

EUTELSAT ANNOUNCES HEADLINE RESULTS OF CABLE AND SATELLITE SURVEY

Full Survey to appear end-February

104.8 million homes in Europe, North Africa, Middle East receive channels broadcast through Eutelsat's HOT BIRD^ä satellites and EUROIRD^ä 1, representing 80% penetration

Result Highlights

- **43%** of all TV homes in 38 countries surveyed are now equipped for cable or satellite (direct-to-home/community) reception (**132 million** homes compared with **122 million** in 2001) showing a growth rate of 7% in the last 12 months.
- For the second consecutive year, direct satellite reception (DTH and community) progressed **five times** faster than cable.
- From June 2001 to Sept. 2002 digital cable and satellite reception increased by **26%** in western and eastern Europe (to **28.9 million**)
- **23.3 million** homes now subscribe to digital pay-TV in western and eastern Europe (**17%** increase between 2001 and 2002)
- **52%** of cable/satellite homes have a PC (23% growth between June 2001 and Sept. 2002). **37%** have Internet access (41% growth between June 2001 and Sept. 2002).

Paris, 27 January 2003

Eutelsat S.A., one of the world's largest satellite operators and the main capacity provider for TV and radio broadcasting in Europe, North Africa and the Middle East today announced the headline results of its 2003 Survey on cable and satellite reception.

Set up in 1994, the key objective of Eutelsat's Survey is to measure the growth of four indicators in broadcasting: type of reception (cable or satellite), ratio between analogue and digital reception, pay-TV take-up and the use of PCs and Internet access in TV homes as a result of the increase in interactive services and video and audio through the Internet.

The Survey also enables Eutelsat to monitor the increase in the number of homes receiving the channels from its HOT BIRDTM satellites and EUROIRDTM 1 that broadcast 60 per cent of the 1,250 channels and interactive services it delivers.

This update, conducted in September 2002, took in 21 countries that represent 80% of the total cable/satellite population in the 38 countries covered by the Survey. Fifteen market research groups (including Taylor Nelson Sofres, GFK, Nielsen, Ipsos and Gallup) conducted interviews with 26,400 households using a standard questionnaire. Analysis of digital growth was carried out in western and eastern Europe where an installed base of digital homes was identified for each country.

Presentation of the main results of Eutelsat Survey 2003

132 million homes in the 38 countries surveyed are now equipped for cable or satellite reception, representing 43% of total TV homes compared with 41% in June 2001 (122 million) (see Figures 1 and 2 in annex)

- This increase is in line with an 8% annual growth trend since 1994. In western Europe where 57% of TV homes have either cable or satellite (53% in 2001), 38% in North Africa and the Middle East (35% in 2001), and 26% in eastern Europe.
- **For the second consecutive year, direct reception via satellite (DTH and community) progressed five times faster than cable.**
- Of 132 million cable and satellite homes, cable remains the largest method of reception with a market share of 54% (72.1 million homes) compared to 58% in 2001. Direct reception via a satellite dish (DTH or community) rose by 11% between 2001 and 2002 (61.9 million homes) while cable experienced 2% growth over the same period. Between June 2000 and June 2001 growth rates for direct reception and cable were 18.6% and 3.7% respectively.

Of 114 million cable/satellite households in western and eastern Europe, digital reception (cable and satellite combined) represents 25% of the installed user base, i.e. 28.9 million households. Between June 2001 and September 2002, the growth rate was 26%. (see Figure 3 in annex)

- Of the 28.9 million digital homes, digital cable reception was 17% (5 million homes) and digital DTH/community reception was 83% (23.9 million homes). These figures compare with 19% (3.9 million homes) and 81% (17.7 million homes) respectively in June 2001.
- Of the 23.9 million digital satellite homes, 18.3 million subscribe to a pay-TV platform, and 5.6 million receive free-to-air channels.
- Analogue reception, that accounts for 74.6% of the market (79% in June 2001), continues to grow less quickly than digital.

