

EUTELSAT PRESENTS THE RESULTS OF ITS 2001 INTERNATIONAL OBSERVATORY ON CABLE AND SATELLITE HOMES

Highlights of the 2001 results:

- **41%** of TV homes in the 38 countries surveyed are equipped for cable or satellite (direct-to-home/community) reception (**122 million** in 2001 compared with **111 million** in 2000)
- From 2000 to 2001 digital cable and satellite homes increased by **54%** in western and eastern Europe (to **21.7 million homes**)
- **19 million** homes subscribe to a digital multichannel offer in western and eastern Europe (**48%** increase between 2000 and 2001)
- **98 million** homes in the 38 countries surveyed receive channels broadcast via Eutelsat's HOT BIRD™ and EUROBIRD™ satellites, representing a penetration rate of **80%** (75% in 2000).
- **39%** of cable/satellite homes have a PC. **23%** have Internet access.

Paris, 8 November 2001

Eutelsat S.A., global satellite operator and European leader in TV and radio programme delivery, today announced the main results of its 2001 international observatory on cable/satellite homes, conducted in 38 countries in Europe, the Middle East and North Africa.

Set up in 1994, Eutelsat's observatory is the most extensive of its kind in Europe. Changes are measured using four key broadcasting indicators: method of reception (cable or satellite*), ratio between analogue and digital reception, pay-TV penetration and, with the take-up of multimedia via satellite, use of PCs and Internet access in TV households.

The observatory also enables Eutelsat to monitor the increase in the number of households receiving programmes broadcast by its HOT BIRD™ and EUROBIRD™ satellites in the 38 countries surveyed.

Developments in each country were measured and all results compared using information gathered by 10 market research groups (including Taylor Nelson Sofres, GFK, Ipsos and Gallup) who conducted interviews with 50,000 households using a standard questionnaire. Analysis of digital growth was conducted in 28 countries in western and eastern Europe where a base of digital customers was identified.

* direct-to-home/community reception

Countries monitored by Eutelsat's observatory:

Western Europe: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, UK.

Eastern Europe: Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Slovakia, Slovenia, Ukraine.

Middle East and North Africa*: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Saudi Arabia, Syria, Tunisia, Turkey.

Presentation of the main results for 2001

122 million homes in the 38 countries surveyed are equipped for cable or satellite reception - i.e. 41% of total TV households compared with 38% in 2000 (see Figures 1 and 2 in annex)

- This increase is in line with an 8% annual growth trend since 1994. In western Europe 53% of TV homes have either cable or satellite reception, 35% in North Africa and the Middle East, and 27% in eastern Europe. Countries observed in the Middle East and North Africa* show the highest growth rate, with a 23% increase between 2000 and 2001.

Of the 122 million homes, cable with 70.2 million homes continues to account for the largest method of reception (58% penetration). However, satellite reception rose 18% between 2000 and 2001 (54.3 million), while cable experienced 3.7% growth over the same period.

Between 2000 and 2001, digital cable and satellite reception increased by 54% in western and eastern Europe, with 21.7 million homes of a total 105 million equipped.

(see Figure 3 in annex)

- Over the same period, analogue reception equipment, representing 79% of the total market (83.3 million homes), slipped by 0.7%. Cable accounts for 19% (3.9 million) of digital reception and satellite for 81% (17.7 million). Of the 17.7 million homes, 15.3 million subscribe to pay-TV packages while 2.4 million receive free-to-air digital channels (1.1 million in 2000).

(*: Interviews conducted mainly in urban areas due to lack of information available in rural regions)

Of the 105 million cable/satellite homes in western and eastern Europe in 2001, 19 million subscribe to a digital multichannel offer (48% increase on 2000)

(see Figure 4 in annex)

- The UK represents 36% of these households. France, Italy, Spain, Portugal and Germany together account for 50%.
Of the 19 million subscriber homes, 80% are satellite homes (15.3 million) and 20% cable homes (3.9 million). This 80/20 ratio is observed in Italy, Spain, France and the UK. In Germany, digital channels via cable take the lead with 57%.

