

Eutelsat Communications

First Half 2006-2007

February 15, 2007

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1 INTRODUCTION

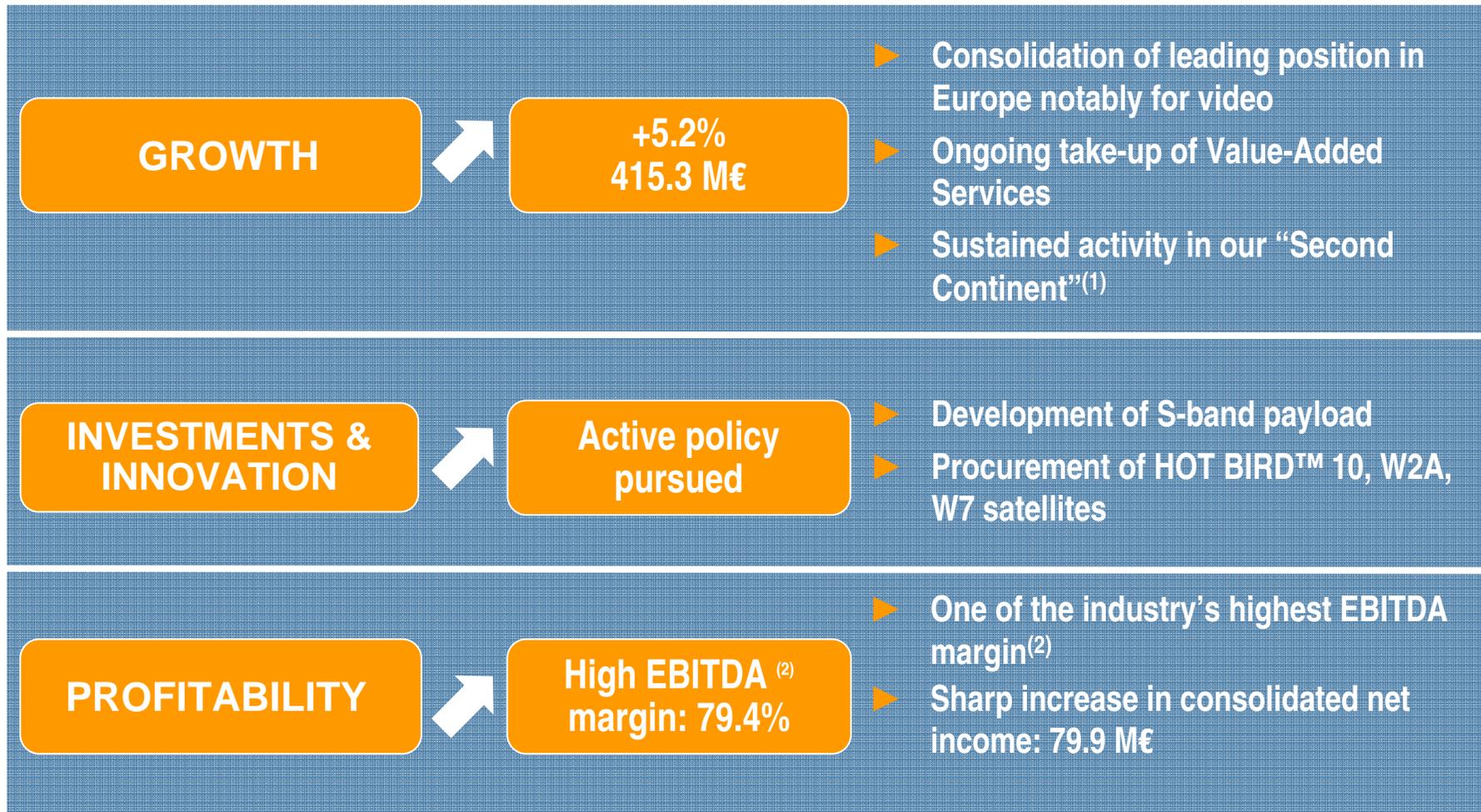
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FIRST-HALF 2006-2007 HIGHLIGHTS



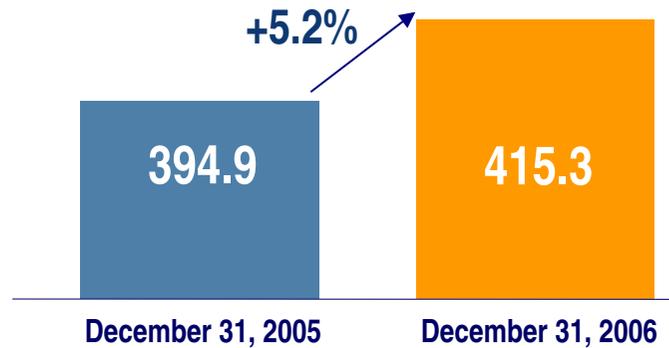
(1) Central Europe, Russia, Middle East, Africa