Of the 114 million cable/satellite homes in western and eastern Europe, 23.3 million subscribe to digital pay-TV through direct reception or through cable. (see Figure 4 in annex)

- While maintaining double digit growth (+17%), the increase in subscribers to pay-TV slow down between June 2001 and September 2002 . The growth rate was 47% between June 2000 and June 2001.
- The UK represents 36% of these households. France, Italy, Spain, Portugal and Germany/Austria together account for 50%.
- Of the 23.3 million subscriber homes, 78% are satellite homes (18.3 million) and 22% cable homes (5 million). Direct reception is even more dominant in Spain/Portugal (97/3), Italy (93/7), France (81/19), the UK/Ireland and Scandinavia (75/25). In Germany, which has traditionally been more dominated by cable, digital satellite is now equivalent to digital cable in terms of market share (49.4/50.6).

104.8 million homes receive channels via the HOT BIRD™ satellites and EUROBIRD™ 1, confirming an 80% penetration rate for Eutelsat in the 38 countries surveyed in 2002 (same as 2001)

(see Figure 5 in annex)

- This result combines audience growth between June 2001 and September 2002 of 5.8 million homes for the HOT BIRD™ satellites (98.6 million homes in September 2002) and one million homes for EUROBIRD™ 1 (6.3 million homes in September 2002).
- HOT BIRD™ and EUROBIRD™ 1 penetration levels in cable/satellite households for each region are: 83% in western Europe, 75% in eastern Europe and 72% in North Africa and the Middle East.
- In line with general market trends, there is faster take-up in direct satellite reception than cable for homes receiving the HOT BIRD™ satellites and EUROBIRD™ 1. In September 2002, 40% of homes (41.5 million) were equipped for direct reception (14% increase since 2001), and 62% for cable (65.2 million). 2% of homes are equipped for cable and satellite.
- Of the HOT BIRD™ and EUROBIRD™ 1 homes in western and eastern Europe, digital represents 15.2 million homes, representing a growth rate of 28.5% since June 2001.

52% of cable/satellite homes in 21 of the countries surveyed* are equipped with a PC and 37% have Internet access

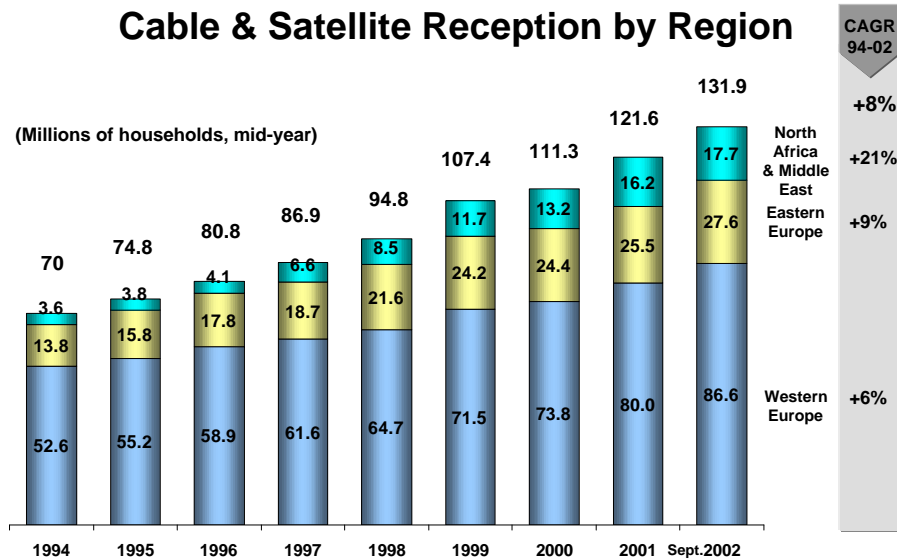
(see Figure 6 in annex)

- Of the 98 million cable/satellite homes in 21 countries surveyed in September 2002 on PC and Internet equipment, the number of homes with a PC has reached 51 million (23% penetration growth rate since June 2001). 36.5 million have Internet access (41% penetration growth rate since June 2001).
- Regional PC equipment penetration in cable/satellite homes of the 21 countries surveyed stands at 60% for western Europe, 29% for eastern Europe and 40% for the Middle East. For Internet access, the figures are 46% for western Europe, 13% for eastern Europe and 21% for North Africa and the Middle East.
- Western Europe experienced strongest growth rates between June 2001 and September 2002, with 24% growth for PC equipment penetration and 45% for Internet access penetration.

