

# Eutelsat Communications

First Half 2008-2009 Results

February 10, 2009

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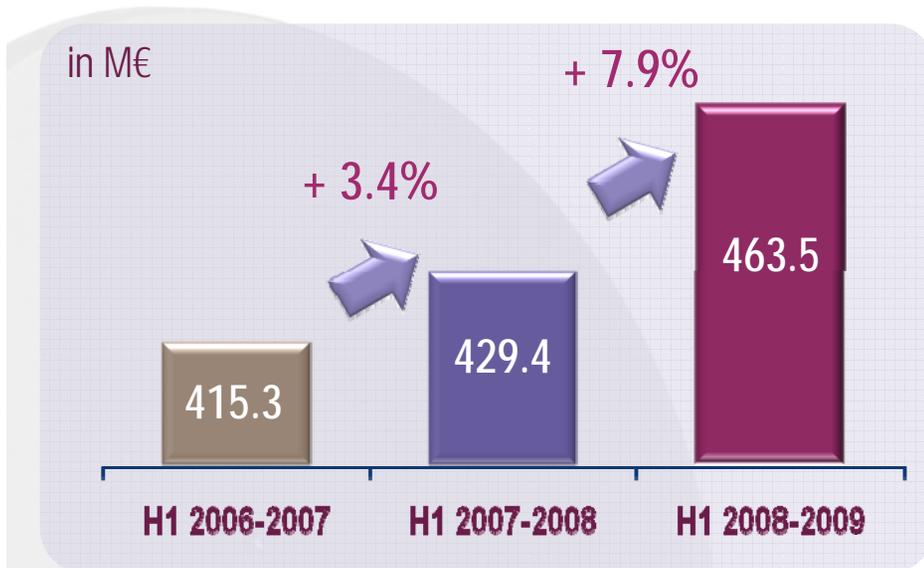
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# Agenda

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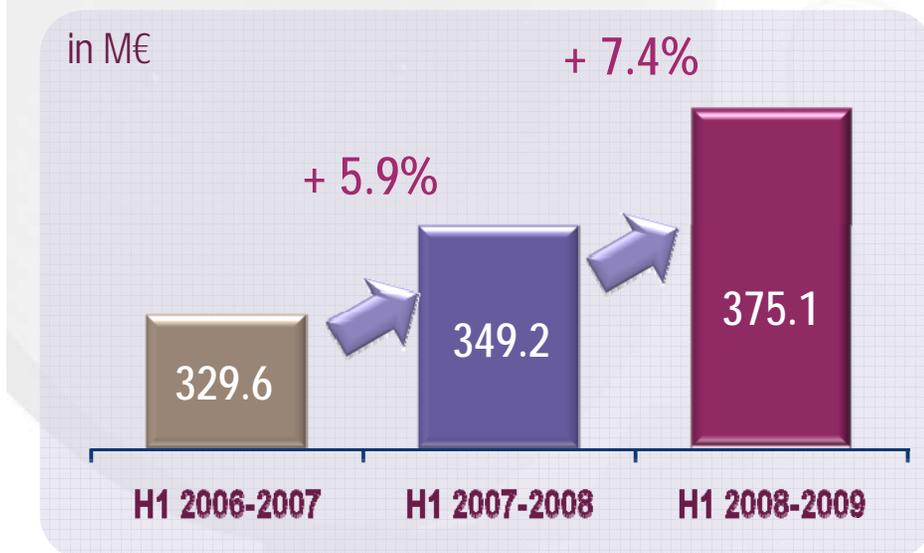
1. Strategy overview
2. Growth across all activities
3. Excellent performance of key financial indicators
4. 2008-2009 revenue outlook revised upwards. Medium-term objectives confirmed

# H1 2008-2009 revenue growth exceeding objectives



## ► REVENUE +7.9%

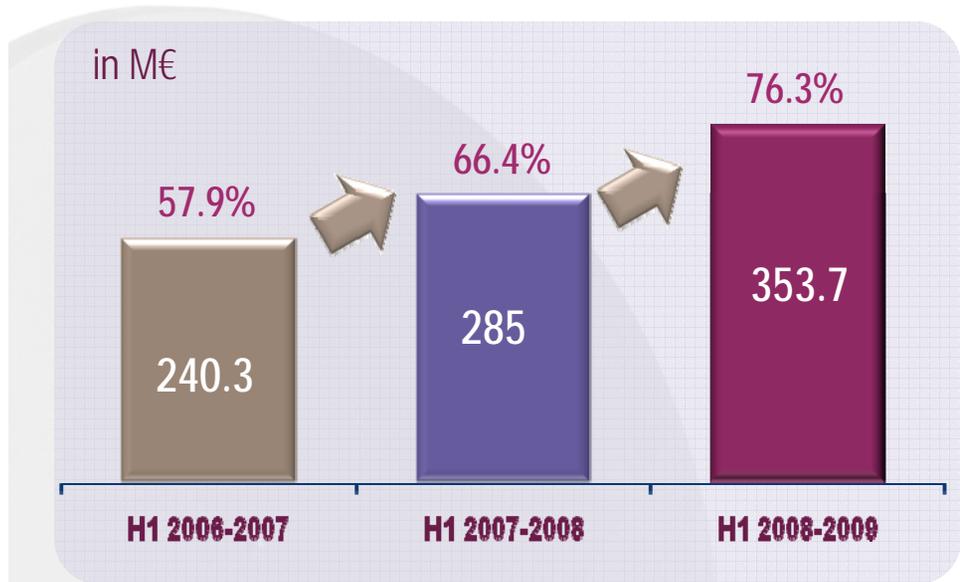
- > All applications showing growth
- > Privileged positioning in rapidly-expanding markets