(2) EBITDA is defined as operating income before depreciation and amortisation, excluding impairment charges, dilution profits (losses) and insurance proceeds

FURTHER IMPROVEMENT OF KEY PERFORMANCE METRICS

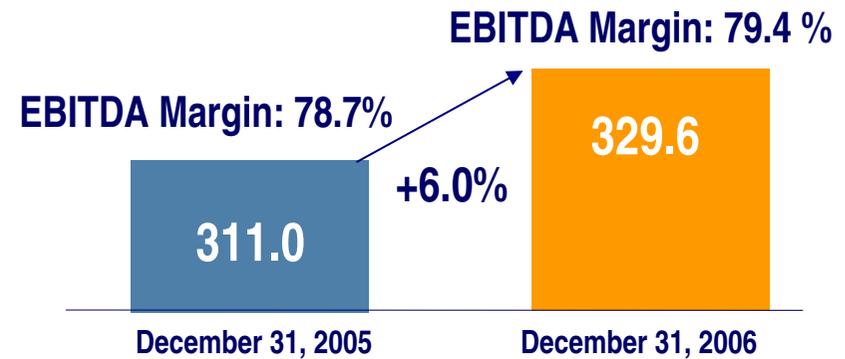


Revenues⁽¹⁾ in Million €



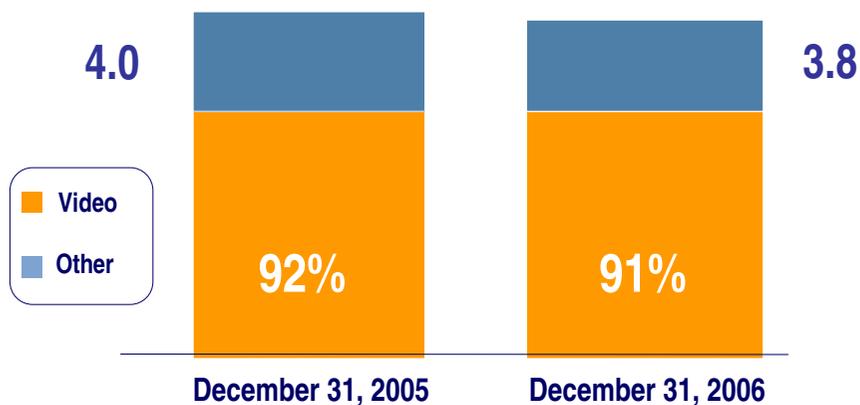
(1) of which one-off revenues: 17.4 M€ in 2005-2006 and 11.4 M€ in 2006-2007

EBITDA⁽²⁾ in Million €

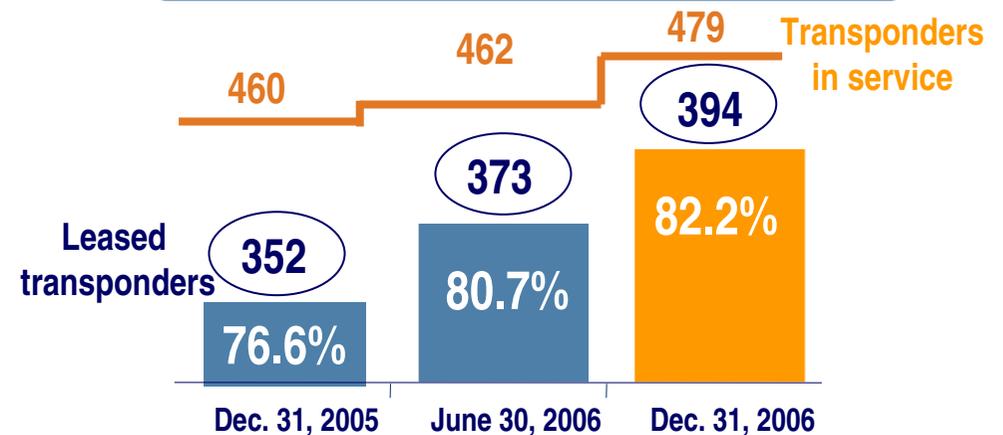


(2) EBITDA is defined as operating income before depreciation and amortisation, excluding impairment charges, dilution profits (losses) and insurance proceeds

Backlog in Billion €



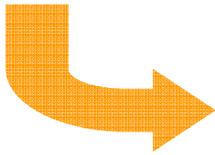
Fill Rate (%)





1

Increase revenues per transponder



Consolidate video neighbourhoods serving EU countries and the Second Continent



Develop Value-Added Services for corporate and institutional users and in emerging markets