* Austria, France, Germany, Greece, Italy, Portugal, Spain, Switzerland, UK, Bosnia-Herzegovina, Croatia, Czech Republic, Hungary, Poland, Russia, Slovakia, Morocco, Saudi Arabia, Syria, Tunisia, Turkey.

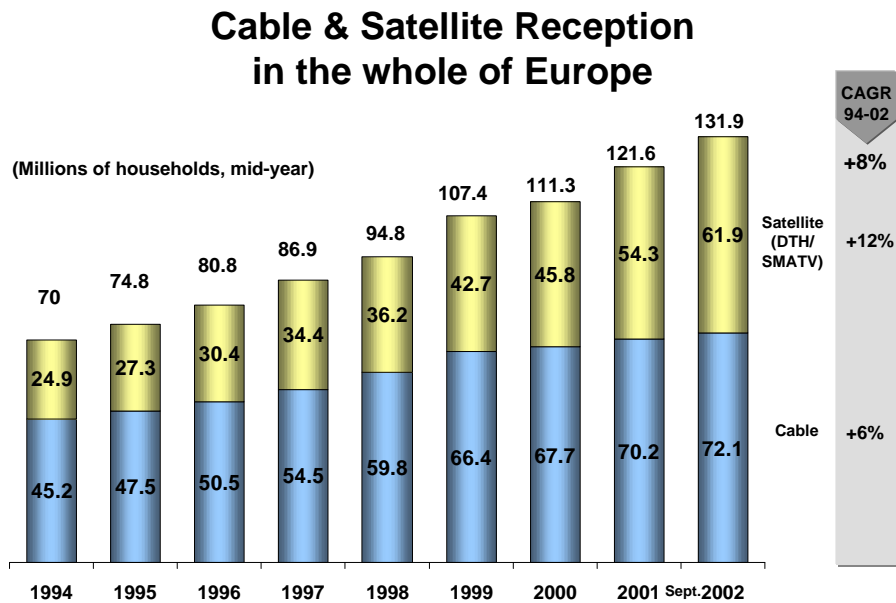
Annex:

Figure 1: Number of households (in millions) receiving satellite channels via cable or satellite by region. Total TV-equipped population base: 305 million.



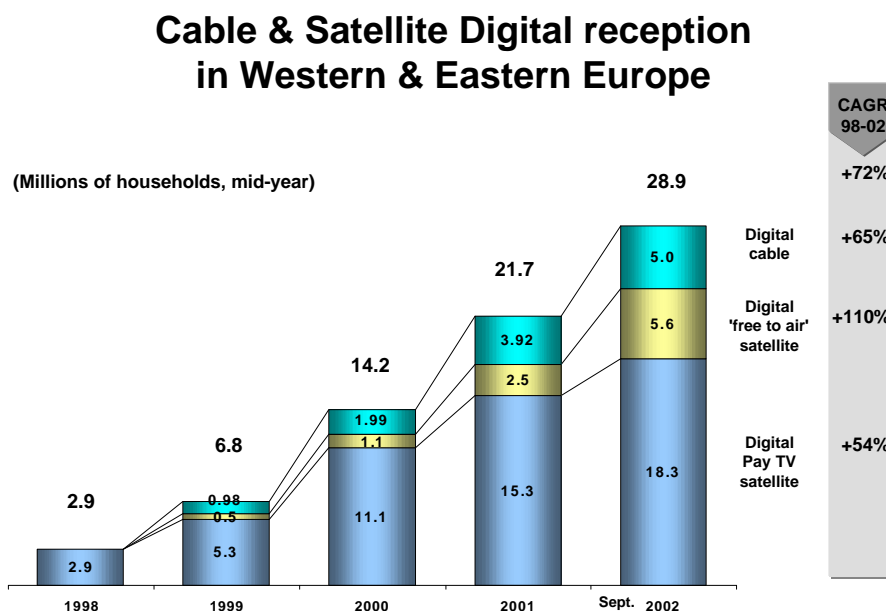
Sources: Research Institutes 2002, Eutelsat S.A. analysis

Figure 2: Number of households (in millions) receiving channels by cable or satellite reception (DTH/community). Total TV-equipped population base: 305 million.