In 2001, 98.1 million households receive channels via the HOT BIRD™ and EUROIRD™ satellites, taking Eutelsat's level of penetration in these 38 countries to 80% (75% in 2000)

(see Figure 5 in annex)

- This result is the combination of the 10% penetration increase (between 2000 and 2001) of the five HOT BIRD™ satellites (93 million homes) and the entry into service of EUROIRD™ in April 2001 (5.3 million homes).
Penetration levels in cable/satellite households for each region are: 83% in western Europe, 77% in eastern Europe and 72% in North Africa and the Middle East.

39% of cable/satellite homes in 36 of the countries surveyed* are equipped with a PC. 23% have Internet access

(see Figure 6 in annex)

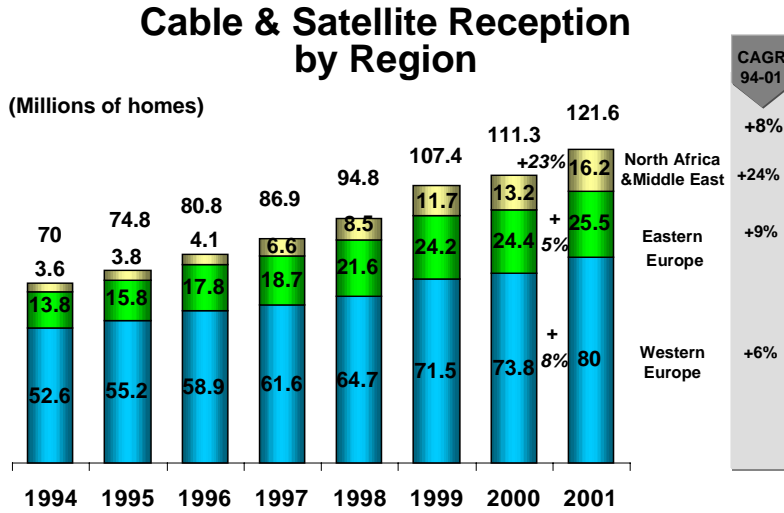
- The Eutelsat observatory has been researching PC installations and Internet access in cable/satellite homes since 1999, monitoring the development of digital TV interactive services and the emergence of audio and video-streaming on the Internet. The number of cable/satellite homes with a PC in 2001 stands at 42.3 million, of which 25.5 million have Internet access. Eutelsat focused on five countries (France, Germany, Italy, Spain, the UK) representing 57% of the total PC-equipped household base. A 23% increase between 2000 and 2001 was observed in these five countries.

The 42.3 million PC-equipped homes represent approximately one out of two cable/satellite homes in western Europe, one out of four in Africa and the Middle East, and one out of five in eastern Europe.

(* : information does not include Israel and Egypt)

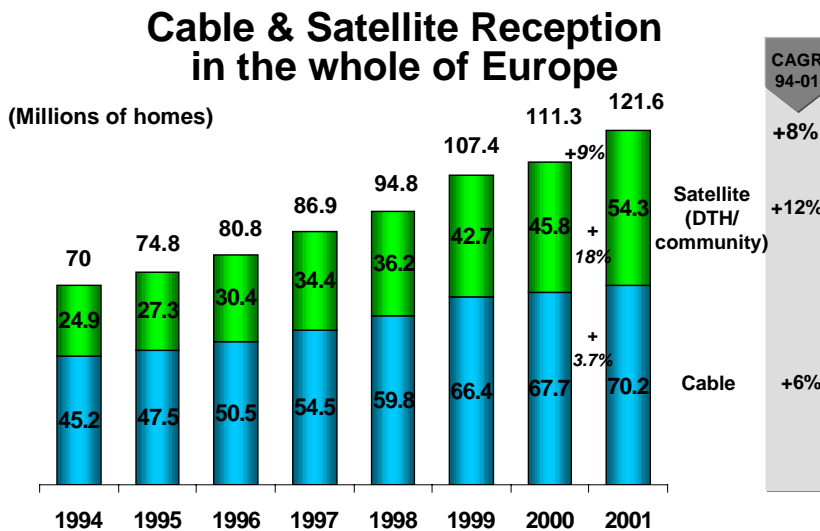
Annex:

Figure 1: Number of households (in millions) receiving satellite channels via cable or satellite by region. Total TV-equipped population base: 293 million.