## ► EBITDA: +7.4%

- > EBITDA margin of 80.9%
- > Continued Best-in-class among leading FSS players

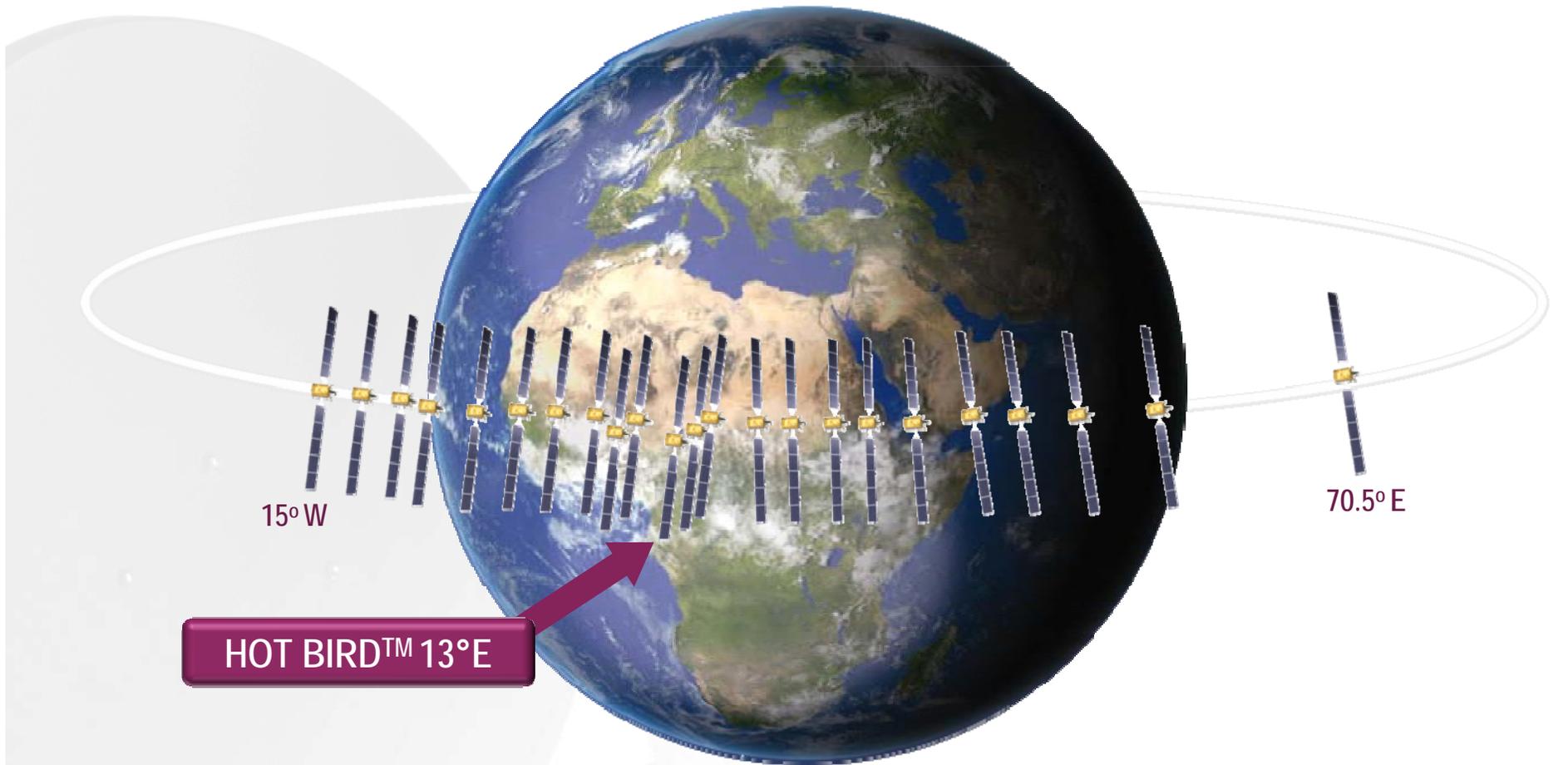
# Solid business model and outlook



- ▶ Ongoing strong net operating cash flow generation
- ▶ Representing 76.3% of revenues

- ▶ Upward revision of FY 08-09 revenue objective
- ▶ Mid-term outlook 2008-2011 confirmed

# Leveraging the competitive advantages of satellites and a unique portfolio of orbital positions



Satellites remain the most efficient content distribution platform  
Unique combination of bandwidth availability and geographic reach  
Eutelsat has access to a unique portfolio of orbital slots  
concentrated over the European orbital arc

# A long term vision combining growth and profitability

MAXIMISE REVENUE BY TRANSPONDER

Video Applications

Value  
Added Services

PIONEERING INNOVATION (KA-SAT & S-BAND)  
MINIMISING OPERATING AND FINANCIAL RISKS

# Video strategy targeting the most dynamic markets

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*DIGITAL TV &  
Managed Video  
Services*

*HDTV*

*FUTURE 3D*

**HOT BIRD™**

**CASCADING  
SATELLITES AND  
CHANNELS TO NEW  
VIDEO  
NEIGHBOURHOODS**

**PROGRESSIVE  
REGIONALISATION  
OF VIDEO POSITIONS  
TO TURN INTO  
« HOT SPOTS »**

# Video strategy targeting the most dynamic markets

## HOT BIRD™

**13°E**  
N°1 for TV in Europe  
with over 1,000  
channels

## CASCADING SATELLITES AND CHANNELS TO NEW VIDEO NEIGHBOURHOODS

- ▶ EURO BIRD™ 2 (ex HB5)  
@ 25.5°E in FY 03-04
- ▶ ATLANTIC BIRD™ 4 (ex HB4)  
@ 7° W in FY 06-07  
Followed by HOT BIRD™ 10
- ▶ EURO BIRD™ 9 (ex HB 2)  
@ 9°E in FY 07-08  
Followed by HOT BIRD™ 7A  
to double capacity over Europe

## PROGRESSIVE REGIONALISATION OF VIDEO POSITIONS TO « HOT SPOTS »

- ▶ 7° E 199 channels ↗ 10.5%  
Turkey
- ▶ 7° W 276 channels ↗ 35%  
North Africa, Middle East
- ▶ 16° E 384 channels ↗ 18%  
Central Europe, Indian Ocean islands
- ▶ 36° E 440 channels ↗ 31%  
Russia, Africa
- ▶ 9° E 149 channels ↗ 96%  
Europe

