PR/08/09

EUTELSAT COMMUNICATIONS REPORTS FIRST HALF 2008-2009
GROWTH EXCEEDING ITS OBJECTIVES

- **Sustained revenue growth: +7.9% compared with first-half 2007-2008**
  - **Continuing momentum of Video Applications: +5.4%**
  - **Strong expansion of Data and Value-Added Services: +12.4%**
- **Excellent performance of key financial indicators**
  - **EBITDA[1] up 7.4% - EBITDA margin at 80.9%**
  - **Significant increase in net cash flow from operating activities: +24.1%, representing more than 75% of revenues**
- **Upward revision of revenue objective for 2008-2009**
- **Medium-term outlook confirmed for the period 2008-2011**
- **Procurement of ATLANTIC BIRD™ 4-R satellite for broadcasting in Middle East**

Paris, February 10, 2009 –Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris: ETL), one of the world's leading satellite operators, today reported results for the first half ended December 31, 2008.

Six months ended December 31		2007	**2008**	Change
Key elements of consolidated income statement				
Revenues	€m	429.4	**463.5**	+7.9%
EBITDA	€m	349.2	**375.1**	+7.4%
EBITDA margin	%	81.3	**80.9**	-0.4 pt
Group share of net income	€m	88.5	**135.2**	+52.8%
Diluted earnings per share	€	0.404	**0.615**	+52.2%
Key elements of consolidated cash flow statement				
Net cash flow from operating activities	€m	285.0	**353.7**	+24.1%
Capital expenditure	€m	148.5	**140.6**	-5.3%
Operating free cash flow	€m	136.5	**213.1**	+56.1%
Key elements of financial structure				
Net debt	€m	2,338	**2,408**	+3.0%
Net debt/EBITDA[2]	x	3.48	**3.34**	-0.14 pt
Key operational metrics				
Backlog	€bn	3.6	**3.5**	-
Leased transponders	Units	427	**488**	+61

[1] EBITDA is defined as operating income before depreciation, amortisation and other operating income/charges (impairment charges, dilution profits (losses), insurance compensations, etc.).

[2] Based on last 12 months rolling

Commenting on first half 2008-2009 results, Giuliano Berretta, Chairman and CEO of Eutelsat Communications said: "The growth recorded by our Group in this first half year is strong new evidence of the quality of our business model and the validity of our strategic choices.

Our entire set of activities shows year-on-year improvement. The long-term renewal at our HOT BIRD™ position of multiple contracts at higher tariffs, together with the expansion of existing platforms and the arrival of new digital TV players further enhance the pull of our premium video neighbourhood for Europe. Video activity at our other neighbourhoods also continues to expand as we pursue our strategy of cascading satellites and channels to new locations to respond to dynamic regional television markets including in central Europe, Russia, the Middle East and Africa. The volume of HDTV business has also accelerated to over 70 channels broadcasting across our fleet, further bolstering our position in this emerging television format.

Our Data and Value-Added Services are showing remarkably progress, with notably a positive market response to our TOOWAY™ consumer satellite broadband service. In these high-growth markets with strong growth potential, the Group has been actively innovating with the aim to replicate the levels of success in broadband which we have already achieved in broadcasting. Our commitment is to building with our partners a lasting and profitable broadband model that will be scalable over the long term as consumer habits evolve. At a time when European governments are calling for universal broadband access, Eutelsat's position as a precursor in consumer satellite broadband, with our investment in a revolutionary system combining a Ka-band satellite, KA-SAT, with an extensive ground system, places us in a unique position from a competitive standpoint.

These commercial successes consolidate our leadership in the Fixed Satellite Services sector in the EMEA[3] region, while our EBIDTA margin of above 80% stays at the highest level of the industry globally. This semester also confirms Eutelsat's outstanding visibility over our revenue streams with a backlog rising to 3.5 billion euros with an average residual life reaching almost eight years.

