

## **EUTELSAT REPORTS FULL YEAR RESULTS 2003/2004**

**Eutelsat continues to outperform in the Fixed Satellite Services sector.**

**Revenues grow by 6.3%, operating result by 9.6%, EBITDA by 10.8%**

Paris, 7 September 2004

Eutelsat S.A., one of the world's leading satellite operators, today announces its consolidated full-year results to 30 June 2004.

**Consolidated revenue was 760.2 M€, consolidated EBITDA was 598.9 M€, net income was 269.8 M€**

"Eutelsat has outperformed the five per cent growth objective announced at our last general shareholders' meeting. Consolidated revenues are up 6.3 per cent to €760 million on our last financial year, which was itself a period of 8.6 per cent growth in comparison to 2001/2002. In light of the competitive climate of our sector, which is marked by a continuing downturn in demand and a consequent growing oversupply of in-orbit satellite capacity, these results are a real achievement," commented Giuliano Berretta, Eutelsat CEO.

"Our results underscore Eutelsat's commitment to favouring a strategy of selective development over one of global presence. We plan to continue to consolidate our position on our traditional markets, in particular in Europe for video applications and corporate data networks, to expand our reach of carefully identified regions, and to accompany the take-up of broadband and high definition television (HDTV) services that present opportunities for growth."

Concerning Eutelsat's future investment programme Giuliano Berretta added: "The two satellites launched in the course of the financial year, and the transaction concluded with the RSCC (Russian Satellite Communications Company) for capacity on one of this Russian operator's satellites, marks the conclusion of our in-orbit expansion programme planned in 2001. HOT BIRD™ 7A and HOT BIRD™ 8, which are scheduled for launch in 2005 and 2006 respectively, form part of our regular programme for renewing our resource and strengthening our fleet. Following this unprecedented agenda of satellite launches and acquisitions, which equips us with the youngest fleet in the FSS sector, our company has the necessary in-orbit resources to secure development on our target markets. Our backlog, equivalent to 4.5 years of revenue, remains one of the strongest in the industry. Although reduced, as current income growth is derived mainly from medium-term leases for a duration of one to three years, it should be consolidated by the launches of HOT BIRD™ 7A and HOT BIRD™ 8 which will generate the renewal of long-term contracts for television broadcasting."

In addition, Giuliano Berretta commented: "Our plan to increase control of satellite operations was demonstrated last month by the acquisition from France Telecom of its Rambouillet teleport. Taking full ownership of the Rambouillet site also positions Eutelsat to pursue the deployment of turnkey services through our teleports, in our bid to extend satellite applications to a wider range of broadcasters and broadband service providers."

Giuliano Berretta concluded: "After two years during which our debt increased as a result of our in-orbit expansion programme, the cash flow generated by our operating activities has enabled us to reduce debt by 17 per cent to €873 million during the period. This puts us in

an extremely favourable position to take advantage of the recovery in our sector and to strengthen our capacity to seize on internal or external growth opportunities that could benefit the development of our company.”

### **Key financial indicators for consolidated full-year accounts at 30 June 2004**

| <i>In millions of euros</i>           | <b>2002/2003</b>          | <b>2003/2004</b> |
|---------------------------------------|---------------------------|------------------|
| Revenues*                             | 715.5                     | 760.2            |
| Operating costs                       | 175.0                     | 161.3            |
| EBITDA**                              | 540.5                     | 598.9            |
| EBITDA margin                         | 75.5%                     | 78.8 %           |
| <b>Operating result</b>               | <b>313.9</b>              | <b>343.6</b>     |
| Financial result                      | (52.6)                    | (40.5)           |
| Income tax                            | (57.2)                    | (35.8)           |
| Income/(Loss) from equity investments | (145.2)                   | 1.6              |
| <b>Net income</b>                     | <b>59.6<sup>(1)</sup></b> | <b>269.8</b>     |
| Shareholders' equity                  | 1 377.5 M€                | 1 622.3 M€       |
| Net debt ***                          | 1 051.4 M€                | 873.3 M€         |
| Net debt /Equity                      | 76.3%                     | 53.8%            |

\* Revenue for 2003/2004 includes the settlement of indemnities for late delivery of satellites, which amounted to 23.2 M€. In the 2002/2003 financial year 4 M€ were generated under the same heading.

\*\* EBITDA represents the results before net financial charges, tax, depreciation and amortisation, and income from equity investments. EBITDA is not a measure of performance under French GAAP.

\*\*\* Net debt is calculated as short-term and long-term financial debt less cash and including the liabilities for in-orbit performance incentives and capitalised satellite operating leases.

<sup>(1)</sup> Net income includes the effect of the revaluation of Eutelsat's investment in Hispasat to 110.0 M€.

### **About Eutelsat**

With capacity commercialised on 24 satellites that provide coverage from North and South America to Far East Asia, Eutelsat is one of the world's three leading satellite operators. Its satellites are used for broadcasting more than 1,450 television and 750 radio stations to 110 million cable and satellite homes, for TV contribution services, corporate network solutions, positioning and communications solutions for mobile users, Internet backbone connections and broadband access for terrestrial, maritime and in-flight applications. Eutelsat has developed a range of turnkey broadband products (D-STAR, D-SAT, OPENSKY, Skyplex Data) for local communities, corporates, SoHos and consumers. Its broadband subsidiary Skylogic Italia markets and operates services through multimedia platforms in France and Italy that serve sites in Europe, Africa, Asia and the Americas.

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

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