N°1 in EMEA region: 3,218 channels of which 73 HDTV

# Professional to consumer Digital services

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*2003  
D-STAR  
in Ku Band*

*2008  
TOOWAY™  
consumer broadband*

*Beyond 2009  
Triple Play  
Info Mobility (S-Band)*

Using existing  
Ku satellites

Multispot satellites  
in Ku (EUROBIRD™ 3)  
& KA (HOT BIRD™ 6)  
ViaSat-DOCSIS technology

KA-SAT: ground network  
& multispot coverage  
Solaris Mobile

# Professional to consumer Digital services

*2003*

- ▶ For professionals in regions with low terrestrial network
- ▶ D-Star terminals up by 23.4% to 9,704
- ▶ Driven by emerging markets

*2008*

- ▶ X3 reduction in terminal cost
- ▶ Roll out in 18 countries
  - ▶ Selected by Swisscom & Fastweb
  - ▶ Responding to French Digital 2012 Plan

*Beyond 2009*

- ▶ Over 1 million users
- ▶ From 8 to 10 Mbps (ADSL+) over 80 spots
- ▶ Over 100 M€ revenues by 2013
- ▶ Info Mobility
  - ▶ Complement GPS / Galileo
  - ▶ Launch on W2A satellite

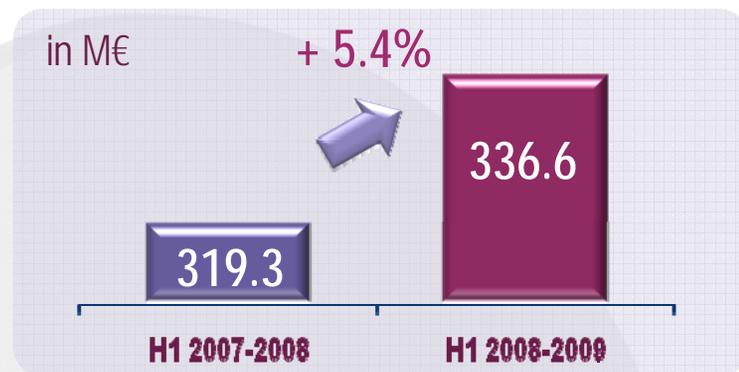
Unique and first infrastructure to bridge the digital divide

# Agenda

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1. Strong performance in H1 2008-2009
2. Growth across all activities
3. Excellent performance of key financial indicators
4. 2008-2009 revenue outlook revised upwards. Medium term objectives confirmed

# All applications showing growth



## ► Solid progression of Video Applications

- > Eutelsat ranked N°1 in EMEA region
- > 3 218 channels and interactive services, of which 73 HDTV



## ► Strong growth of Data and Value Added Services

- > Revenue growth: +12.4%, of which +16.8% for VAS
- > TOOWAY™ selected by Fastweb (Italy)

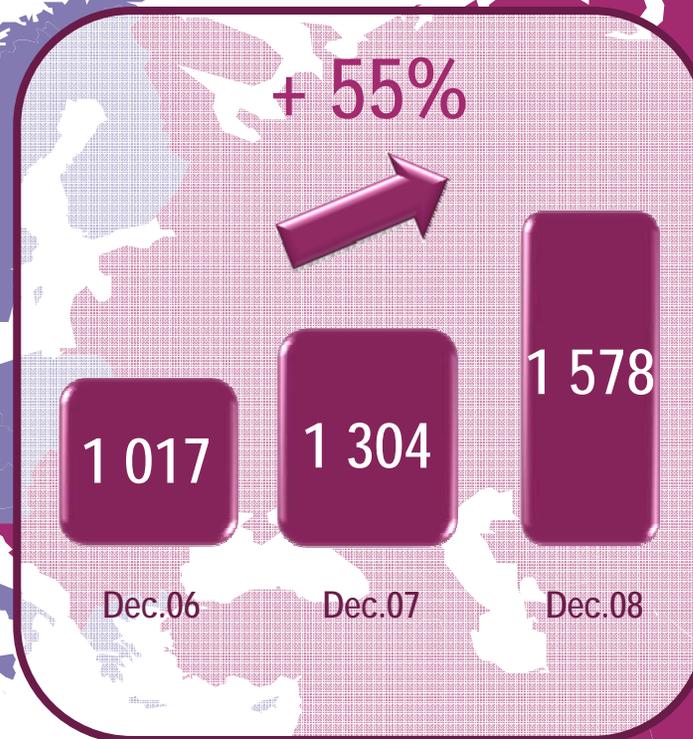
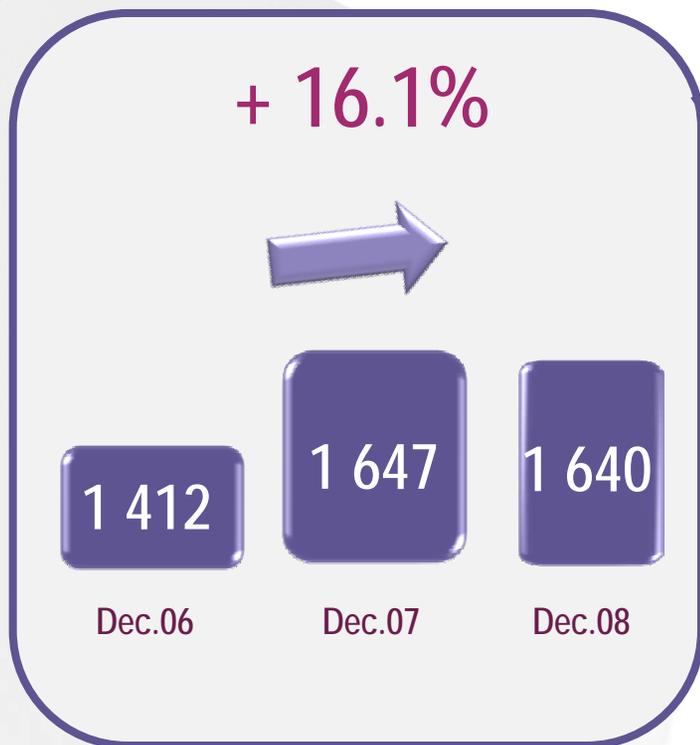