2

Opportunistic approach towards multi-usage to maximise revenues

3

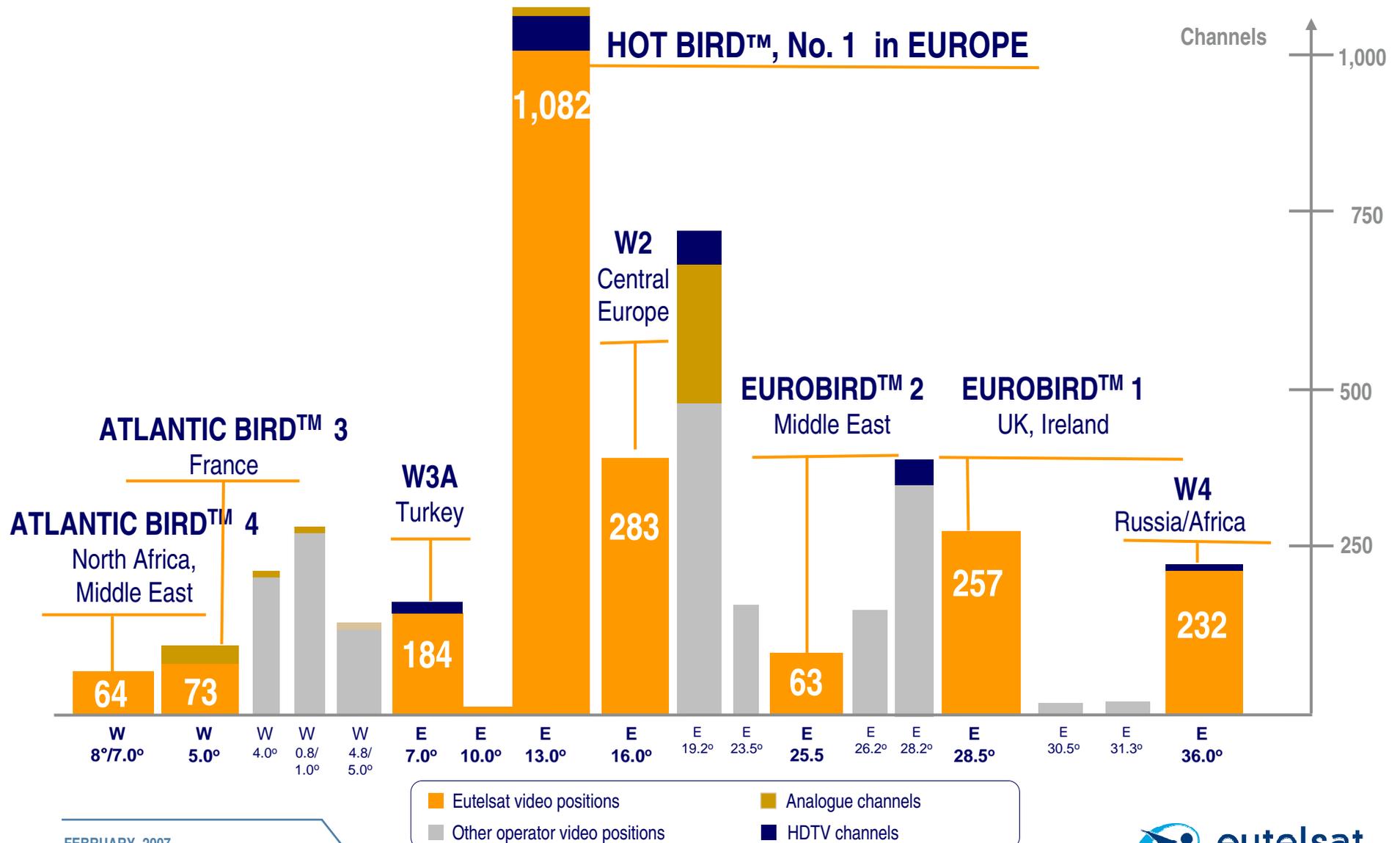
Maintain flexible state-of-the-art satellite fleet with high flexibility to adapt to Group strategic requirements

4

Maintain best-in-class profitability, combining continuous growth and strict cost control

(1) Fixed Satellite Services

2,429 CHANNELS BROADCAST FROM EUTELSAT'S KEY VIDEO NEIGHBOURHOODS



SUSTAINED ACTIVITY IN OUR “TWO CONTINENTS”