Sources: Research Institutes 2002, Eutelsat S.A. analysis

Figure 3: Number of households (in thousands) with digital cable or satellite reception. Cable/satellite-equipped population base in western and eastern Europe: 114 million households.



Sources: CMA Consulting, Research Institutes 2002, Eutelsat S.A. analysis

Figure 4: Number of households subscribing to digital pay-TV through cable or satellite. Cable/satellite-equipped population base in western and eastern Europe: 114 million households.

Digital cable & satellite Pay TV reception in Western & Eastern Europe

September 2002

	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	6 318 000	75.2%	2 085 800	24.8%	8 403 800	36.0%
France	3 315 250	81.5%	754 742	18.5%	4 069 992	17.4%
Italy (*)	2 495 000	92.8%	192 380	7.2%	2 687 380	11.5%
Germany/Austria	1 259 000	50.6%	1 230 640	49.4%	2 489 640	10.7%
Spain/Portugal	2 342 000	97.1%	69 100	2.9%	2 411 100	10.3%
Scandinavian countries	1 165 000	74.6%	396 100	25.4%	1 561 100	6.7%
Poland	860 000	100.0%	0	0.0%	860 000	3.7%
Belgium/Netherlands	80 000	25.1%	238 320	74.9%	318 320	1.4%
Other Eastern Europe	309 000	100.0%	0	0.0%	309 000	1.3%
Greece/Cyprus	168 300	100.0%	0	0.0%	168 300	0.7%
Switzerland	0	0.0%	76 168	100.0%	76 168	0.3%
Total	18 311 550	78.4%	5 043 250	21.6%	23 354 800	100.0%

(*) including anti-pirate campaign up to September 2002

Sources: CMA Consulting, Pay TV Operators, Eutelsat S.A. analysis

Figure 5: Number of households (in millions) receiving channels via HOT BIRD™ satellites and EURO BIRD™ 1. Total cable/satellite-equipped population base: 132 million.