## ► Substantial increase of Multiusage Services

- > New contracts and renewal of existing contracts, at higher prices

# Video Growth drivers: +32.5% channels in 2 years

\* Channels broadcasting Dec 31



- ➔ Strong development of DTH over Second Continent : + 561 channels over 2 years
- ➔ More than twofold HDTV increase across all regions

13°E : 27 HDTV    9°E : 17 HDTV    16°E : 7 HDTV  
36°E : 8 HDTV    7°E : 7 HDTV

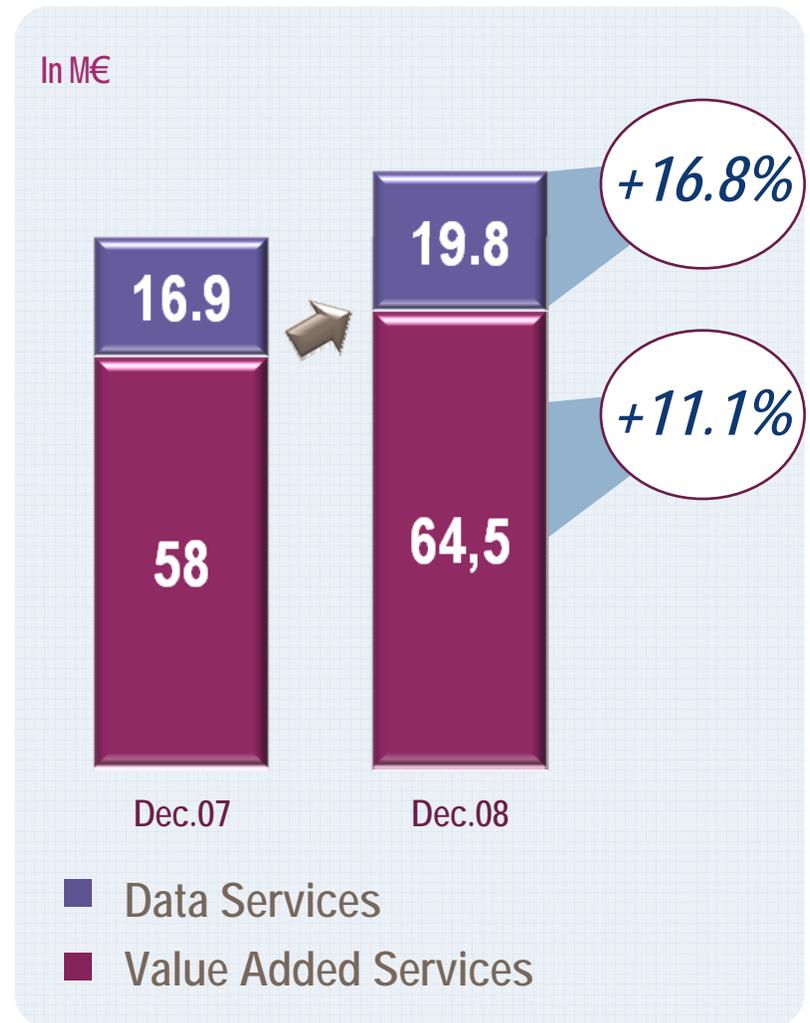
# Robust expansion of Data and Value-Added Services

## ► Data Services

- > Strong demand to interconnect Europe, Africa, Middle East, Central Asia
- > Corporate networks, IP backbone, GSM backhaul

## ► Value-Added Services

- > Driven by professionals in emerging markets
- > Progressive roll out of TOOWAY™ residential broadband service now distributed by 26 partners in 18 countries in Europe
- > Mobility : SNCF's satellite-based Internet access service to be deployed on its entire fleet of 52 TGV East high-speed trains



# Strong growth of broadband

Broadband revenue up by 29.7% to 15.2M€ driven by strong expansion of D-STAR terminals across all regions



As of December 2008  
Number of D-STAR terminals

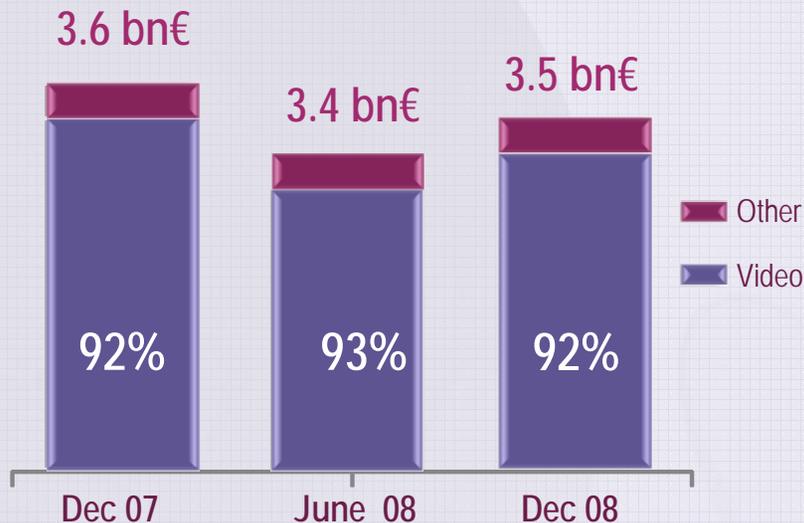
## Multi-Usage: significant growth

- ▶ Conclusion of new contracts and renewal at higher prices
- ▶ Appreciation of the US dollar against the euro



# Strong operating indicators

Increased visibility provided by backlog:  
Weighted average residual life of contracts: 7.7 years



- ▶ Renewed contracts
- ▶ Exceptional long-term visibility on revenues and cash flows

Exceptionally high fill rate  
> 97%



- ▶ In-orbit resources to be substantially increased by year-end

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# Healthy financial indicators maintained

in M€



- ▶ Steady increase in EBITDA
  - > Best-in class profitability with 80.9% EBITDA margin