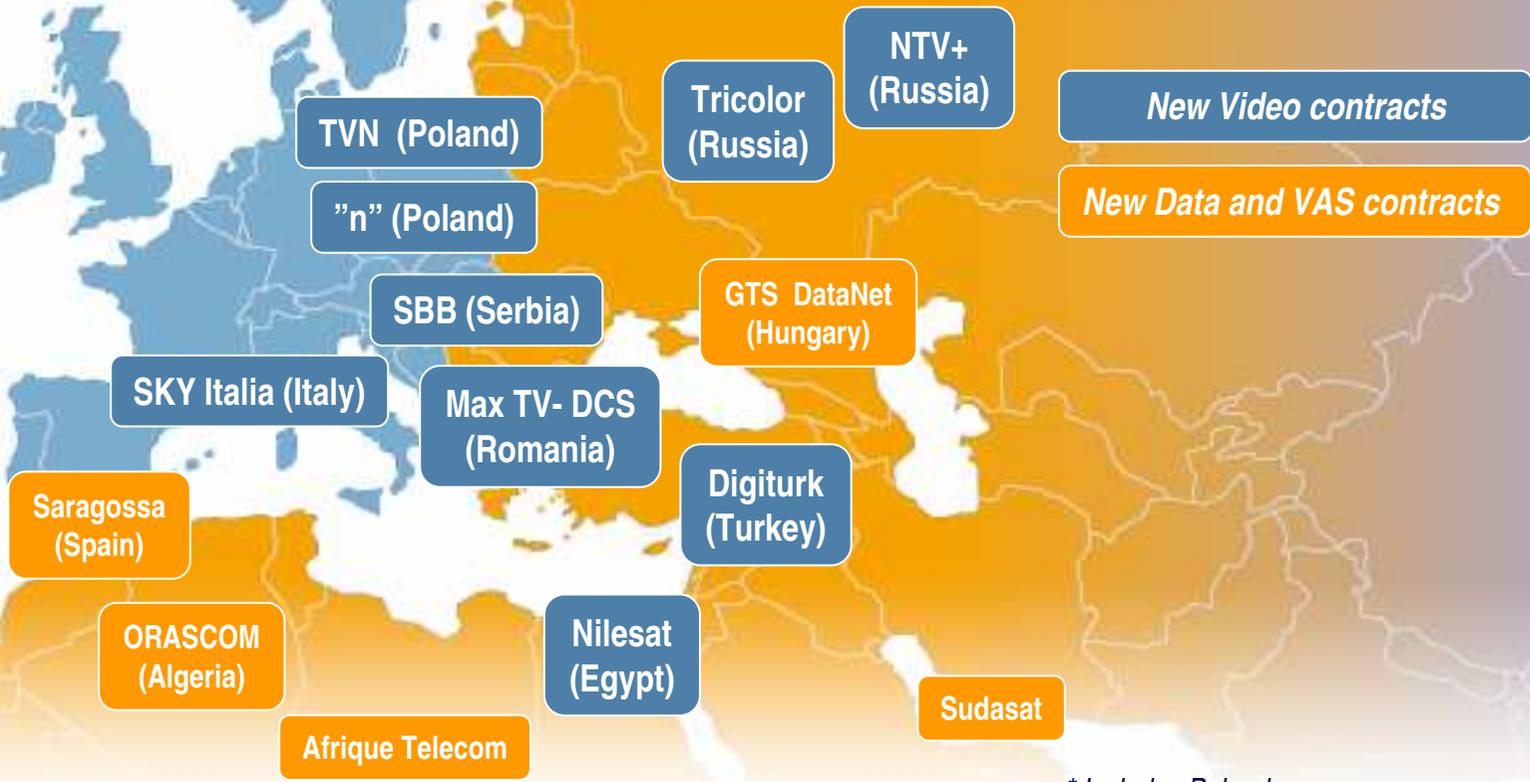


Western Europe^(*)

- ▶ Video leadership consolidated
- ▶ Data & Value-Added Services focused on enterprises, local communities and new services

Emerging markets

- ▶ New channels and TV platforms
- ▶ Development of Data & Value-Added Services



* Includes Poland

ACHIEVEMENTS IN LINE WITH STRATEGY



Strategic directions

Strengthening of premium orbital positions in European Union countries (HOT BIRD™ at 13°E and EUROBIRD™ 1 at 28.5°E)

Development of major video positions (7°/8°W, 5°W, 7°E, 9/10°E, 16°E, 25.5°E, 36°E)

Development of Data and Value-Added Services

Continuous innovation

Maintain state-of-the-art satellite fleet with high flexibility

Maintain best-in-class profitability

H1 2006-2007 achievements

- ▶ Successful launch of HOT BIRD™ 8
- ▶ “n” new platform in Poland, including HDTV channels
- ▶ +112 channels since June 30, 2006

- ▶ Entry into service ATLANTIC BIRD™ 4 for Middle East, North Africa
- ▶ New capacity demand on “Second Continent”
- ▶ +194 channels since June 30, 2006

- ▶ Deployment of 5,715 broadband D-STAR terminals
- ▶ Launch of new mobile services (business jets)

- ▶ Procurement of an S-band payload for broadcasting video, radio and data to mobile devices and vehicle receivers over Europe

- ▶ Young fleet: average age of 5 years
- ▶ 5 satellites in construction (HOT BIRD™ 9, HOT BIRD™ 10, W2A, W7 , W2M)

