

## EUTELSAT COMMUNICATIONS THIRD QUARTER 2012-2013 REVENUES

- Revenues up 4.6% to €322.9 million (+3.9% at constant currency)
- Nine-month revenues up 5.0% to €956.5 million (+3.5% at constant currency)
- Record backlog of €5.5 billion
- Outlook for FY 2012-2013:
  - Revenue growth confirmed in the 5-6% range
  - Robust EBITDA margin at around 77.5%

**Paris, May 7, 2013** – Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris: ETL), one of the world's leading satellite operators, today published its financial report for the third quarter and nine months ended 31 March 2013.

Revenues by business application:

In millions of euros	3 <sup>rd</sup> quarter ended March 31		Change In %	9 months ended March 31		Change In %
	2012	2013		2012	2013	
Video Applications	211.0	<b>216.4</b>	+2.6	614.3	<b>647.1</b>	+5.3
Data & Value-Added Services	57.9	<b>60.8</b>	+4.9	175.7	<b>185.6</b>	+5.6
Multi-usage	37.0	<b>35.4</b>	-4.4	111.4	<b>108.1</b>	-3.0
Other revenues	2.8	<b>2.6</b>	-8.0	6.1	<b>8.0</b>	+30.0
Subtotal	308.7	<b>315.1</b>	+2.1	907.7	<b>948.8</b>	+4.5
Non-recurring revenues	-	<b>7.7</b>	NM	3.5	<b>7.7</b>	NM
<b>Total</b>	308.7	<b>322.9</b>	+4.6	911.2	<b>956.5</b>	+5.0

Commenting on the Group's third quarter 2012-2013 revenues, Michel de Rosen, CEO of Eutelsat Communications, said:

*"Third quarter revenues were up 4.6%. The performance of Video, our main business, accounting for almost 70% of revenues, was underpinned by sustained demand at key neighbourhoods over Europe, Africa, and the Middle East. Multi-usage revenues reflected the impact of US federal budget sequestration which significantly affected the outcome of contract negotiations during the quarter. This was partially offset by the integration of EUTELSAT 172A into the fleet.*

*The record order backlog of €5.5 billion was buoyed in particular by new long-term video contracts in North Africa and the Middle East, lending strong visibility on future revenues. We are pursuing our programme to deploy capacity on seven additional satellites by end 2015 to enable us to meet demand in the highest growth applications and regions, with the first, EUTELSAT 3D, on track for launch on May 14.*

*Our revenue objective for Full Year 2012-2013 is maintained, with a likely outturn at the lower end of the 5-6% range. Notwithstanding the current investment in our overall commercial activity, the Group's EBITDA margin is now expected to be around 77.5%."*

## THIRD QUARTER REVENUE ANALYSIS

*Note: Unless otherwise stated, all growth indicators or comparisons are made against the third quarter of the previous fiscal year ended 31 March 2012. The share of each application as a percentage of total revenues is calculated excluding "Other revenues" and "Non-recurring revenues".*

Eutelsat Communications reported revenues of €322.9 million for the third quarter, up 4.6% (3.9% at constant currency). For the 9-month period ending 31 March 2013, Group revenues stood at €956.5 million, up 5.0% (+3.5% at constant currency).

### **VIDEO APPLICATIONS (69.2% of revenues<sup>1</sup>)**

Revenues from **Video Applications**, Eutelsat's largest business activity, rose 2.6% to €216.4 million. Growth was driven by three video neighbourhoods in particular:

- 16° East, serving broadcasters in Central Europe and Indian Ocean Islands, with the continuing ramp-up of new capacity added to this position in 2011 from EUTELSAT 16A. Channel count at this video neighbourhood increased 17% year-on-year to 625 channels.
- 7° East, with coverage of Turkey, where both new and renewal contracts were signed. Performance was boosted by HD channel uptake which grew by 39% year-on-year. HD penetration at this neighbourhood is now the highest of Eutelsat's fleet, at over 15%.
- 5° West, notably serving France and Algeria, also saw growth with new channels coming into the fleet. The total number of channels rose by 30% to 261, with the HD channel count up from six to 22, boosted by new sports channels.

