

**EUTELSAT COMMUNICATIONS ANNOUNCES SIGNING OF  
SENIOR DEBT REFINANCING**

- Cost of senior debt facility reduced by 75 basis points, taking down the senior debt margin to 100 basis points
- Long-term protective hedging strategy on interest rates maintained
- Financial flexibility improved

Paris, June 8, 2006 - Eutelsat Communications (Euronext Paris: ETL), one of the world's leading satellite operators, today announced the launch of its debt refinancing process.

Eutelsat Communications signed a facilities agreement for a 1.9 billion euro loan fully arranged and underwritten by Banc of America Securities Ltd., BNP Paribas, Lloyds TSB Bank plc, and The Royal Bank of Scotland plc, who were appointed as Mandated Lead Arrangers and joint Bookrunners.

The proceeds of the refinancing will be used to repay in full before June 30, 2006, the 1.6 billion euro senior debt contracted by SatBirds Finance Sarl, a Luxembourg-based intermediate holding company between Eutelsat Communications and Eutelsat SA, and to increase financial flexibility of the Eutelsat Group.

The main benefits of the refinancing process are:

- To reduce the blended cost of senior debt by 75 basis points, taking down the senior debt margin to 100 basis points;
- To extend maturity of the senior debt to June 2013;
- To soften restrictive covenants thresholds.

The refinancing marks the first milestone in the Group corporate structure simplification process which aims to result in direct ownership of Eutelsat SA by Eutelsat Communications by fiscal year 2007-2008.

Improvement of senior debt profile

The newly raised senior debt combines a €1,615 million senior term loan facility with a €300 million senior revolving credit facility with the following terms:

	Senior Term Loan	Revolving Credit facility
Maximum principal amount	€1,615 million	€300 million
Maturity	June 2013	June 2013
Margin ratchet (bp)	75 - 162.5	75 - 162.5
Margin (as of June 8, 2006)	100	100
		Undrawn on closing

### A long-term protective interest rate hedging strategy

In the framework of the refinancing, the Group will maintain the long-term interest rate protective hedging strategy already in place:

- EURIBOR capped below 3.25% up to April 2008;
- EURIBOR capped below 3.75% beyond April 2008 until April 2010.

### Increased financial flexibility

The terms of the Group's new senior debt include the following financial covenants, providing the Group with additional financial flexibility:

- Net Debt to EBITDA less than or equal to 5.5x, decreasing over time.
- EBITDA to net cash interest payable greater than or equal to 2.75x.

Current leverage remains unchanged; Net Debt to EBITDA stood at 3.8x at December 31, 2005.

### Reduced interest charge from fiscal year 2006-2007 on

The senior debt refinancing is expected to lower the Group's interest charge by approximately 12 million euros per annum on a full year basis, from fiscal year 2006-2007 on.

The cost of the transaction will be amortised over seven years. In addition, this refinancing will lead to the non-cash write-off of 36 million euros of loan set-up fees related to former senior debt facilities which will be booked under financial expenses in the current fiscal year.

### About Eutelsat Communications

Eutelsat Communications (Euronext Paris: ETL, ISIN code: FR0010221234) is the holding company of Eutelsat S.A. The Group is a leading satellite operator with capacity commercialised on 23 satellites providing coverage over the entire European continent, as well as the Middle East, Africa, India and significant parts of Asia and the Americas. The Group is one of the world's three leading satellite operators in terms of revenues. Its satellites are used for broadcasting nearly 1,800 TV and 900 radio stations to more than 120 million cable and satellite homes. The Group also provides TV contribution services, corporate networks, mobile positioning and communications, Internet backbone connectivity and broadband access for terrestrial, maritime and inflight applications. Eutelsat Communications is headquartered in Paris, and the Group's workforce comprises over 480 from 27 countries.

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

#### **For further information**

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