- ▶ H1 2006-2007: 79.4% EBITDA margin, at the highest level among major operators in the industry

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VIDEO & VALUE-ADDED SERVICES: growth drivers



in M€	H1 2005-2006	H1 2006-2007	Variation	Highlights
Video Applications	255.5	289.8	+ 34.3 M€	<ul style="list-style-type: none"> ▶ Deployment of ATLANTIC BIRD™ 4 ▶ Growth in “Second Continent”
Data & VAS	86.6	81.6	- 5.0 M€	<ul style="list-style-type: none"> ▶ Capacity reallocated to Video ▶ Growth of D-STAR
Multi-usage	33.4	29.5	- 3.9 M€	<ul style="list-style-type: none"> ▶ Capacity reallocated to Video ▶ Unfavorable USD/€ exchange rate
Other revenues	2.1	3.1	+1.0 M€	
One-off revenues	17.4	11.4	- 6.0 M€	<ul style="list-style-type: none"> ▶ Penalties related to late delivery HOT BIRD™ 7A
TOTAL	394.9	415.3	+ 20.4 M€	<ul style="list-style-type: none"> ▶ +5.2% growth ▶ +6.3% at constant exchange rate



- ▶ **Satellite and cable penetration in extended Europe increases by 13% over 24 months to 170 million homes**
 - > more than 50% of TV homes equipped for satellite and cable reception
- ▶ **Leadership of HOT BIRD™ neighbourhood confirmed:**
 - > satellite and cable homes equipped for HOT BIRD™ reception increase over 24 months to 121 million from 110 million
- ▶ **Combined audience of cable and satellite homes served by Eutelsat video neighbourhoods reaches 164 million homes**

CHANNEL GROWTH at all video neighbourhoods



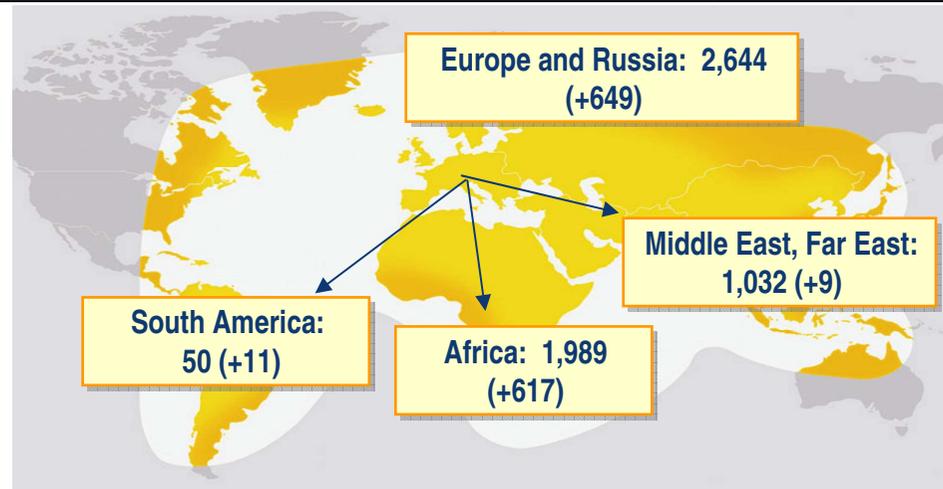
Number of channels at orbital positions	At Dec. 31, 2005	At June 30, 2006	At Dec. 31, 2006	Growth over 1 year
Premium video positions	1,077	1,227	1,339	+ 262
Other major video positions	581	723	917	+336
Other positions	116	171	173	+ 57
TOTAL	1,774	2,121	2,429	+ 655

- ▶ **Strengthening of premium video positions: HOT BIRD™, EUROBIRD™ 1**
- ▶ **Continuing development of other major video positions**
- ▶ **Only 9 analogue channels left on the fleet
(includes 6 French channels on ATLANTIC BIRD™ 3)**
- ▶ **17 HDTV channels (+5 compared to June 30, 2006)**

CONTINUED GROWTH OF VALUE-ADDED SERVICES



D-STAR deployment driven by Africa and Europe



Data Services:

- > Data revenues stable compared with H2 2005-2006

Value-Added Services:

- > +5% at 14.9M€ driven by D-STAR terminal deployment in Europe and Africa:
 - 5,715 D-STAR terminals deployed (+29% compared to December 31, 2005)
 - Launch of Value-Added Services for mobile market (business jets, maritime)



S-Band

- ▶ **Creation of a joint venture with SES to operate Europe's first satellite-based infrastructure (in S-Band) for video and data broadcasting to mobile devices**
- ▶ **Complementary solutions to terrestrial-based networks, leveraging benefit of universal coverage provided by satellites**
- ▶ **Potential for broad range of business applications (security surveillance, two-way commercial data services...)**
- ▶ **S-Band payload on Eutelsat's W2A satellite to be launched early 2009**