The HOT BIRD position continued to grow, as long-term contracts in the backlog translated into revenues. The three HOT BIRD satellites were broadcasting 1,117 channels at 31 March 2013, with HD penetration at 13.5%, up from 11.4% a year earlier.

The 7/8°West video neighbourhood also continues to show strong dynamic, with channel growth in both Standard Digital (+13% to 601 channels) and High Definition which more than doubled to 48 channels. The Middle East and North Africa region remains a strong performer, reflected by new long-term contracts signed during the quarter for upcoming broadcasting capacity at 7/8° West and 25°5 East.

At 31 March 2013, the total number of channels broadcast by Eutelsat was 4,638, up 9% (+386 channels) year-on-year. 434 of these channels were in High Definition (+30%), implying an HD penetration rate across the fleet of 9.4%, compared to 7.8% at 31 March 2012.

### **DATA and VALUE-ADDED SERVICES (19.4% of revenues)**

Revenues from **Data and Value-Added Services** stood at €60.8 million, up 4.9%.

**Data Services** revenues stood at €46.7 million (+3.8%), reflecting the integration of EUTELSAT 172A into the fleet.

Despite the additional capacity on the EUTELSAT 21B and EUTELSAT 70B satellites that became available over recent months, Data Services did not perform as well as expected. The markets for point-to-point services remain challenging as a consequence of terrestrial networks (optic fibre) deployment and the increase in supply of available satellite capacity, notably in Africa.

Demand remains dynamic however for capacity for corporate networks and mobility in fastest growing regions including Africa and the Asia Pacific. Eutelsat has recently reinforced its commercial presence in both regions to take advantage of these positive trends.

**Value-added Services** recorded growth of 8.9% to €14.1 million. Marketing efforts, combined with an enhanced consumer broadband offer that provides speeds of up to 20Mbps download and up to 6Mbps upload and unlimited volumes, generated good sales momentum for KA-SAT. The distribution network also continued to expand. On the

<sup>1</sup> Percentages of revenues exclude "Other revenues" and "Non-recurring revenues".

professional side, the Group recently signed a contract with a North African client using two of KA-SAT's beams to provide 1.6Gbp/s.

#### **MULTI-USAGE (11.3% of revenues)**

Revenues from **Multi-usage** services fell by 4.4% to €35.4 million.

This performance reflected the US federal budget sequestration which significantly affected the outcome of negotiations for renewal and new contracts. This was partially offset by the integration of EUTELSAT 172A into the fleet.

#### **OTHER AND NON-RECURRING REVENUES**

Other revenues of €2.6 million related primarily to revenues from technical service contracts with partners.

Non-recurring revenues of €7.7 million mainly included penalties for late delivery of satellites currently under procurement.

### **LONG TERM VISIBILITY ASSURED – BACKLOG CONTINUES TO INCREASE**

The order backlog reached a record high €5.5 billion at 31 March 2013, reinforcing long-term visibility on revenues and operating cash flows. The backlog is equivalent to approximately 4.5 times annual revenues for Full Year 2011-2012. It mainly comprises video contracts (92%) and includes contracts recently signed over the MENA region for future satellites.

### **YEAR-TO-DATE REVENUES (9 months ending 31 March 2013) AND OUTLOOK**

Revenues for the first nine months of 2012-2013 amounted to €956.5 million, up 5.0% (+3.5% at constant currency) compared to the same period of the previous fiscal year.

The full year 2012-2013 reported revenue growth objective of 5 to 6% is confirmed. It is expected to come in at the lower end of the range. Notwithstanding the ongoing investment in the overall commercial activity, the Group refines its EBITDA margin objective for the current year, which is now expected at around 77.5%, from around 77% earlier.

For the medium-term, the Group confirms positive trends for its leading business of video, which will benefit from new satellites to be launched by end 2015. However, the current challenges in Data services and Multi-usage could have an impact on the Group's revenue prospects. This impact would however be limited, at around one percentage point of revenue growth. The Group will discuss its medium-term outlook on the occasion of its Full Year results, on 30 July 2013.