- ▶ Net debt to EBITDA down to 3.34x. in spite of higher net debt and distribution to shareholders

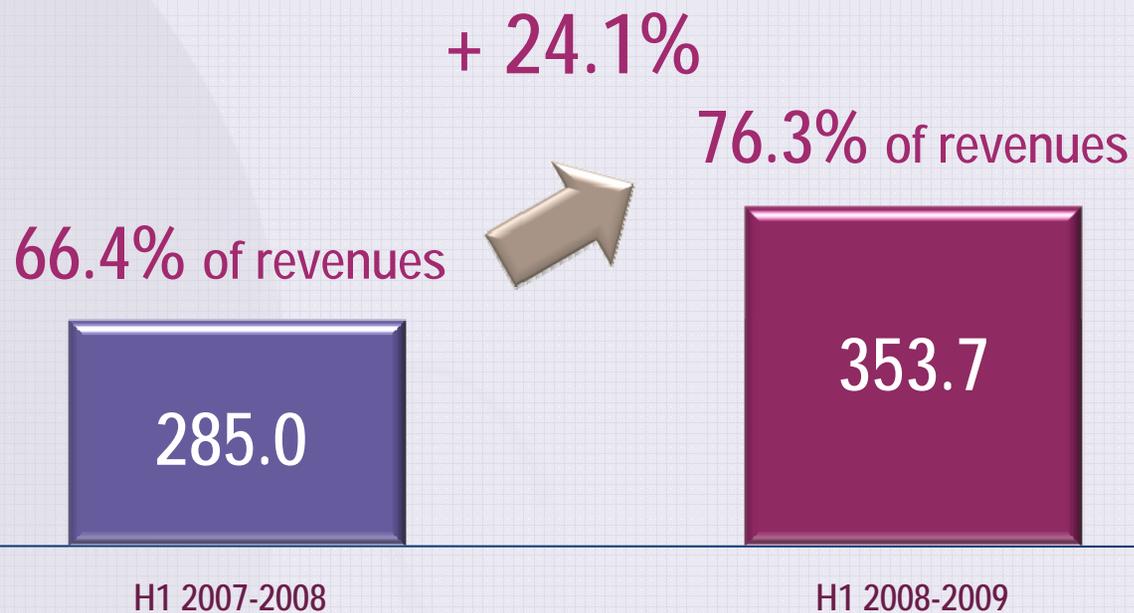
\* EBITDA is defined as operating income before depreciation, amortisation and other operating income/charges (impairment charges, dilution profits (losses), insurance compensation, etc.).

# All financial metrics are up

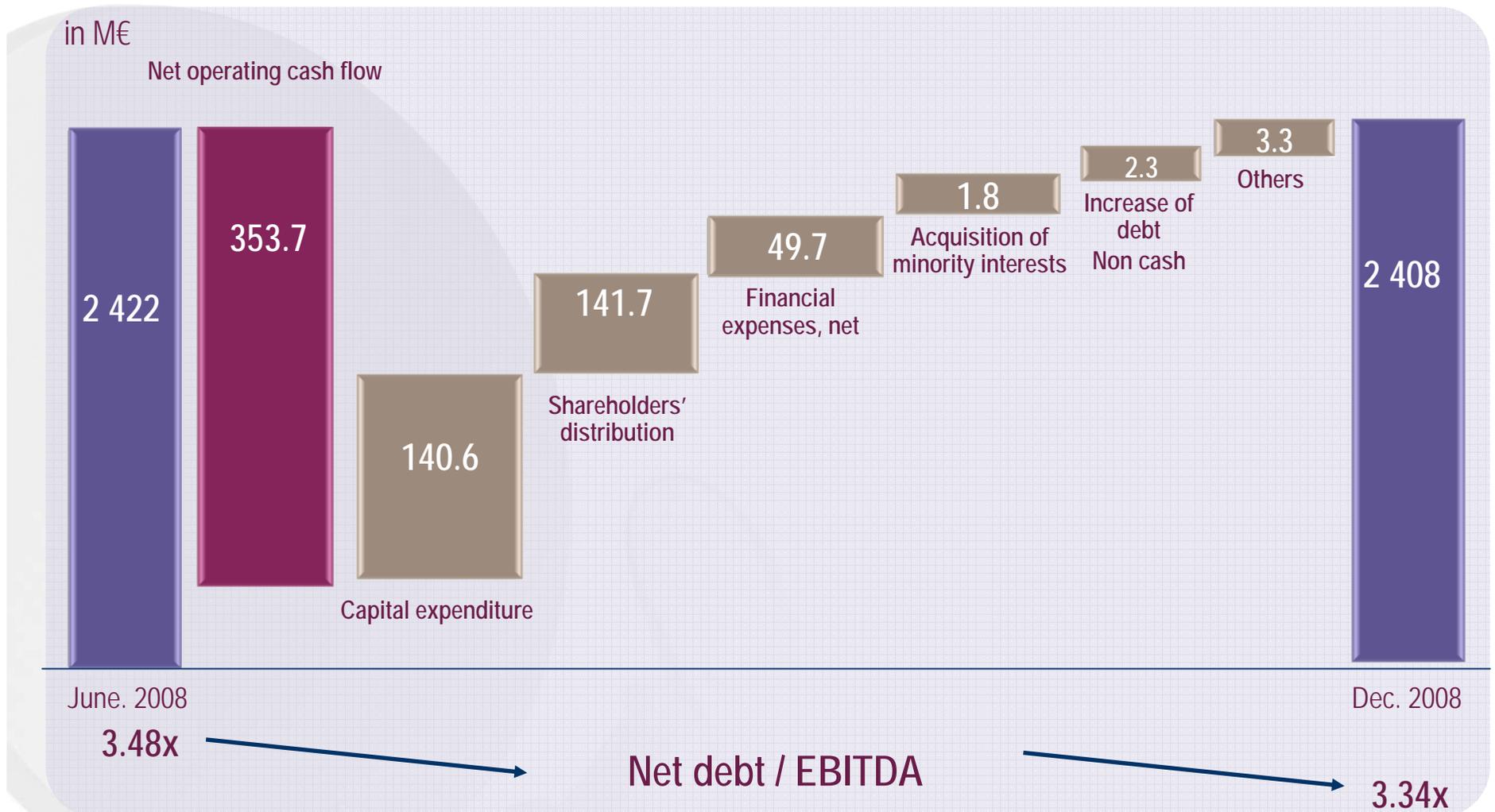
<i>Condensed income statement, in M€</i>	H1 2007-2008	H1 2008-2009	Change%	
Revenues	429.4	463.5	+7.9%	▶ +7.2% at constant exchange rate
EBITDA	349.2	375.1	+7.4%	▶ Increase resources and development of new services ▶ EBITDA margin @ 80.9%
Operating income	193.8	256.3	+32.2%	▶ 55.3% of revenues. 25M€ income for the sale of certain rights in Hispasat
Financial income	(56.3)	(49.8)	-11.5%	▶ Slight improvement
Income from equity investments	6.0	6.8	+11.9%	▶ Excellent commercial and operating performance of Hispasat
Income tax	(48.9)	(71.2)	+45.6%	▶ Slight decrease of effective tax rate: 34.5%
Minority interests	(6.3)	(6.9)	+10.1%	▶ Reflect the operating performance of Eutelsat SA
Group share of net income	88.5	135.2	+52.8%	▶ Sharp increase