Mobile Value-Added Services

- ▶ **Satellite solutions for business jets flying over Europe in partnership with Viasat**
- ▶ **Experimentation and validation of broadband access solutions for trains**
- ▶ **Development of GSM applications and broadband for maritime market (cruise ferries ...)**

HDTV

- ▶ **New HDTV channels: "n", Canal Plus Polska ...**
- ▶ **17 HDTV channels on Eutelsat's fleet as of December 31, 2006**

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KEY INDICATORS ABOVE OBJECTIVES



IFRS – In M€	H1 2005-2006	H1 2006-2007	Change %	Key highlights
Revenue	394.9	415.3	+ 5.2 %	▶ Includes 11.4M€ one-off revenues
Operating expenses	(83.9)	(85.7)	+ 2.1 %	▶ Strict cost control
EBITDA ⁽¹⁾	311.0	329.6	+ 6.0 %	
EBITDA margin	78.7 %	79.4%	+0.7 pt	▶ 78.8% excluding one-offs
Consolidated net income	(21.2)	79.9		▶ Reflects operating performance and debt restructuring
Capital expenditure ⁽²⁾	73.1	138.1		▶ Launch of HOT BIRD™ 8, ▶ Procurement of HOT BIRD™ 9, HOT BIRD™ 10, W2A, W7, W2M
Net debt, end of period	2,242	2,302		▶ Procurement of 5 satellites ▶ Consolidated distribution of 124M€ in November 2006

⁽¹⁾ EBITDA is defined as operating income before depreciation and amortisation, excluding impairment charges, dilution profits (losses) and insurance proceeds

⁽²⁾ Capital expenditure defined as acquisition of tangible assets (satellites and other)

STRONG IMPROVEMENT OF NET RESULT



Condensed income statement IFRS – in M€	S1 2005-2006	S1 2006-2007	Variation %	Key highlights
Revenue	394.9	415.3	+ 5.2 %	
Operating expenses	(83.9)	(85.7)	+2.1 %	▶ Strict cost control
EBITDA	311.0	329.6	+ 6.0 %	
Depreciation and amortisation	(146.6)	(150.2)		▶ Includes 22.2 M€ of amortisation of intangible assets
Other operating costs	(31.5)	(25.7)		▶ Mainly satellite impairment
Other operating revenues	-	25.8		▶ Partial insurance compensation for the W1 technical incident
Operating income	132.9	179.5	+35.1 %	
Financial expenses net	(118.0)	(56.5)		▶ Positive impact of the debt reduction and refinancing
Equity investments	1.2	2.5		
Income tax	(37.3)	(45.6)		▶ 37% effective tax rate
Consolidated net income	(21.2)	79.9		▶ Reflects operating performance and debt restructuring
Net income, Group share	(25.6)	75.0		▶ 4.9 M€ Eutelsat SA minority interests

