

**EUTELSAT COMMUNICATIONS ANNOUNCES
 FULL YEAR AND FOURTH QUARTER 2005-2006 REVENUES**

- Full year revenues at 791.1 million euros, up 5.4% (up 4.6% excluding one-off revenues)
- Fourth quarter revenues at 201.1 million euros, up 6.7%
- Growth strategy validated by strong performance in European Union countries and in emerging markets
- Attractive business profile confirmed, combining visibility and growth: two thirds of revenues derived from Video Applications, with more than 2,100 television channels now broadcasting across the fleet

Paris, July 20, 2006 - Eutelsat Communications (Euronext Paris: ETL), one of the world's leading satellite operators, today reported revenues for the fiscal year and fourth quarter ended June 30, 2006.

Revenue by application	12 months ended June 30			
	In millions of euros	2005 ¹	2006 ²	% change
Video Applications		511.3	528.6	+3.4%
Data & Value Added Services		161.7	169.1	+4.6%
<i>Data</i>		137.3	139.2	+1.4%
<i>Value Added Services</i>		24.4	29.9	+22.4%
Multi-usage		60.8	69.7	+14.5%
Other		5.9	6.3	-
Sub-total		739.7	773.7	+4.6%
One-off revenues ³		10.7	17.4	-
Total		750.4	791.1	+5.4%

Commenting on fiscal year 2005-2006 revenues, Giuliano Berretta, Eutelsat Communications Chief Executive Officer said: *"Thanks to the strong increase of our activities we have generated growth of 5.4%, which exceeds our objective for 2005-2006. This performance highlights the quality of the execution of our strategy: to consolidate our leading position in European Union countries, and to optimise use of capacity through the creation and development of major new video positions, and the continued expansion of Value Added Services.*

In particular, our satellites today transmit more than 2,100 television channels, representing over 400 new channels compared to last year, of which more than half are from central and eastern Europe, Russia, the Middle East and Africa. In addition, our D-STAR broadband service, for which the installed base of terminals grew over the year by nearly 30%, has benefited from sustained demand from service providers in emerging markets and in regions in Europe not satisfactorily covered by terrestrial broadband networks. Meanwhile, the 14.5% growth in Multi-usage stresses the attractiveness of our satellites in this opportunistic segment.

With a growing portfolio of activities across our markets, Eutelsat reaffirms its profile as one of the leading operators in the most profitable sectors of the industry, combining long-term visibility and growth."

¹ Pro forma: Eutelsat Communications' pro forma consolidated revenue corresponds to Eutelsat S.A. consolidated revenue for the corresponding period of the fiscal year ended June 30, 2005.

² 2006 figures are unaudited

³ One-off revenues are made up of satellite late delivery penalties and outage penalties.

FULL YEAR ANALYSIS:

Group revenue rose 5.4% to 791.1 million euros. Excluding one-off revenues, year-over-year growth was 4.6% to 773.7 million euros. At constant exchange rates and excluding one-offs, revenue grew by 3.9%.

Overall growth confirms Eutelsat's attractive business profile. This distinctive feature in the Fixed Satellite Services sector provides the Group with substantial revenue visibility through long-term contracts (generally over 10 years) with a portfolio of blue chip customers.

Full year revenue by application

In millions of euros	12 months ended June 30		
	2005 ⁴	2006 ⁵	% change
Video Applications	511.3	528.6	+3.4%
Data & Value Added Services	161.7	169.1	+4.6%
<i>Data</i>	137.3	139.2	+1.4%
<i>Value Added Services</i>	24.4	29.9	+22.4%
Multi-usage	60.8	69.7	+14.5%
Other	5.9	6.3	-
Sub-total	739.7	773.7	+4.6%
One-off revenues ⁶	10.7	17.4	-
Total	750.4	791.1	+5.4%

Video Applications (66.8% of Group revenue): Revenue growth was driven by the increase over the year of channels broadcast by Eutelsat, from 1,712 channels as of June 30, 2005 to 2,121 channels as of June 30, 2006.

