i>Value-Added Services</i>	9.7	10.1	10.7	11.5
Multi-usage	15.6	19.3	22.9	21.5
Other	3.2	4.5	1.7	1.0
Sub-total	226.7	236.8	253.0	251.8
One-off revenues	-	-	-	3.2
Total	226.7	236.8	253.0	255.0

Channels at video neighbourhoods serving Central and Eastern Europe, Russia, Middle East, Africa

Orbital position	Markets	31/12/2007	31/12/2008	31/12/2009
7°West	North Africa and the Middle East	117	158	275
7°East	Turkey	180	199	191
16°East	Balkans and Indian Ocean islands	325	384	410
36°East	Russia and Africa	336	440	454
Total		958	1,181	1,330

Estimated satellite launch schedule

Satellite	Estimated launch	Transponders
W3B	August - September 2010	53 Ku / 3 Ka
KA-SAT	November 2010 – January 2011	> 80 Ka beams
W3C	June – September 2011	53 Ku / 3 Ka
ATLANTIC BIRD™ 7	September – December 2011	50 Ku

Note: Satellites generally enter into service one to two months after launch.