IMPROVED FINANCIAL RESULT REFLECTS DEBT RESTRUCTURING



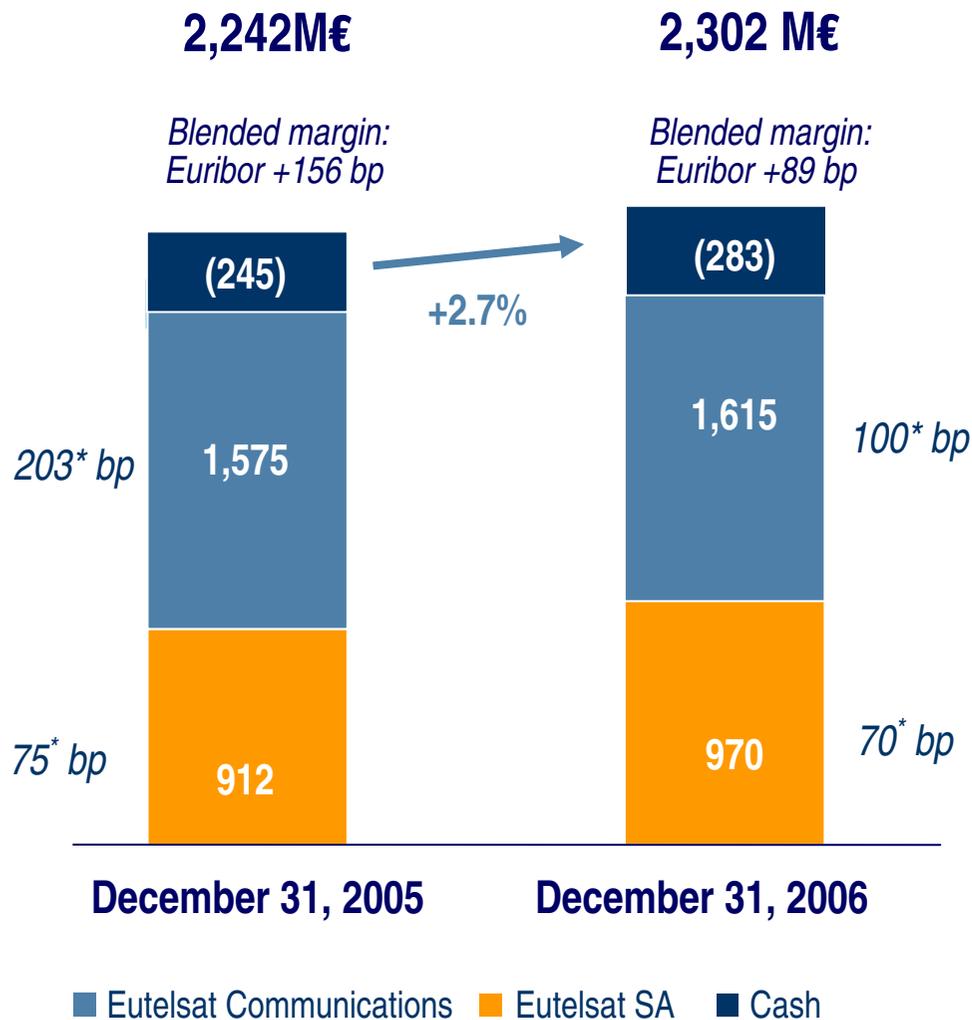
IFRS – In M€	H1 2005-2006	H2 2005-2006	H1 2006-2007
Interest expenses and others	(84.4)	(53.7)	(54.8)
Hedging instruments	10.0	0.7	(0.2)
Foreign exchange gains / losses	0.2	0.3	(0.1)
Amortisation of loan set-up fees	(4.6)	(3.6)	(1.5)
Sub-Total	(78.8)	(56.3)	(56.5)
Prepayment penalties and waiver fee (cash)	(14.2)	0	-
Write-off of loan set up fees on PIK, Second Lien and Senior debt (non cash)	(25.0)	(35.4)	-
Gain on hedging instruments subsequent to Senior debt refinancing (non cash)	0	30.1	-
Post IPO debt restructuring costs and senior debt refinancing net costs (sub-total)	(39.2)	(5.3)	-
Financial result, Net	(118.0)	(61.6)	(56.5)

STRUCTURALLY HIGH OPERATING FREE CASH FLOW



Condensed cash flow statement IFRS – in M€	H1 05-06	H1 06-07	
Net cash flow from operating activities	228	240	58% of revenue
Capital expenditure	(73)	(138)	
Operating free cash flow	155	102	25% of revenue
Minority buy-outs	(61)	(8)	
Net IPO proceeds	839	1	
Dividends	(8)	(124)	
Financial expenses paid, net	(103)	(37)	
Performance Incentives	(7)	(8)	
Others	4	0	
ATLANTIC BIRD™ 1 debt reduction	96	0	
CHANGE IN NET DEBT	(915)	74	
Net debt ⁽¹⁾ at the beginning of the period	3,157	2,228	← 3.6x EBITDA
Net debt ⁽¹⁾ at the end of the period	2,242	2,302	← 3.6x EBITDA

DEBT EVOLUTION: COST SAVINGS ACHIEVED, SIMPLIFIED AND HEDGED



Eutelsat Communications: senior debt and revolver for total amount of 1,915 M€

- ▶ 7-year in fine until June 2013
- ▶ Hedged up to 3.85%
- ▶ Undrawn amount at December 31, 2006: 300 M€

Eutelsat SA: syndicated loan for a total of 1,300 M€

- ▶ 7-year in fine until November 2011
- ▶ Fixed hedging at 3.415% until November 2011 and hedging of revolver credit up to 4.50% until December 2009
- ▶ Undrawn amount at December 31, 2006: 330 M€

* On bank debt

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OBJECTIVES CONFIRMED



REVENUES

- ▶ Above 800 M€ in FY 2006-2007
- ▶ CAGR^(*) of +4.5% for FY 2007-2008 and FY 2008-2009

EBITDA MARGIN

- ▶ Objective of 77% for FY 2006-2007 taking into account 11.4 M€ one-off revenues in H1
- ▶ Objective for FY 2007-2008 and FY 2008-2009 maintained above 76%

CAPITAL EXPENDITURE

- ▶ 325 M€ per annum on average FY 2006-2007 to FY 2008-2009, i.e. 980 M€ over 3 years
- ▶ Average annual replacement Capex at 260 M€ beyond 2009 to ensure progressive fleet renewal