Sources: Research institutes 2001, Eutelsat analysis

Figure 2: Number of households (in millions) receiving satellite channels by cable or satellite reception (DTH/community). Total TV-equipped population base: 293 million.



Sources: Research institutes 2001, Eutelsat analysis

Figure 3: Number of households (in thousands) with digital cable or satellite reception. Cable/satellite-equipped population base in western and eastern Europe: 105 million households.

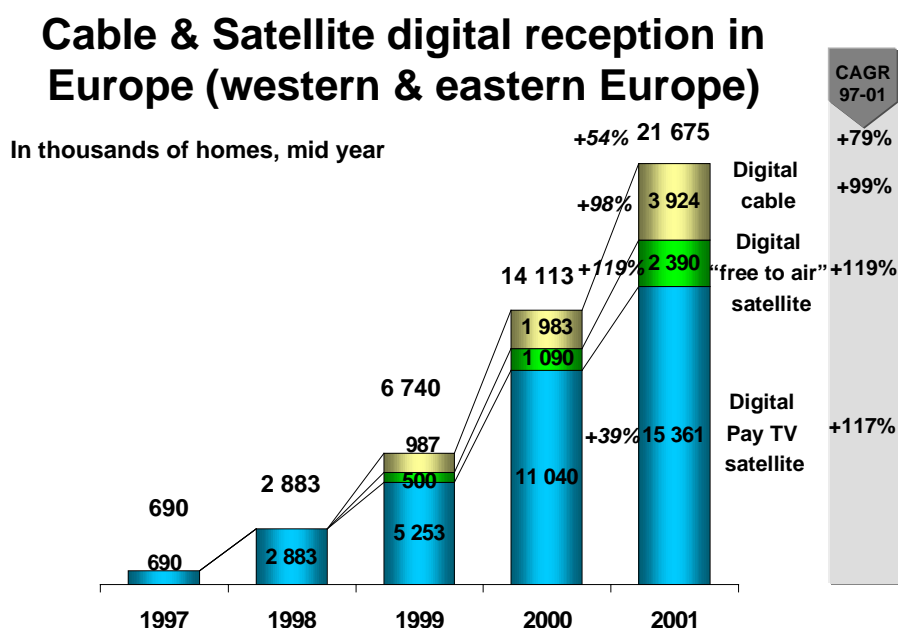


Figure 4: Number of households subscribing to a digital multichannel offer through cable or satellite. Cable/satellite-equipped population base in western and eastern Europe: 105 million households.

Digital Cable & Satellite pay-TV reception in Europe (western & eastern Europe)

Country	Digital Satellite Pay TV subscribers	% of total digital subscribers by country	Digital cable subscribers	% of total digital subscribers by country	Total digital subscribers	% of total digital subscribers
UK/Ireland	5 308 000	77.7%	1 525 733	22.3%	6 833 733	35.5%
France	2 735 000	82.7%	570 193	17.3%	3 305 193	17.2%
Italy	2 106 000	94.2%	130 000	5.8%	2 236 000	11.6%
Spain/Portugal	2 042 229	97.4%	55 000	2.6%	2 097 229	10.9%
Germany/Austria	910 000	42.8%	1 215 300	57.2%	2 125 300	11.0%
Scandinavian countries	915 620	81.1%	213 000	18.9%	1 128 620	5.9%
Poland	920 000	100.0%	0	0.0%	920 000	4.8%
Other Eastern Europe	250 500	100.0%	0	0.0%	250 500	1.3%
Belgium/Netherlands	74 000	30.4%	169 500	69.6%	243 500	1.3%
Greece	70 000	100.0%	0	0.0%	70 000	0.4%
Switzerland		0.0%	45 000	100.0%	45 000	0.2%
Total	15 331 349	79.6%	3 923 726	20.4%	19 255 075	100.0%

Figure 5: Number of households (in millions) receiving channels via HOT BIRD™ and EUROBIRD™ satellites. Total cable/satellite-equipped population base: 122 million.