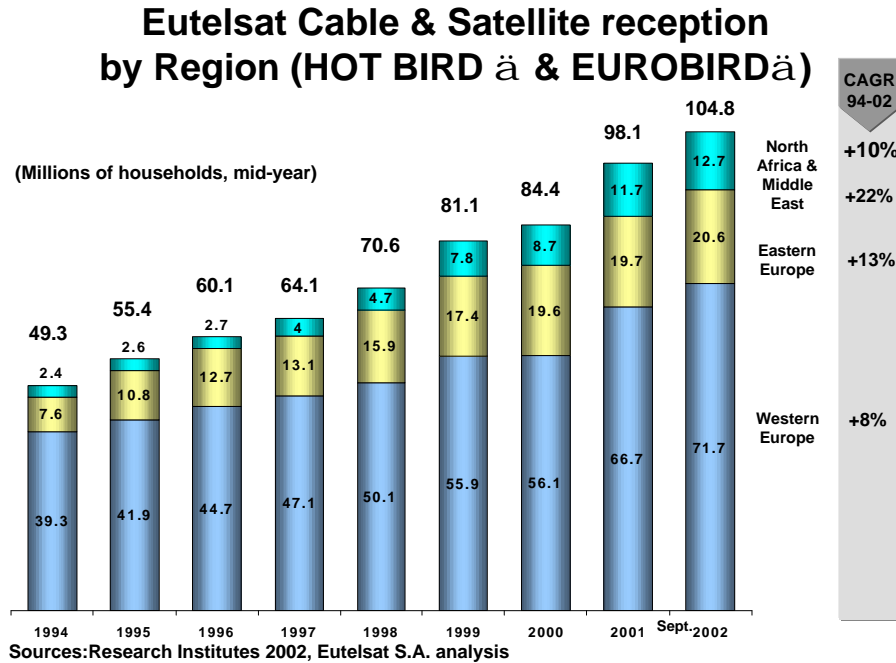


Figure 6: Comparison between multimedia equipment in cable/satellite homes and in other TV homes. Segmentation by region. TV-equipped population base in 21 countries surveyed on this criteria: 232 million households.

Multimedia Equipment in TV & Cable/satellite households

September 2002

Country	Total		Equipped with PC				Equipped with PC & Internet			
	TV HH	Cab/sat HH	TV HH	%	Cab/sat	%	TV HH	%	Cab/sat	%
Austria	3 222	2 500	1 383	42.9%	1 200	48%	924	29%	819	33%
France	23 482	7 646	9 537	40.6%	3 844	50%	4 781	20%	2 083	27%
Germany	36 828	34 080	22 717	61.7%	21 112	62%	18 211	49%	17 008	50%
Greece	2 962	419	698	23.6%	154	37%	345	12%	114	27%
Italy	19 738	6 031	10 534	53.4%	3 947	65%	8 080	41%	3 381	56%
Portugal	3 018	1 180	1 078	35.7%	594	50%	539	18%	368	31%
Spain	12 418	2 964	5 089	41.0%	1 586	54%	2 648	21%	964	33%
Switzerland	3 057	2 870	2 160	70.7%	2 008	70%	1 758	58%	1 648	57%
GB	24 400	10 640	12 050	49.4%	6 765	64%	9 067	37%	5 384	51%
Western Europe	129 125	68 330	65 246	50.5%	41 209	60%	46 353	36%	31 769	46%
Bosnia-Herzegovina	950	346	121	12.7%	94	27%	68	7%	57	16%
Croatia	1 508	662	457	30.3%	287	43%	357	24%	231	35%
Czech Republic	3 822	1 521	1 094	28.6%	613	40%	488	13%	322	21%
Hungary	3 728	2 536	978	26.2%	905	36%	300	8%	294	12%
Poland	13 661	7 102	3 093	22.6%	2 281	32%	1 547	11%	1 170	16%
Russia	50 975	6 061	3 254	6.4%	934	15%	1 256	2%	405	7%
Slovakia	1 956	1 177	554	28.3%	432	37%	120	6%	104	9%
Eastern Europe	76 600	19 405	9 551	12.5%	5 545	29%	4 136	5%	2 583	13%
Morocco	4 147	1 232	492	11.9%	476	39%	134	3%	134	11%
Saudi Arabia	3 563	2 950	1 779	49.9%	1 579	54%	873	25%	765	26%
Syria	2 825	1 265	669	23.7%	556	44%	278	10%	238	19%
Tunisia	1 806	604	185	10.2%	182	30%	90	5%	89	15%
Turkey	13 819	4 445	1 845	13.4%	1 357	31%	1 156	8%	931	21%
Africa and middle East	26 160	10 496	4 970	19.0%	4 150	40%	2 531	10%	2 157	21%
TOTAL	231 885	98 231	79 767	34.4%	50 904	52%	53 020	23%	36 509	37%

Sources: Research Institutes 2002, Eutelsat S.A. analysis

About Eutelsat

Eutelsat S.A. is one of the world's leading satellite operators. The company provides coverage across four continents, encompassing Europe, the Middle East, Africa, Asia, eastern North America, and South America. Eutelsat's satellite infrastructure gives it the flexibility to offer direct-to-home broadcasting, video distribution and contribution services, corporate network solutions and a portfolio of IP applications including broadband Internet access and Internet backbone connections. From its strategic HOT BIRD™ orbital position at 13 degrees East and other orbital positions, Eutelsat transmits more than 1250 television and 700 radio stations, reaching an overall audience of 107 million cable and satellite homes.

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