In the current environment, there is no doubt that Eutelsat is benefiting from its position as a key infrastructure at the heart of the digital economy as we offer our customers the access they need to reach their audiences. This strong performance in the first semester enables the Group to raise its revenue objective to more than 910 million euros for the full year, up from more than 900 million euros initially announced in July 2008."

SUSTAINED REVENUE GROWTH ACROSS FULL RANGE OF APPLICATIONS: +7.9%

Note: Unless otherwise stated, all growth indicators or comparisons are made against the first half of the prior year or December 31, 2007. The share of each application as a percentage of total revenue is calculated excluding "other revenues".

Revenues by business application *(in million of euros)*

			Change	
Six months ended December 31	2007	**2008**	In €million	In %
Video Applications	319.3	**336.6**	+17.3	+5.4%
Data & Value Added Services	75.0	**84.2**	+9.3	+12.4%
of which Data Services	*58.0*	***64.5***	*+6.4*	*+11.1%*
of which Value Added Services	*16.9*	***19.8***	*+2.9*	*+16.8%*
Multi-usage	29.5	**34.9**	+5.4	+18.4%
Others	5.6	**7.7**	+2.1	N.M.
Total	429.4	**463.5**	+34.1	+7.9%

[3] Europe, Middle East, Africa

At a constant euro-dollar exchange rate, revenue growth would have been 7.2% compared to the first half of the previous year.

VIDEO APPLICATIONS (73.8% of revenues): Eutelsat ranks N°1 in EMEA region

At December 31, 2008, 3,218 channels and interactive services were broadcasting from Eutelsat's nine video neighbourhoods, up by 267 channels year-on-year (+9.0%), further consolidating the Group's leadership for satellite broadcasting in the EMEA region.

Video Applications revenue growth was driven by:

- **The pull of the HOT BIRD™ video neighbourhood at 13° East** which benefited from the long-term renewal of major contracts (including with ART and with Telespazio for RAI), the lease of additional capacity to significant customers (Sky Italia, Polsat, NOVA) and the launch of TéléSAT, the first TV platform in French-speaking Belgium, and of Orange TV. This activity reconfirms the leadership of the HOT BIRD™ neighbourhood for the development of pay-TV across Western Europe.
- **The strengthening of all other video neighbourhoods,** driven in particular by Russia, central and eastern Europe, the Middle East and Africa and by the success of the 9° East neighbourhood which enables consumer reception of television channels with channels broadcast from the HOT BIRD™ neighbourhood.

The table below highlights the strongest growth rates during the first-half 2008-2009:

Orbital position	Markets served	Channel count at Dec. 31, 2008	*Year-on-year growth*
36°East *W4, SESAT 1*	Russia, Ukraine, Africa	440	+31%
16°East *W2*	Central Europe, Indian Ocean islands	384	+18%
9° East *EUROBIRD™ 9*	Europe, Mediterranean Basin	149	+96%
7°/8°West *ATLANTIC BIRD ™2 & 4*	North Africa, Middle East	276	+35%

- **More than twofold increase in HDTV channels.** The number of commercial HDTV channels broadcast by Eutelsat's fleet grew to 73 at December 31, 2008 (compared to 31 as of December 31, 2007), of which 27 at the HOT BIRD™ neighbourhood, thereby confirming Eutelsat's leadership for HDTV in the EMEA region.

DATA and VALUE-ADDED SERVICES (18.5% of revenues): strong expansion

At €84. 3 million in the first-half 2008-2009, revenue from **Data and Value-Added Services** recorded 12.4% growth compared to the same period a year ago.

Data Services (+11.1% at €64.5 million) in particular, reflect the significant return to growth seen in the first quarter. This progress shows the exceptional coverage provided by Eutelsat's satellites as well the Group commercial efforts notably for the rapidly-growing markets of interconnecting corporate networks, Internet backbone connectivity and GSM backhaul in Africa, the Middle East and central Asia.

