EchoStar Communications Corporation Prices Senior Notes And Tender Offers

LITTLETON, Colo.--(BUSINESS WIRE)--Jan. 19, 1999--EchoStar Communications Corporation (the "Company") (NASDAQ:DISH)(NASDAQ:DISHP) announced today that EchoStar DBS Corporation, its wholly-owned subsidiary ("DBS Corporation"), has priced a $2.0 billion debt offering (the "New Debt Financing"), as a private placement under Rule 144A (the "Senior Notes"), and has also priced the previously announced cash tender offers to purchase all of the 12 1/2% Senior Secured Notes issued by DBS Corporation (the "12 1/2% Notes"), 12 7/8% Senior Secured Discount Notes issued by Dish, Ltd. (the "12 7/8% Notes"), 13 1/8% Senior Secured Discount Notes issued by EchoStar Satellite Broadcasting Corporation (the "13 1/8% Notes") and 12 1/8% Senior Exchange Notes issued by the Company (the "Exchange Notes", together with the 12 1/2% Notes, 12 7/8% Notes and 13 1/8% Notes, the "Tendered Notes" and the related tender offers, the "Tender Offers"). The Company also confirmed that over 99% of the outstanding aggregate principal amount of each issue of Tendered Notes were tendered by the consent solicitation deadlines.

DBS Corporation is offering $2.0 billion of Senior Notes with the following maturities:

-- $375.0 million of 9 1/4% Senior Notes due 2006
-- $1.625 billion of 9 3/8% Senior Notes due 2009

Closing of the issuance of the Senior Notes is expected to occur on January 25, 1999 and is subject to the satisfaction of certain conditions. The Company intends to use most of the proceeds from the proposed sale of the Senior Notes to fund the Tender Offers. The remaining proceeds will be used for general corporate purposes and working capital needs.

Total Consideration offered in connection with the Tender Offers was determined in accordance with a pricing formula that is based on a fixed spread of 75 basis points above the yield to maturity at 2:00 p.m. of the day of pricing of the New Debt Financing on the 6 1/8% U.S. Treasury Note due July 31, 2000, for the 12 1/2% Notes and the Exchange Notes, the 6 3/4% U.S. Treasury Note due June 30, 1999, for the 12 7/8% Notes, and the 6 7/8% U.S. Treasury Note due March 31, 2000 for the 13 1/8% Notes.

The yield to maturity on the 6 1/8% United States Treasury Note due July 31, 2000, the Reference Security for the 12 1/2% Notes and the Exchange Notes, was 4.65% at 2:00 p.m. on January 15, 1999, and the amount payable based on the pricing formula is approximately 115.449%, or $1,154.49 per $1,000 principal amount for the 12 1/2% Notes, plus accrued and unpaid interest, and approximately 114.632%, or $1,146.32 per $1,000 principal amount for the Exchange Notes, plus accrued and unpaid interest.

The yield to maturity on the 6 3/4% United States Treasury Note due June 30, 1999, the Reference Security for the 12 7/8% Notes, was 4.46% at 2:00 p.m. on January 15, 1999, and the amount payable based on the pricing formula is approximately 107.472% of accreted value, or $1,029.51 per $1,000 of face amount for the 12 7/8% Notes.

The yield to maturity on the 6 7/8% United States Treasury Note due March 31, 2000, the Reference Security for the 13 1/8% Notes, was 4.64% at 2:00 p.m. on January 15, 1999, and the amount payable based on the pricing formula is approximately 115.814% of accreted value, or $1,002.99 per $1,000 of face amount for the 13 1/8% Notes.

The Total Consideration for each of the Tendered Notes includes a Consent Payment of $20 for each $1,000 principal amount of the 12 1/2% Notes and the Exchange Notes and $20 for the accreted value of each $1,000 principal amount at maturity of the 12 7/8% Notes and the 13 1/8% Notes, payable to holders of Tendered Notes who delivered consents on or prior to 12:00 midnight, New York City time, on January 7, 1999, with respect to the 12 1/2% Notes, 12 7/8% Notes and the 13 1/8% Notes and on or prior to 12:00 midnight, New York City time, January 8, 1999, with respect to the Exchange Notes.

The Tender Offers for the 12 1/2% Notes, 12 7/8% Notes and the 13 1/8% Notes expire at 12:00 midnight, New York City time, on Friday, January 22, 1999, and the Tender Offer for the Exchange Notes expires at 12:00 midnight, New York City time, on Monday, February 1, 1999. The Company's obligations to purchase notes pursuant to the Tender Offers remain subject to certain conditions, including the receipt of proceeds of the New Debt Financing.

The offer of the Senior Notes has not been registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration under the Securities Act or an exemption from the registration requirements of the Securities Act.

Certain matters discussed in this statement are "forward looking statements" intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These "forward looking statements" can generally be identified as such because the context of the statement will include words such as the Company "believes," "anticipates," "expects," or words of similar import. Similarly, statements that describe the Company's future plans, objectives or goals are forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those currently anticipated. Such risks and uncertainties include, but are not limited to: a total or partial loss of a satellite due to operational failures, space debris or otherwise; uncertainty as to the Company's future profitability; the Company's ability to develop and implement operational and financial systems to manage rapidly growing operations; an increase in competition from cable television, Direct Broadcast Satellite ("DBS"), other satellite system operators, and other providers of subscription television services; the introduction of new technologies and competitors into the subscription television business; a merger of existing DBS competitors; the Company's ability to integrate and successfully operate acquired businesses and the risks associated with such businesses; the Company's ability to obtain financing on acceptable terms to finance the Company's growth strategy and for the Company to operate within the limitations imposed by financing arrangements; uncertainty as to the future profitability of acquired businesses; trends in the cable television, broadcast television and satellite television industries; impediments to the retransmission of local or distant broadcast network signals; a decrease in sales of digital equipment and related services to international service providers; a decrease in Dish Network subscriber growth; an increase in subscriber acquisition costs; lower than expected demand for the Company's delivery of local broadcast network signals; changes in relationships with customers; changes in the regulatory environment, such as the inability of the Company to retain necessary authorizations from the Federal Communications Commission ("FCC") or a change in the regulations governing the subscription television service industry; the outcome of pending litigation and regulatory inquiries; an unexpected business interruption due to the failure of third parties to remediate Year 2000 issues; failure to consummate EchoStar's pending acquisition with The News Corporation Limited and MCI WorldCom, Inc. whereby the Company would issue equity securities in exchange for two satellites that have not yet been completed or the failure of such satellites to be successfully launched or to become operational or a delay in such launch or operation; and the impact of accounting policies required to be adopted. Other factors that could materially affect such forward-looking statements can be found in EchoStar's periodic reports filed with the Securities and Exchange Commission. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements made herein are only made as of the date of this statement and EchoStar undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

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