Growth driven by the following achievements:

- **Consolidation of premium orbital positions:**
 - In European Union countries served by the HOT BIRD™ and EUROBIRD™ 1 positions, the number of channels grew by 16.7% year-over-year, from 1,051 channels to 1,227. Expansion was driven notably by the increased offer from blue chip pay-TV platforms, including SKY Italia, BSKYB, TPS;
 - Launch of the HOT BIRD™ 7A broadcast satellite which increased capacity at the HOT BIRD™ neighbourhood to 102 transponders and enabled replacement of HOT BIRD™ 1. This event marked the last major phase in the switchover from analogue to digital at the HOT BIRD™ position, with only four analogue channels broadcasting as of June 30, 2006.

⁴ Pro forma: Eutelsat Communications pro forma consolidated revenue corresponds to Eutelsat S.A. consolidated revenue for the corresponding period of the fiscal year ended June 30, 2005.

⁵ 2006 figures are unaudited

⁶ One-off revenues are made of satellite late delivery penalties, outage penalties.

- **Development of major new video positions:** Eutelsat Communications' performance also reflects the strong dynamic of digital broadcasting in eastern and central Europe, the Middle East, North Africa and Sub-Saharan Africa which are all served by the Group's major video positions (7°/8° West, 7° East, 16° East, 25.5° East, 36° East).

The number of channels broadcast from these positions grew by 37.9%, from 544 as of June 30, 2005 to 750 as of June 30, 2006. Key growth regions included:

- The Middle East, where the Group benefited from the rapid expansion of broadcasting activities by Nilesat, the Egyptian satellite operator, and Noorsat, the Bahrain-based provider of capacity for video services. Additional capacity for Direct-to-Home services over the Middle East was supplied on EURO BIRD™ 2 from 25.5° East, and ATLANTIC BIRD™ 2, from 8° West, which have since been consolidated by ATLANTIC BIRD™ 4, which entered into service on July 1st, 2006 at 7° West.
 - Russia and the Ukraine, where the Group leased additional capacity at its 36° East position to support the expansion of NTV Plus, Russia's leading pay-TV platform, and the launch of Poverkhnost, the Ukraine's first pay-TV platform. The Group's 36 degrees East position also hosts the growing Multichoice Africa platform.
 - Dynamic digital video markets in central and eastern Europe. The Group's W2 satellite at 16° East consolidated its market position through new contracts with broadcasters which include SBB (Serbia), DCS (Romania), Digitalb (Albania), Bikam (Bulgaria).
 - Turkey, where DigiTurk, the country's leading pay-TV platform which broadcasts from Eutelsat's W3A satellite at 7° East, continued its expansion in terms of channel offering and subscriber base.
- **Analogue to digital switchover:** together with the entry into service of HOT BIRD™ 7A, which enabled new digital demand to be addressed at the Group's premium video position, the contracts indicated above at major new video positions enabled Eutelsat to more than absorb one of the last phases in the switchover from analogue to digital. At June 30, 2006, Eutelsat was transmitting only 12 analogue channels across its fleet, compared to 15 one year before. As of June 2006, the analogue line-up comprised four channels on the HOT BIRD™ satellites, one channel on ATLANTIC BIRD™ 2 for contribution links within France, and seven French national channels on ATLANTIC BIRD™ 3 at 5° West which serves over 1.6 million television households in areas with unsatisfactory analogue terrestrial reception.
 - **Roll-out of Digital Terrestrial Television (DTT):** during the year ATLANTIC BIRD™ 3 also supported the deployment and expansion of DTT networks in France and Italy. In France, 28 channels are now distributed through ATLANTIC BIRD™ 3 to terrestrial retransmitters (including a test HDTV channel), up from eight channels as of June 30, 2005.
 - **Launch of High Definition Television (HDTV):** 2005-2006 marked the launch on Eutelsat's fleet of the first HDTV channels, particularly in the Italian and French markets and also in eastern Europe (Russia, Ukraine). Eutelsat's satellites now broadcast 12 HDTV channels (on HOT BIRD™, W4 and W3A), of which eight are in commercial service and four are promotional.
 - **Sustained activity for Professional Video Networks:** over the year Video Applications saw strong demand for capacity for Professional Video Networks for live transmissions and programme exchanges (representing more than 15% of overall Group revenue as of June 30, 2006) from clients such as the EBU (European Broadcasting Union) for the Eurovision network. This segment was boosted over the year by the XX Winter Olympic Games and the 2006 FIFA World Cup.