# Strong Net Operating Cash Flow generation

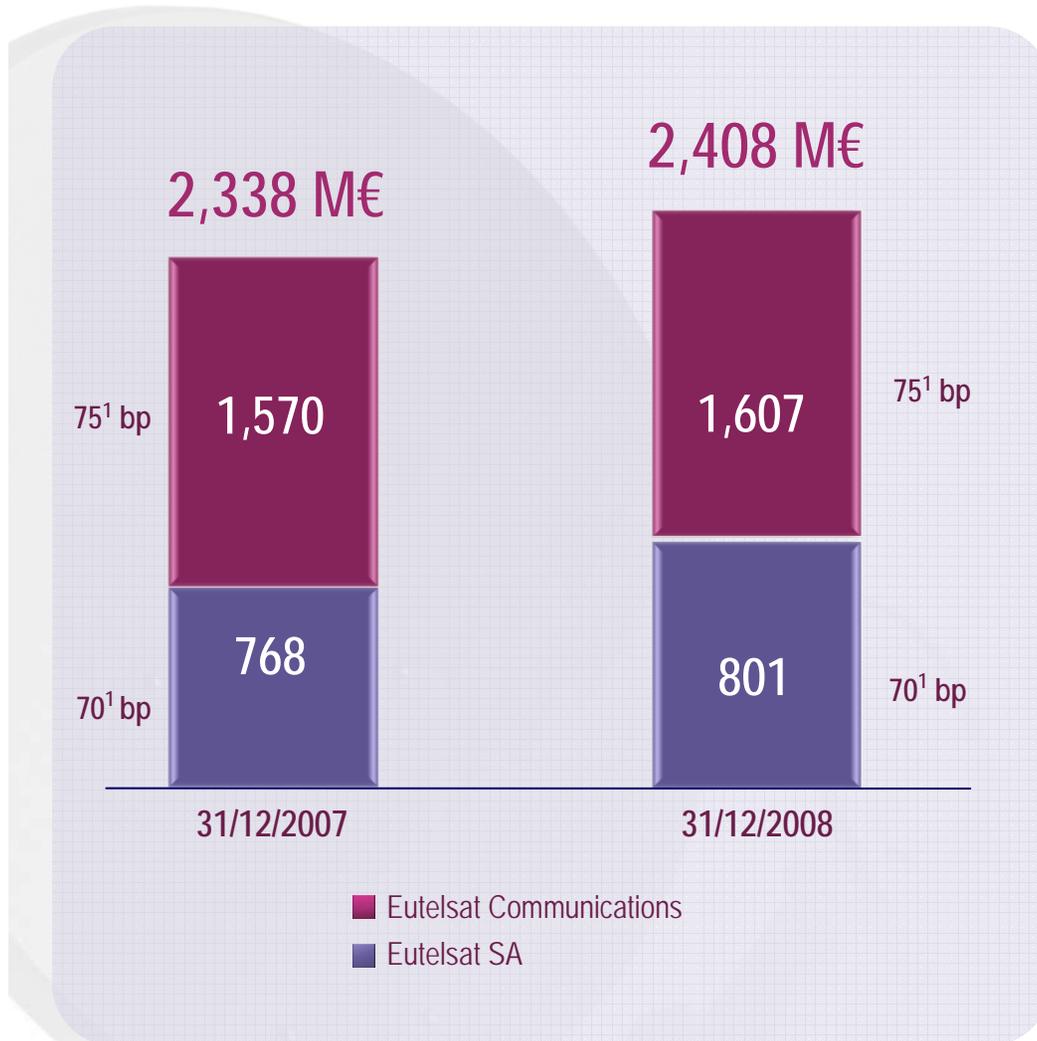
in M€



# Solid financial structure



# Ongoing optimisation and hedging of financial debt



► Average<sup>(2)</sup> cost of debt:  
4.19 % as of Dec.08

► Interest rate hedging:

- Eutelsat SA debt largely hedged until maturity in November 2011
- Eutelsat Communications' drawn debt fully hedged until maturity in June 2013