### **FLEET DEPLOYMENT PLAN UPDATE**

**EUTELSAT 70B** entered into full commercial service at 70.5° East on 16 January 2013. This new satellite has been designed to optimise resources at 70.5° East which is a point of reference for data services, broadband access, mobile backhauling and professional video exchanges. With high frequency reuse, four powerful beams with coverage of Europe, Africa, Asia and Australia are connected to 48 Ku-band transponders.

The **EUTELSAT 3D** satellite arrived on 13 April 2013 at the Baikonour Cosmodrome in Kazakhstan and is now undergoing final preparations for launch by a Proton Breeze M rocket supplied by ILS. Lift-off is on track for 14 May. With a baseline design equipping it to increase Eutelsat's overall in-orbit flexibility and back-up from multiple orbital slots, EUTELSAT 3D will initially be located at the 3° East orbital position to video, data, telecom and broadband markets. Through a configuration of Ku and Ka transponders connected to three footprints, the new satellite will serve customers in Europe, North Africa, the Middle East and Central Asia. A fourth service area in the Ku-band will address markets in sub-Saharan Africa. EUTELSAT 3D will operate at 3° East until the deployment of the EUTELSAT 3B satellite to this position in 2014. EUTELSAT 3B will provide spectrum growth and high operational flexibility in C, Ku and Ka bands at 3° East, and release EUTELSAT 3D for service at 7° East.

## RECENT EVENTS

### Hispasat

On 18 April 2013, Eutelsat Communications acquired a 6% stake in Hispasat, the Spanish satellite operator. The total stake held by Eutelsat Communications in Hispasat is now 33.69%.

### New export credit financing

On 25 April, Eutelsat Communications entered into two separate bank loan agreements covered by the Office national du ducroire (ONDD), the Belgian export credit agency.

The first agreement, for a total amount of €121 million, is an 11.5 year amortising facility (the first installment will be repaid three years after signing) bearing interest at an all-in rate of 2.07%<sup>2</sup>, and will be used to finance the construction of a satellite.

The second agreement, for a total amount of €87 million, is an 11.5 year amortising facility (the first installment will be repaid three years after signing) bearing interest at an all-in rate of 2.23%<sup>2</sup>, and will be used to finance a launcher.

\* \* \*

### Third Quarter revenues presentation

Eutelsat Communications will hold a conference call in English on **Tuesday 7 May 2013** starting at **6.30pm CET (London: 5:30pm, New York: 12:30pm)**. To connect please dial:

+33 1 70 99 32 12 (from France)  
+44 207 162 0177 (from the U.K)  
+1 334 323 6203 (from the United States)

**Access code: 930541#**

### Live presentation by webcast, via this link:

<http://wcc.webeventservices.com/r.htm?e=601054&s=1&k=28DAD6452F8D3184853C3064B90D0D1C&cb=blank>

Instant replay number from 7 May 11:30pm to May 21, midnight (CET). To connect please dial:

+ 33 (0)1 70 99 35 29 (from France)  
+ 44 (0) 207 031 4064 (from the U.K)  
+ 1 954 334 0342 (from the United States)

**Access code: 930541#**

### Financial calendar

*The financial calendar below is provided for information purposes only. It is subject to change and will be regularly updated. Note publication of results will be after close of market unless otherwise indicated.*

- July 30, 2013: earnings for the full year ended June 30, 2013
- October 29, 2013: financial report for first quarter ended September 30, 2013
- November 7, 2013: Annual General Shareholders Meeting

### About Eutelsat Communications

Eutelsat Communications is the holding company of Eutelsat S.A. With capacity commercialised on 30 satellites delivering reach of Europe, the Middle East, Africa, Asia, significant parts of the Americas and the Asia-Pacific, Eutelsat Communications (Euronext Paris: ETL, ISIN code: FR0010221234) is one of the world's leading satellite operators. As of 31 March 2013, Eutelsat's satellites were broadcasting more than 4,600 television channels to over 200 million cable and satellite homes in Europe, the Middle East and Africa. The Group's satellites also provide a wide range of services for TV contribution, corporate networks and fixed and mobile broadband markets. Headquartered in Paris, Eutelsat and its subsidiaries employ over 780 commercial, technical and operational professionals from 30 countries. [www.eutelsat.com](http://www.eutelsat.com)