Data and Value Added Services (21.4% of Group revenue) performance was driven by the strong commercial dynamic from Value Added Services. This more than compensated for the lower pace in growth of Data (+1.4%) which resulted mainly from the conversion of some high-yield short-term contracts to lower priced long-term deals, which procure more visibility on revenues, and from the technical incident that affected the W1 satellite on August 10, 2005.

Eutelsat also benefited from fast-growing demand for IP access solutions in regions in Europe and Africa with no terrestrial broadband networks. In order to support its overall strategy to maximise revenue per transponder, the Group continued to pursue a balanced strategy of developing Value Added Services focused on niche market segments where competition with terrestrial network technologies is low.

Business highlights of Data and Value Added Services over the full year include:

- Sustained growth of revenues for Value Added Services (+22.4%). This was driven by ongoing deployment of the D-STAR service which provides Internet access and Virtual Private Networks to enterprises and institutions in regions with inexistent or unreliable terrestrial broadband infrastructure. D-STAR terminals grew 29% year-over-year to 5,300 by June 30, 2006. Growth of the installed base was driven principally in Europe where operating terminals increased by 55% to 2,484, and in Africa which grew by 53% to 1,565 operating terminals. In the Middle East and Central Asia the installed base, which was down from 1,297 terminals as of June 30, 2005 to 1,023 terminals as of December 2005, grew to 1,153 terminals during the last six months. The slight year-over-year decrease recorded in this region reflects the disruption caused by the W1 satellite incident.
- Take-up of maritime services to provide Internet access and GSM extension to cruise ships, fishing vessels, super yachts, ferries and vessels and platforms operating in the oil and gas sector through contracts signed with Grandi Navi Veloci, SuperFast ferries, Radio Holland, Ship Equip.
- New contracts with integrators such as GlobeCast (to support the expansion of Equant in Africa), Telespazio, HNS, ATT, Algérie Telecom and Schlumberger which provide satellite capacity to private enterprise networks, and with companies such as Reuters.

Multi-usage leases (8.8% of Group revenue): solid growth of this segment demonstrates the Group's success in capturing opportunities for short and medium-term contracts with providers of government services and other satellite operators. This performance was the consequence of a high renewal rate of one-year contracts for government services, renewal of part of the capacity leased by a satellite operator in the Middle East, and a more favourable euro/dollar exchange rate.

FOURTH QUARTER 2005-2006 ANALYSIS

Revenue by application	Three months ended June 30		
	In millions of euros	2005 ⁷	2006 ⁸
Video Applications	126.9	141.0	+11.1%
Data & Value Added Services	46.2	40.2	-13.1%
<i>Data</i>	38.2	32.0	-16.4%
<i>Value Added Services</i>	8.0	8.2	+2.4%
Multi-usage	14.7	18.3	+24.5%
Other	0.7	1.6	-
Total	188.5	201.1	+6.7% ⁹

Video Applications (70.1% of fourth quarter revenue) included a late payment from a customer of four million euros. Excluding this item, fourth quarter revenue grew by 8%.