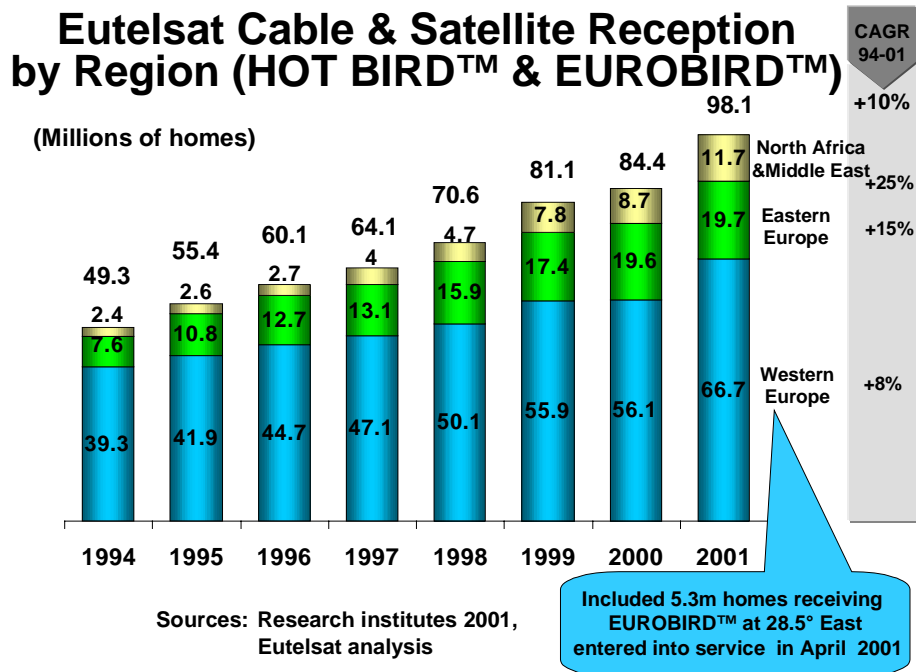


Figure 6: Comparison between multimedia equipment in cable/satellite homes and in all other TV homes. Segmentation by region. TV-equipped population base in the 38 countries included in the study (excluding Israel and Egypt): 269 million households.

Multimedia equipment in TV homes					
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in thousands of homes	TV Homes	PC in TV Homes	PC+Internet in TV homes	PC penetration %	PC+Internet penetration %
Western Europe	141 713	58 847	38 079	42%	27%
Eastern Europe	95 241	8 089	2 990	8%	3%
North Africa & Middle East	32 408	5 558	2 485	17%	8%
Total coverage	269 362	72 494	43 554	27%	16%
Multimedia equipment in cable&satellite homes					
in thousands of homes	Cable&satellite Homes	PC in cable&satellite Homes	PC+Internet in cable&satellite homes	PC penetration %	PC+Internet penetration %
Western Europe	70 330	33 034	21 523	47%	31%
Eastern Europe	25 450	5 428	2 130	21%	8%
North Africa & Middle East	13 950	3 815	1 810	27%	13%
Total coverage	109 730	42 277	25 463	39%	23%

About Eutelsat

Eutelsat S.A. is one of the world's leading satellite communications operators. With its fleet of 18 satellites and additional capacity on three other satellites Eutelsat provides seamless coverage across four continents, encompassing Europe, the Middle East, Africa, south-west Asia and North and South America. Six satellites are under construction with launches planned over the next two years. Eutelsat's satellite infrastructure gives it the flexibility to combine TV and radio services, rapid Internet access, multimedia entertainment, corporate network solutions and IP and non-IP business applications. From its strategic HOT BIRD™ orbital position, Eutelsat transmits most of its 996 television and 550 radio stations to 98 million households with cable or satellite, and 41% of its capacity is dedicated to IP and non-IP network applications. Company turnover for 2000 was €685 million. With headquarters in Paris, Eutelsat's workforce comprises 380 people from 23 countries. On 2 July 2001, Eutelsat restructured to become a private company under French law with Giuliano Berretta as Chairman of the Management Board.

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