Value-Added Services (+16.8% at €19.8 million) continue to grow at a robust pace, particularly the broadband access services D-STAR™[4] and TOOWAY™[5] which grew by 29.7% to €15.2 million;

- The installed base of D-STAR™ broadband terminals serving corporates and local communities grew by 1,843 (+23.4%) across all of the Group's markets: Africa (+ 25%, with 735 new terminals), the Middle East (+25% with 447 new terminals) and Europe (+22% with 633 new terminals);
- The commercial roll-out of the TOOWAY™ consumer broadband service continued to progress. Now distributed by 26 partners in 18 countries in Europe, the first half-year saw the selection of TOOWAY™ by Fastweb, Italy's second-largest fixed telecommunications operator, in order to extend broadband coverage throughout Italy;
- The SNCF, French national railways, decided to deploy its satellite-based Internet access service on its entire fleet of 52 TGV East high-speed trains.

MULTI-USAGE (7.7% of revenues): *significant growth*

Revenues from Multi-usage services rose significantly (+18.4% to €34.9 million [6]). Together with the appreciation of the US dollar against the euro, this remarkable achievement primarily reflects the conclusion of new capacity lease contracts and the renewal at higher tariffs of certain contracts which expired during the first half 2008-2009.

Other revenues

Other revenues increased by €2.1 million to €7.7 million, including notably a slight increase in external resources received for R&D projects.

SOLID PERFORMANCE OF OTHER OPERATING INDICATORS

Increased visibility provided by backlog[7]

Main backlog indicators	December 31, 2007	June 30, 2008	December 31, 2008
Value of contracts (in billion euros)	3.6	3.4	3.5
Weighted average residual life of contracts (in years)	7.1	7.4	7.7
Share of Video Applications	92%	93%	92%

The evolution of the backlog compared to June 30, 2008 is mainly the result of the renewal and increase of long-term contracts during the first-half 2008-2009. The backlog represents 3.8 times annual revenues. With a weighted average residual lifetime of almost eight years, the backlog provides the Group with exceptional long-term visibility on its revenues and its operating cash flows.

14.5% increase in leased transponders

As of December 31, 2008, the Group was leasing 488 transponders (up by 61 from a year ago), translating into an exceptionally fill rate above 97%[8].

[4] The D- STAR service provides Internet access and Virtual Private Networks to enterprises and institutions in regions with inexistent or unreliable terrestrial broadband infrastructure.

[5] The TOOWAY™service, both in Ka-band and Ku-band, provides broadband access to households beyond range of terrestrial networks.

[6] At a constant euro-dollar exchange rate, multi-usage revenue growth would have been 14.4%.

[7] Backlog represents future revenues from capacity lease agreements (including contracts for satellites yet to be delivered). These capacity lease agreements can be for the entire operational life of the satellites.

[8] Based on 501 operational transponders in stable orbit as of December 31, 2008, compared with 505 as of December 31, 2007

The redeployment by the end of February of the HOT BIRD™ 7A satellite to 9° East (EUROBIRD™ 9A) following the entry into service at 13° East on February 17 of HOT BIRD™ 9, and the expected deployment of new satellites by the end of the financial year will significantly increase Eutelsat's in-orbit resources in the short term to accompany market expansion.

STRONG INCREASE IN NET INCOME

Extract from the consolidated income statement (in million of euros)[9]

Six months ended December 31	2007	**2008**	Change %
Revenues	429.4	463.5	+7.9%
Operating expenses[10]	(80.2)	**(88.4)**	+10.2%
EBITDA	349.2	**375.1**	+7.4%
EBITDA margin	*81.3%*	***80.9%***	*- 0.4 pt*
Depreciation and amortisation[11]	(150.6)	**(143.4)**	-4.8%
Other operating revenues (costs)	(4.8)	**24.6**	-
Operating income	193.8	**256.3**	+32.2%
Financial result	(56.3)	**(49.8)**	-11.5%
Income tax	(48.9)	**(71.2)**	+45.6%
Income from equity investments	6.0	**6.7**	+11.7%
Minority interests	(6.3)	**(6.8)**	+7.9%
Group share of net income	88.5	**135.2**	+52.8%

EBITDA margin of over 80%

The excellent performance of all activities and the policy of tight cost control have enabled the Group to post an EBITDA margin of 80.9%, which remains at the highest level of leading Fixed Satellite Service operators[12].