► Undrawn credit facility: 700M€

1 Bank debt including liabilities from long-term lease agreements, net of cash

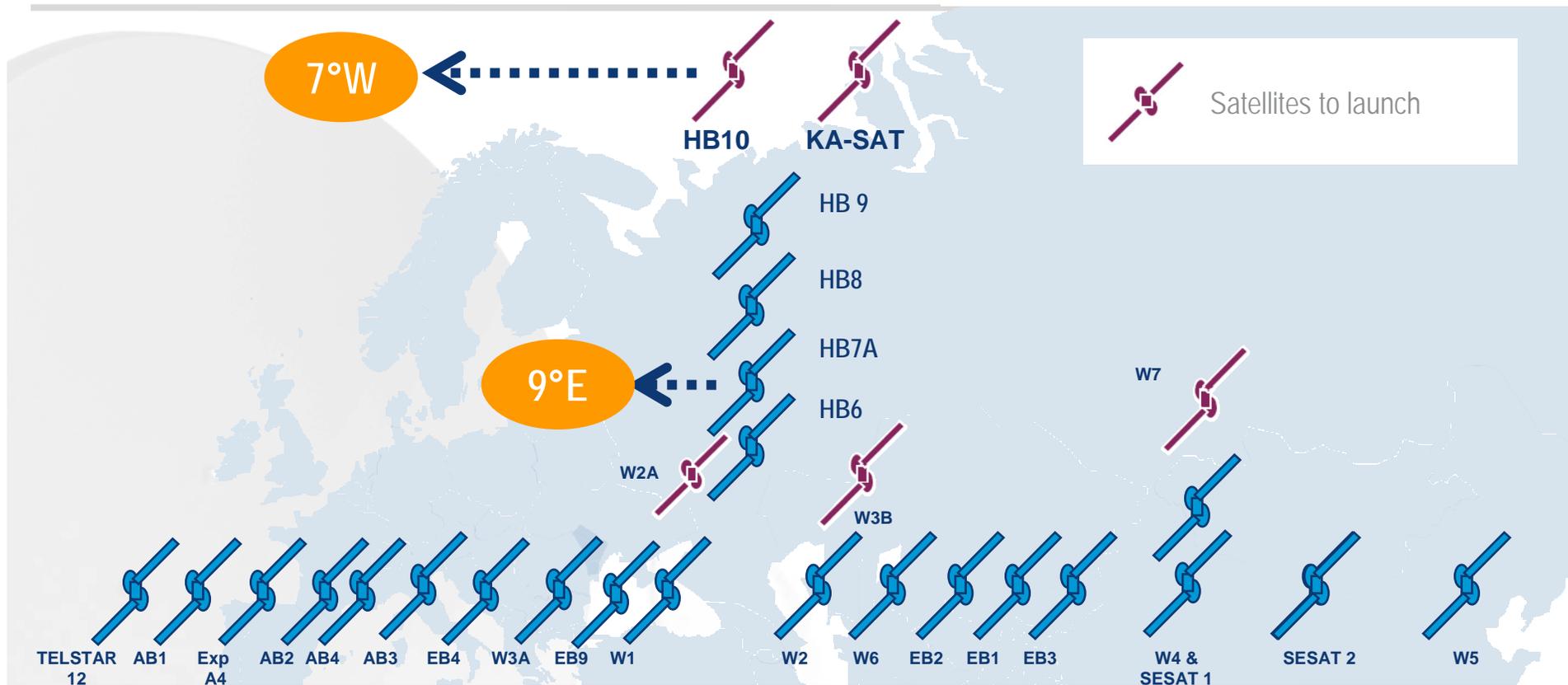
2 Net average cost of debt after hedging

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# Flexible deployment plan and strong risk management policy



- > Successful in-orbit testing of HOT BIRD™ 9 to join 13°E on February 17 and relocation of HOT BIRD™ 7A to 9°E to almost double capacity at 9°E by end February
- > Launch HOT BIRD™ 10 on February 12 to expand 7°W
- > Launch W2A on March 28 to expand 10°E
- > Launch W3B in mid-2010 to expand 16°E
- > Finalisation of ATLANTIC BIRD™ 4-R procurement to consolidate 7°W
- > Launch of W7 in mid-2009 to expand 36°E
- > Launch of KA-SAT in mid-2010 at 13°E

# Revenue objective raised for 2008-2009

## Medium-term outlook confirmed

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Revenue

2008 - 2009: above 910M€ (vs > 900M€)  
2008 - 2011: CAGR of 6%, in acceleration

EBITDA margin

2008 - 2009: above 78%  
2008 - 2011: constantly above 77%

CAPEX

2008 - 2011: 450 M€/year in average

Distribution

Between 50% and 75% of Group share of net income

## In summary, Eutelsat is ...

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- ▶ The 3<sup>rd</sup> largest operator of Fixed Satellite Services in the world
- ▶ 30 years of uninterrupted growth
- ▶ The world N°1 in terms of profitability
- ▶ A key infrastructure for information society (telecommunications, television and broadband)
- ▶ 3,218 TV channels for more than 165 million cable and satellite households
- ▶ Structurally high operating cash flows



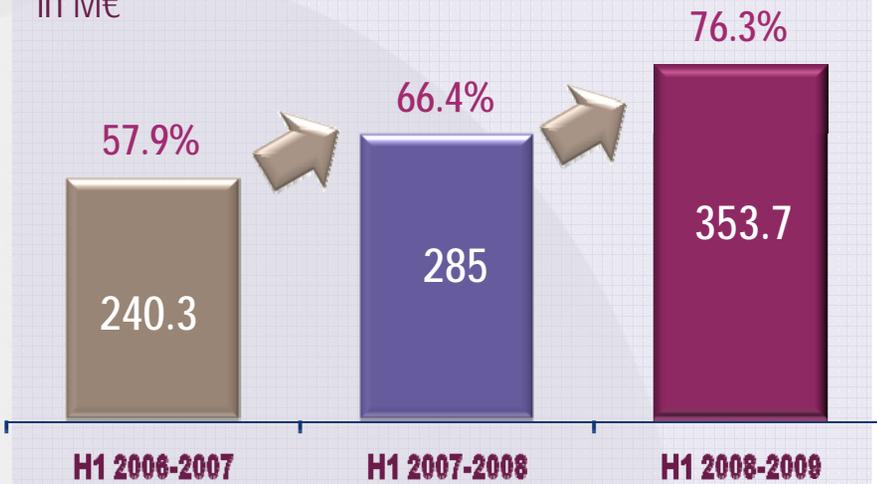
# Eutelsat Communications



Annexes

# Sharp rise of key financial metrics

in M€



- ▶ Ongoing strong net operating cash flow generation
  - ▶ +24.1% boost
  - ▶ Representing 76.3% of revenues

in M€



- ▶ Net Income Group Share
  - ▶ Dramatic increase of 52.8%
  - ▶ 29.2% of revenues

