

Brussels, 27 November 2000

## **Commission gives green light to Eutelsat restructuring**

***The European Commission has approved the restructuring proposals notified by Eutelsat to move the majority of its activities to a new company. Eutelsat is currently an intergovernmental treaty organisation. The restructuring will transform the operating parts of Eutelsat into a company incorporated in France. As part of its restructuring proposals, Eutelsat has informed the Commission that it will carry out a public offering (IPO) of 30% of the shares within two years of the privatisation (i.e. by July 2003).***

Eutelsat has 48 member countries (parties). Each country has a signatory (normally the incumbent national telecom provider) which owns a share in the organisation proportional to its usage of the Eutelsat system. The signatories also act as distributors of Eutelsat services to users or to sub-distributors. Following the restructuring, Eutelsat will be constituted as a company under French law and the signatories will become shareholders in the new company. The IPO will dilute the shareholdings of the signatories and will reduce the possible conflict of interest between their role as shareholders and as distributors of Eutelsat's services respectively. It will also unambiguously permit the direct distribution of services by Eutelsat rather than requiring customers to approach Eutelsat's current distributors (primarily their Signatories).

The Commission has closed the file by means of a negative clearance administrative letter. This means that this restructuring is not in the Commission's view caught by Article 81(1) EC Treaty in this context.

### **Background**

Eutelsat notified its restructuring proposals in July 1999. The restructuring proposals were in many respects similar to that of Inmarsat, which was also notified to the Commission<sup>1</sup>

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<sup>1</sup> See IP/98/923 of 22 August 1998