The €8.2 million increase in operating expenses is chiefly attributable to:

- A comparison effect corresponding to the high provision reversals recorded in the first half of the previous year;
- A slight increase in professional tax resulting from the improvement of Group results ;
- The strengthening of resources aimed at selling the upcoming satellite capacities and continued development of new services.

Substantial increase in operating income: +32.2%

Operating income is up by €62.5 million to €256.3 million, representing 55.3% of revenues. This increase also benefited from:

[9] For more detail, please refer to Group interim consolidated accounts at www.eutelsat.com.

[10] Operating expenses is defined as the sum of cost of operations and of sales & administrative expenses.

[11] Comprises amortisation expense of 22.2 million euros corresponding to the intangible asset "Customer Contracts and Relationships" identified during the acquisition of Eutelsat S.A. by Eutelsat Communications.

[12] Eutelsat Communications, SES, Intelsat.

- A sharp rise in "other operating revenues" following €25 million of income related to the sale of some rights in Hispasat;
- A 4.8% decrease in depreciation and amortisation expenses with the end of EUROBIRD™9 satellite depreciation at the beginning of the fiscal year and the decrease in depreciation charge for EUROBIRD™3 following the impairment booked in the second half of 2007-2008.

Strong rise in net result Group share: +52.8%

As a consequence, the net result Group share has increased by €46.7 million to €135.2 million (29.2% of revenues). The increase resulted also from:

- A slight improvement of the net financial result;
- A lower effective tax rate at 34%, compared to 36% in the first half 2007-2008;
- Growth in income from equity investments, reflecting the excellent commercial and operating performance of Hispasat, the leading satellite operator in Spanish and Portuguese-language markets, of which Eutelsat owns 27.69%.

ROBUST GROWTH OF OPERATING CASH FLOWS

- **High level of net cash flow from operating activities, exceeding 75% of revenues**
- **Balance sheet structure maintained: net debt to EBITDA ratio contained at 3.34X**
- **Financial debt optimised and hedged**

Substantial increase of net cash flow from operating activities: +24.1%

Providing further evidence of the strength of its business model, Eutelsat once again generated strong net cash flow from operating activities which represents 76.3% of revenues at €353.7 million.

The strong increase of net operating cash flow posted mainly resulted from:

- €25 million of income related to the sale of some rights in Hispasat;
- Re-imbursement of €21.6 million of income tax.

Down 5% year-on-year, capital expenditures and financial investments amounted close to €141 million and were entirely covered by net operating cash flows. Capital expenditure was dedicated to:

- The completion of the HOT BIRD™9 and W2M satellite programmes and their launch on December 20, 2008;
- The on-going manufacturing of satellites ordered during the previous fiscal years: HOT BIRD™10, W2A, W7, W3B and KA-SAT.

As a consequence, operating free cash flow[13] amounted to €213 million, largely covering the distribution of €141.7 million approved by shareholders in November 2008.

Solid financial structure

The Group continues to demonstrate its financial strength. Despite net debt[14] increasing by 3% compared to December 31, 2007, the net debt to EBITDA ratio was reduced to 3.34x, in line with the Group's objective of between 3x and 4x.

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[13] Operating free cash flow is defined as net cash flow from operating activities less acquisition of satellites and other property, plant and equipment, net of disposals.

[14] Net debt includes all bank debt and all liabilities from long-term lease agreements, less cash and cash equivalents and marketable securities (net of bank credit balances).

Leverage ratio

Six months ended December 31	2007	2008
Net debt at the beginning of the period (in million euros)	2,295	2,422
Net debt at the end of the period (in million euros)	2,338	2,408
Net debt / EBITDA[15]	**3.5**	**3.34**

As a reminder, the Group's financial debt is made of two syndicated facilities:

- €1.9 billion (of which €300 million undrawn) with maturity ending in June 2013 ;
- €1.3 billion (of which €400 million undrawn) with maturity ending in November 2011.

