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EUTELSAT SUPERVISORY BOARD PROPOSES STREAMLINED CORPORATE GOVERNANCE STRUCTURE WITH CREATION OF BOARD OF DIRECTORS

Paris, 2 June 2004

The Supervisory Board of Eutelsat S.A. met yesterday to examine a new approach to the company's structure that would bring it closer to private company common practice and enhance cohesion between shareholders and the management team.

The Supervisory Board proposes to streamline corporate governance in order to reinforce reactivity and reflect the changes in shareholders that have taken place since the operational activities and assets of the EUTELSAT intergovernmental organisation were transferred into Eutelsat S.A. in July 2001. A single Board of Directors with up to 12 members would be proposed to replace the current two-tier structure which combines a 15-member Supervisory Board and a four-member Management Board. The CEO, who in the current structure is chairman of Management Board, will be a member of the Board of Directors.

This proposal will be presented to EUTELSAT IGO and be subject to consultation by the Workers' Council. Once their comments are received Eutelsat's Supervisory Board will meet, in early August, to approve the changes in the by-laws to be submitted to shareholders at an Extraordinary General Assembly which could take place in September 2004.

During its meeting the Supervisory Board reaffirmed its recognition of the achievements of the management team which will continue to serve the company. Commenting on the Supervisory Board's proposal, Eutelsat CEO Giuliano Berretta said: "I welcome this new phase in the corporate governance of Eutelsat which reflects the full and continuing support of our shareholders to our ongoing development, while respecting the basic principles with the EUTELSAT intergovernmental organisation. It will equip us to maintain the highest level of service in the industry and to continue to increase turnover which over the last two years has seen Eutelsat register the highest growth of revenue and EBITDA in our sector".

About Eutelsat

With capacity commercialised on satellites that provide coverage from the Americas to Far East Asia, Eutelsat is one of the world's leading satellite operators. This satellite infrastructure gives the company the flexibility to offer direct-to-home broadcasting, video distribution and contribution services, corporate network solutions, positioning and communications services for mobile users and a portfolio of IP applications which include broadband Internet access and Internet backbone connections. Eutelsat has developed a range of turnkey broadband products (D-STAR, D-SAT, OPENSKY™) for local communities, SMEs, SoHos and consumers beyond ADSL access. It has also set up a subsidiary called Skylogic Italia to market and operate broadband services through its multimedia platform in Turin (Italy). Eutelsat's satellites broadcast more than 1,400 television and 700 radio stations to an audience of 110 million cable and satellite homes.

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