<sup>2</sup> Rates based on 6-month Euribor and calculated at the facilities signing date

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## Appendix

### Revenue breakdown by application (in percentage of revenues)\*

	3 months ended 31 March		9 months ended 31 March	
	2012	2013	2012	2013
Video Applications	69.0%	<b>69.2%</b>	68.1%	<b>68.8%</b>
Data & Value-Added Services	18.9%	<b>19.4%</b>	19.5%	<b>19.7%</b>
.....of which Data Services	14.7%	<b>14.9%</b>	15.5%	<b>14.9%</b>
.....of which Value-Added Services	4.2%	<b>4.5%</b>	4.0%	<b>4.8%</b>
Multi-usage	12.1%	<b>11.3%</b>	12.4%	<b>11.5%</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*excluding other revenues and one-off revenues (€2.8 million in Q3 2011-2012, €10.3 million in Q3 2012-2013 and €9.6 million year-to-date 2011-2012, €15.7 million year-to-date 2012-2013).

### Quarterly revenues by business application

In millions of euros	2011-2012				2012-2013		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Video Applications	198.2	205.1	211.0	217.8	216.3	214.4	216.4
Data & Value-Added Services	59.6	58.2	57.9	59.3	61.1	63.8	60.8
Data Services	48.3	46.8	45.0	44.9	44.9	48.8	46.7
Value-Added Services	11.3	11.4	12.9	14.3	16.2	15.0	14.1
Multi-usage	36.2	38.2	37.0	35.0	34.1	38.6	35.4
Other Revenues	1.3	2.0	2.8	(1.1)	3.0	2.4	2.6
<b>Subtotal</b>	<b>295.4</b>	<b>303.6</b>	<b>308.7</b>	<b>311.1</b>	<b>314.4</b>	<b>319.2</b>	<b>315.1</b>
Non-recurring Revenues	-	3.5	-	-	-	-	7.7
<b>Total</b>	<b>295.4</b>	<b>307.1</b>	<b>308.7</b>	<b>311.1</b>	<b>314.4</b>	<b>319.2</b>	<b>322.9</b>

### Channels at video neighbourhoods serving Central and Eastern Europe, Russia, Middle East and Africa

Orbital position	Markets	31/03/2012	31/03/2013
7° / 8° West	North Africa, Middle East	553	<b>649</b>
7° East	Turkey	214	<b>228</b>
16° East	Central Europe, Indian Ocean islands	534	<b>625</b>
36° East	Russia, Africa	691	<b>727</b>
<b>Total</b>		1,992	<b>2,229</b>

### Estimated satellite launch schedule (satellites generally enter into service one to two months after launch.)

Satellite	Estimated launch (calendar year)	Transponders
EUTELSAT 3D <sup>(1)</sup>	Q2 2013	53 Ku / 3 Ka <sup>(2)</sup>
EUTELSAT 25B <sup>(3)</sup>	Q3 2013	16 Ku / 7 Ka
Express AT2 <sup>(4)</sup>	H2 2013	8 Ku
EUTELSAT 3B	H1 2014	51 (Ku, Ka, C)
EUTELSAT 9B	Q1 2015	60 Ku
EUTELSAT 8 West B	Q3 2015	40 Ku / 10 C
EUTELSAT 36C <sup>(4)</sup>	H2 2015	Up to 70 (Ku & Ka)

<sup>1</sup> Ex-EUTELSAT 7B

<sup>2</sup> Nominal capacity. 32 Ku / 1 Ka to be operational at 3°East

<sup>3</sup> Partnership satellite with Qatar Satellite Company, transponders indicated for Eutelsat portion only, pending outcome of ITU dispute

<sup>4</sup> Partnership satellites with RSCC