During previous financial years, the Group subscribed to hedging instruments against interest rate variations covering to their maturity a large part of syndicated facilities. The average cost of debt drawn down by the Group was 4.19% at December 31, 2008, net of hedging effects.

EVOLUTION OF SATELLITE FLEET

Upcoming entry into service of HOT BIRD™9 at 13° East

Launched on December 20, 2008, this satellite has now successfully completed its in-orbit test phase. Its scheduled entry into service at 13° East on 17 February will further consolidate the level of in-orbit redundancy at the Group's premium orbital position.

Redeployment of HOT BIRD™7A to 9° East

Following the entry into service of HOT BIRD™ 9 at 13° East, the HOT BIRD™ 7A satellite will be redeployed by the end of February to 9° East and rebranded EUROBIRD™ 9A. The number of transponders in operation at this new video neighbourhood will subsequently increase to 38 (+18).

Upcoming launches

In 2009, the Group schedules the following launches:

- February 12: HOT BIRD™ 10 whose main mission will be to complete the full in-orbit sparing programme at the HOT BIRD™ neighbourhood. Prior to this mission, the satellite will be deployed at 7° West to replace ATLANTIC BIRD™ 4 and to increase from 15 to 26 the number of transponders operating at this position for broadcasting in the Middle East.
- March 28: W2A, which will replace the W1 satellite to more than double resources currently available at 10° East. W2A will also introduce the first European S-Band payload for Solaris Mobile;
- Mid-2009: W7, which will replace SESAT 1 at 36° East and triple broadcasting resources for Russian and Sub-Saharan Africa markets.

New mission for W3B at 16° East

Designed to guarantee continuity of service in the event of a launch failure of either the W2M, W2A or W7 satellites, W3B will go to the 16° East neighbourhood after launch in mid-2010. The Group has decided not to integrate the W2M satellite into its fleet[16] in the current circumstances due to a major anomaly affecting this satellite's power subsystem. The W2M programme is fully insured.

[15] On last 12 month rolling

[16] See press release dated January 28, 2009

Procurement being finalised of ATLANTIC BIRD™4-R

The procurement of the ATLANTIC BIRD™ 4-R satellite is being finalised. This satellite will take over from HOT BIRD™ 10 at 7° West and expand resources to 50 Ku-band transponders at a key neighbourhood for broadcasting in the Middle East. The launch of this satellite is programmed for mid-2011. It forms part of the capital expenditure programme which was communicated on July 28, 2008 and is confirmed below.

OUTLOOK

UPWARD REVISION OF 2008-2009 REVENUE OBJECTIVE

The Group raises its FY2008-2009 revenue objective to more than €910 million (up from more than €900 million). The Group also confirms its EBITDA margin objective of more than 78%.

CONFIRMATION OF MID-TERM OBJECTIVES 2008-2011

The Group maintains its mid-term objectives for the period 2008-2011 as communicated in July 2008:

- Revenue Compound Annual Growth Rate of 6%, accelerating over the period;
- EBITDA margin above 77% for each financial year during the period;
- Capital expenditures of €450 million on average per year during the period;
- Attractive distribution policy with a dividend pay-out ratio between 50% to 75% of Group share net income during the period 2008-2011.

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Documentation

Interim consolidated accounts and presentation are available at www.eutelsat.com

Conference call

Eutelsat Communications will hold a conference call on February 10, 2009 to present its financial results for the first half 2008-2009 at 3:30pm Paris time (New York: 9.30am, London: 2.30pm). The call-in numbers are:

+33 1 01 70 99 42 77 from France

+44 207 138 0825 from Europe

+1 212 444 0481 (from USA).

A replay will be available from February 10 from 7pm (Paris time) to February 17, midnight, by dialling:

+33 1 71 23 02 48 from France

+44 207 806 1970 from Europe

+1 718 354 11 12 from USA

Access code: 8042466 #

A presentation will be available on the Group's website www.eutelsat.com from 8:00am (Paris time) on February 10, 2009 and the webcast replay of the conference on February 11, 2009.