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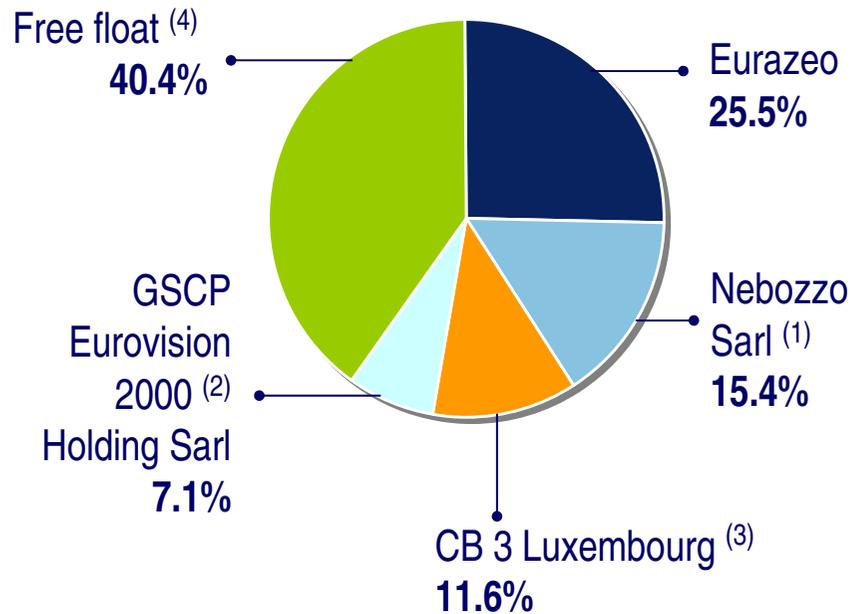
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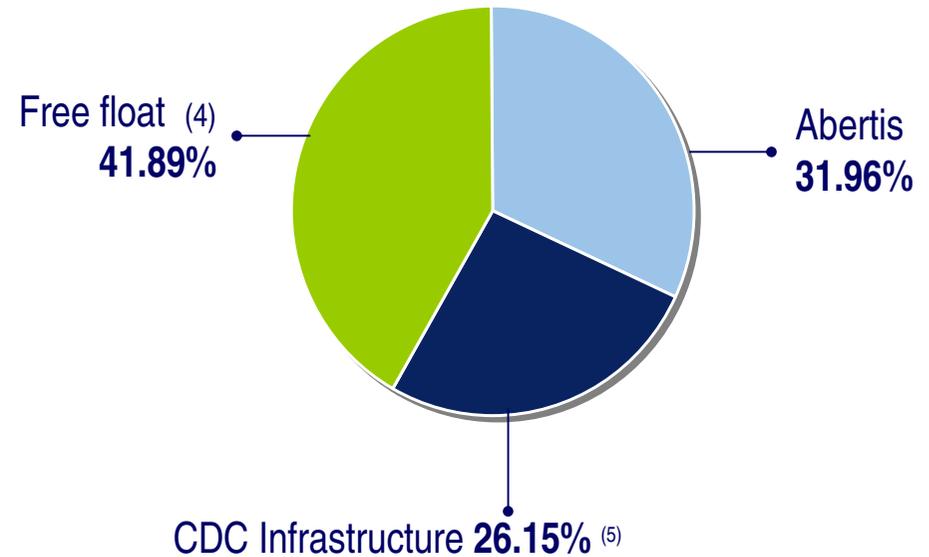
EVOLUTION OF EUTELSAT COMMUNICATIONS SHARE STRUCTURE



As of December 1, 2006



As of February 14, 2007



- (1) Nebozzo Sarl is a joint company controlled by Spectrum Equity Investors and Texas Pacific Group
- (2) GSCP Eurovision 2000 Holding Sarl is owned by Goldman Sachs Capital Partners
- (3) CB 3 Luxembourg is owned by Cinven
- (4) Freefloat includes minority institutional shareholders and employees

- (5) Subsidiary of Caisse des Dépôts et Consignations. Includes 0.65 % owned by CDC Fonds Propres.

DEVELOPMENT OF ORBITAL POSITIONS: A CASCADE STRATEGY

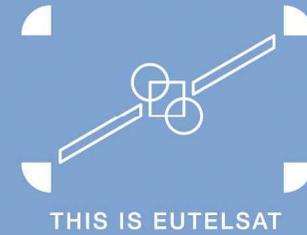


HOT BIRD™ POSITION STRENGTHENED: N°1 for Video in extended Europe

- ▶ Procurement of HOT BIRD™ 9 and HOT BIRD™ 10, entry into service HOT BIRD™ 8

DEVELOPMENT AND SECURING OF MAJOR VIDEO POSITIONS:

- ▶ Entry into service EUROBIRD™ 10 (ex. HOT BIRD™ 3) at 9/10°E (Europe)
- ▶ Opening of new orbital position at 7/8°W (Middle East, North Africa)
- ▶ Procurement W2A (10°E), W7 (36°E) and W2M (16°E)



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