

## STANDARD AND POOR'S RAISES ITS CREDIT RATING ON EUTELSAT'S LONG-TERM DEBT FROM BBB TO BBB+

Following Eutelsat's strong financial performance over the 2003/2004 financial year, the agency is raising its credit rating on the company's long-term debt to BBB+. S&P says the outlook for Eutelsat is stable, and the A-2 rating on short-term debt has been confirmed.

Paris, 27 October 2004

Eutelsat S.A., one of the world's leading satellite operators, today announces that its long-term-credit rating by the Standard and Poor's financial ratings agency is being raised from BBB to BBB+. S&P says the outlook for Eutelsat is stable, and the A-2 rating on short-term debt has been confirmed.

This rating reflects "Eutelsat's strong financial performance over the last financial year, which has exceeded *Standard and Poor's* expectations", states the financial ratings agency's release.

### **Principal financial results for the 2003/2004 financial year:**

Eutelsat's consolidated revenue was 760.2 M€, up by 6.3% on last year. The consolidated result before net financial charges, tax, depreciation and amortisation (EBITDA) was 598.9 M€, an increase of 10.8% on 2002/2003. The operating result rose by 9.5% to 343.6 M€.

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

| <i>In millions of euros</i>           | 2002/2003                 | 2003/2004    |
|---------------------------------------|---------------------------|--------------|
| 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. Headquartered in Paris, and with staff of 450 commercial, technical and operational experts from 25 countries, Eutelsat generated turnover of €760 million for the 2003/2004 financial year.

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