Financial calendar

- May 7, 2009: Revenue for third quarter ending March 31, 2009
- July 30, 2009: Results for full year ending June 30, 2009

The above financial calendar is provided for information purposes only. It is subject to change and will be regularly updated.

About Eutelsat Communications

Eutelsat Communications (Euronext Paris: ETL, ISIN code: FR0010221234) is the holding company of Eutelsat S.A.. With capacity commercialised on 25 satellites that provide coverage over the entire European continent, as well as the Middle East, Africa, India and significant parts of Asia and the Americas, Eutelsat is one of the world's three leading satellite operators in terms of revenues. At 31 December 2008, Eutelsat's satellites were broadcasting over 3,200 television channels and 1,100 radio stations. More than 1,000 channels broadcast via its HOT BIRD™ video neighbourhood at 13 degrees East which serves over 120 million cable and satellite homes in Europe, the Middle East and North Africa. The Group's satellites also serve a wide range of fixed and mobile telecommunications services, TV contribution markets, corporate networks, and broadband markets for Internet Service Providers and for transport, maritime and in-flight markets. Eutelsat's broadband subsidiary, Skylogic, markets and operates services through teleports in France and Italy that serve enterprises, local communities, government agencies and aid organisations in Europe, Africa, Asia and the Americas. Headquartered in Paris, Eutelsat and its subsidiaries employ close to 591 commercial, technical and operational experts from 27 countries.

www.eutelsat.com

For further information

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Appendix

Revenue breakdown by application

Six months ended December 31*	2007	**2008**
Video Applications	75.3%	**73.8%**
Data & Value Added Services	17.7%	**18.5%**
………………………….. *Data*	*13.7%*	**14.1%**
……….. *Value Added Services*	*4.0%*	**4.3%**
Multi-usage	7.0%	**7.7%**
Total	100%	**100%**

(*) excluding "other revenues" of €5.6 million in H1 2007-2008 and €7.7 million for H1 2008-2009

Quarterly revenues by business application

	Three months ended			
In million of euros	30/09/2007	31/12/2007	30/09/2008	31/12/2008
Video Applications	158.1	161.2	166.7	169.8
Data & Value Added Services	37.3	37.7	41.1	43.2
………………………….. *Data*	*29.1*	*28.9*	*31.4*	*33.1*
……….. *Value Added Services*	*8.2*	*8.8*	*9.7*	*10.1*
Multi-usage	14.5	15.0	15.6	19.3
Other	2.0	3.6	3.2	4.5
Total	211.9	217.5	226.7	236.8

Change in net debt (in million of euros)

Six months ended December 31	2007	2008
Net cash flow from operating activities	**285.0**	**353.7**
Capital expenditure	(148.5)	(140.6)
Operating free cash flow	136.5	213.1
Interest and other fees paid, net	(42.1)	(49.7)
Acquisition of minority interests	(3.4)	(1.8)
Capital increase	0.1	0
Distributions to shareholders (including minority interests)	(138.9)	(141,7)
Increase of net banking debt (non cash)	(1)	(2.3)
Other	6.5	(3.3)
Decrease (increase) in net debt	(42.3)	14.3

Capacity available in stable orbit[17] and number of leased transponders

As of December 31	2005	2006	2007	2008
Operational transponders	460	479	505	501
Leased transponders	352	394	427	489
Fill rate (%)[18]	76.6%	82.2%	84.6%	97.6%

Estimated satellite launch schedule

Satellites	Date	Nominal capacity in Tpx
HOT BIRD™ 10	February 12, 2009	64 Ku
W2A	March 28, 2009	46 Ku / 10 C / S-band
W7	June-August 2009	70 Ku
KA-SAT	Mid-2010	> 80 spotbeams Ka
W3B	Mid-2010	53 Ku / 3 Ka
ATLANTIC BIRD™ 4-R	Mid-2011	50 Ku

Note: New satellites generally enter into service one to two months after launch date.

[17] Excluding inclined orbit capacity.

[18] Number of Eutelsat's fleet transponders in stable orbit.