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



Net cash flow from operating activities consistently above 60% of revenues  
Capital expenditure entirely self-financed

## Q2 revenue

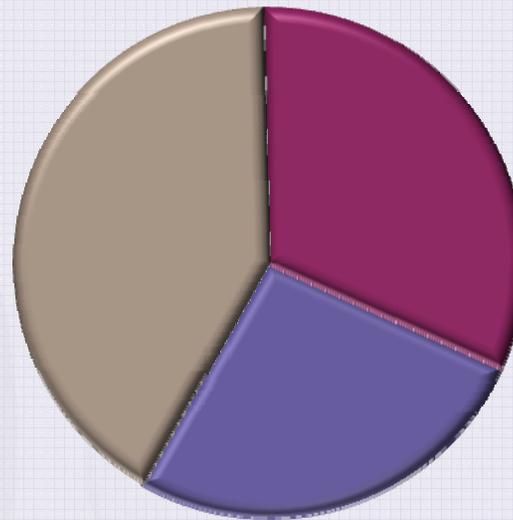
Video Applications: +5.3%  
Data and VAS: +14.6%

3 months (Oct/ Dec)	Q2 2007-2008	Q2 2008-2009
Video Applications	161.2	169.8
Data and VAS	37.7	43.2
Multiusage	15.0	19.3
Others	3.6	4.5
<b>TOTAL</b>	<b>217.5</b>	<b>236.8</b>

# Shareholder base

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Public  
42.89%



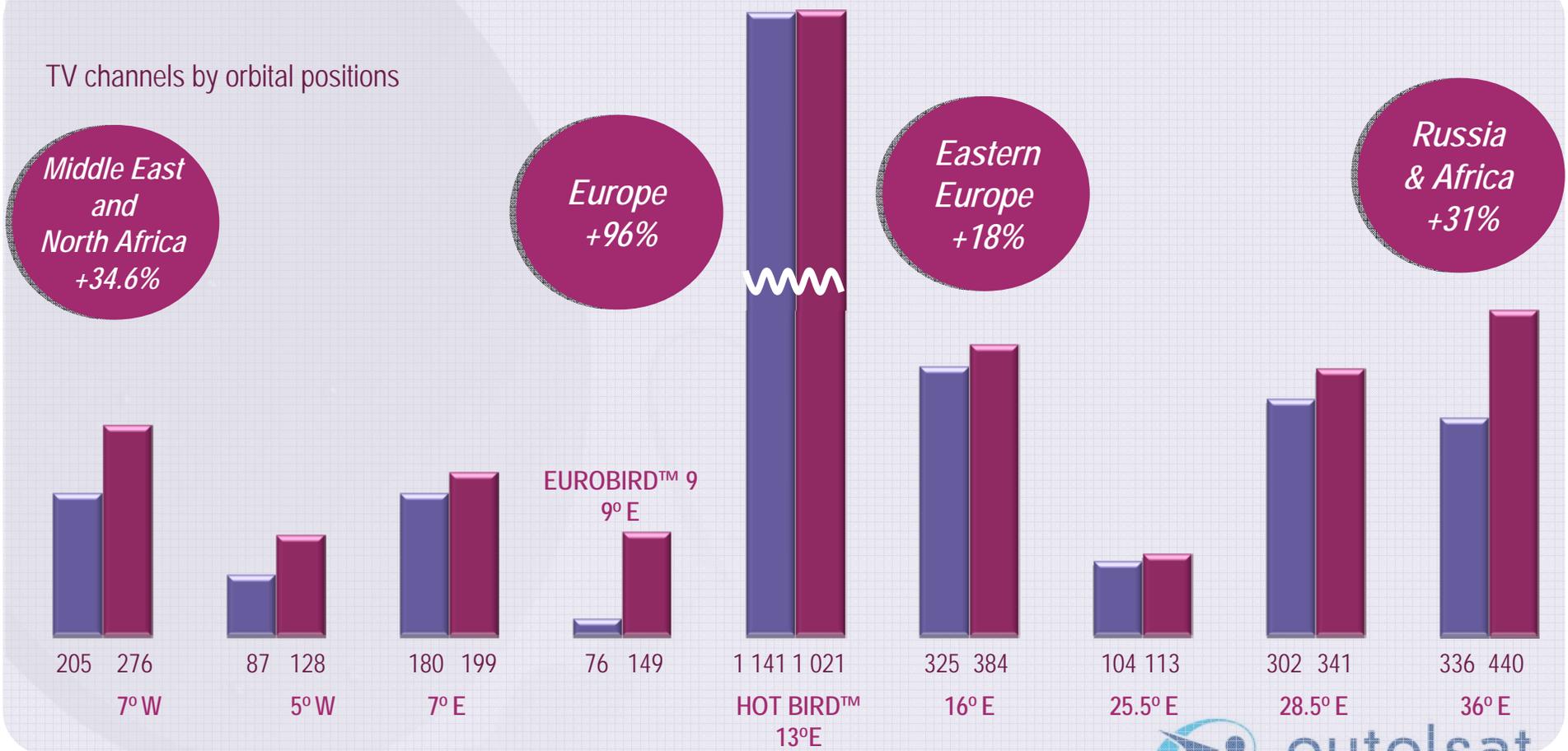
Abertis  
Telecom  
31.43%

CDC Infrastructure  
25.68%

# Leading operator for video in EMEA regions

- ▶ HOT BIRD™ : N°1 FOR BROADCASTING IN EUROPE : 1021 TV of which 27 HDTV
- ▶ Fastest growing slots over Second Continent and success of 9° E
- ▶ N° 1 FOR HDTV WITH 73 HDTV OF WHICH 40 OVER SECOND CONTINENT

TV channels by orbital positions



As of 31/12/2008