Performance was driven by the following:

- Entry into service on April 20, 2006 of HOT BIRD™ 7A which added two new transponders to 13° East, and enabled the entry into force of a number of contracts, notably SKY Italia (Italy), SRG SSR (Switzerland's public broadcasting organisation), Telekom Srbija (Serbia) and TVN (Poland).
- Robust demand for capacity for television broadcasting in the Middle East (Nilesat and Noorsat), as well as in central and eastern Europe (including DCS of Romania)
- Strong demand for capacity for live transmissions and contribution links during the 2006 FIFA World Cup, notably from the EBU, T-Systems, ARD, the BBC, TF1, Eurosport, SKY Italia and new channels such as Go Africa.

Data and Value Added Services (20% of fourth quarter revenue): fourth quarter revenue decreased compared to exceptional robust sales booked in Data and Value Added Services in the fourth quarter 2004-2005 which included:

- an early termination fee recorded in Data;
- the sale of D-STAR terminals corresponding to the initial roll out of the Smart Telecom contract (Ireland).

Excluding the early termination fee of 2.9 million euros booked in Data in the last quarter 2004-2005, Data and Value Added Services revenue was down by 7.2%, resulting mainly from the migration of some Data customers from high yield short-term contracts to long-term contracts with more visibility on revenue but lower-priced. Value Added Services recorded sequential growth quarter over quarter, accelerating from 2.9% in the second quarter ending December 31, 2005 up to 9.3% in the fourth quarter ending June 30, 2006.

⁷ Pro forma: Eutelsat Communications' pro forma consolidated revenue corresponds to Eutelsat S.A. consolidated revenue for the corresponding period of the fiscal year ended June 30, 2005.

⁸ 2006 figures are unaudited

⁹ At constant exchange rates, revenue was up 7.4% year-over-year.

Business highlights of Data and Value Added Services over the fourth quarter include:

- New contracts, notably with GlobeCast (Africa), Oman (Middle East), to connect ISPs to the Internet backbone in areas with no connectivity with terrestrial broadband networks.
- Expansion of capacity leased by partners who operate their own IP access services over Eutelsat satellites, including Telespazio, Teles, HNS and Algérie Telecom;
- Continuing deployment of D-STAR, operated by Eutelsat's subsidiary Skylogic Italia from its SkyPark teleport. This includes, in Europe, the extension of the Smart Telecom network in Ireland from 500 to 600 schools, the progressive activation of D-STAR terminals for public administrations in the regions of Tuscany and Piedmont (Italy). In Africa and the Middle East sustained revenue growth was generated from distributors and operators who include Orascom (Algeria), Afrique Telecom (Algeria, Gabon, Guinea) and Comsat Turkey.

Multi-usage (9.1% of fourth quarter revenue) growth was mainly driven by contracts for government services which started in the second quarter of the fiscal year, and renewal of part of the capacity leased to another satellite operator over the Middle East.

Financial calendar

Eutelsat Communications will report fiscal year earnings 2005-2006 and outlook for the fiscal year 2006-2007, on September 4, 2006 before market opens.

About Eutelsat Communications

Eutelsat Communications (Euronext Paris: ETL, ISIN code: FR0010221234) is the holding company of Eutelsat S.A. The Group is a leading satellite operator with capacity commercialised on 23 satellites providing coverage over the entire European continent, as well as the Middle East, Africa, India and significant parts of Asia and the Americas. The Group is one of the world's three leading satellite operators in terms of revenues. Its satellites are used for broadcasting more than 2,100 TV and 970 radio stations to more than 120 million cable and satellite homes. The Group also provides TV contribution services, corporate networks, mobile positioning and communications, Internet backbone connectivity and broadband access for terrestrial, maritime and inflight applications. Eutelsat Communications is headquartered in Paris, and the Group's workforce comprises over 480 from 27 countries.

www.eutelsat.com

For further information

Press

Vanessa O'Connor Tel: + 33 1 53 98 38 88 voconnor@eutelsat.fr

Frédérique Gautier Tel: + 33 1 53 98 38 88 fgautier@eutelsat.fr

Investors

Gilles Janvier Tel: +33 1 53 98 35 35 investors@eutelsat-communications.com