



## EchoStar Reports Record Fourth Quarter Results

LITTLETON, Colo.--(BUSINESS WIRE)--March 18, 1999--

### EchoStar Reports Record Fourth Quarter Results

EchoStar Communications Corporation ("EchoStar") (NASDAQ: DISH; DISHP) today reported that its 1998 fourth quarter revenue increased more than 60% as compared to the fourth quarter of 1997. EchoStar's fourth quarter revenues totaled \$287 million and \$179 million for the three-month periods ended December 31, 1998, and December 31, 1997, respectively. EchoStar also reported pre-marketing cash flow of \$90 million for the three months ended December 31, 1998, as compared to \$53 million for the corresponding period in 1997. Earnings before interest, taxes, depreciation and amortization ("EBITDA") during the fourth quarter of 1998 totaled negative \$45 million compared to negative EBITDA of \$9 million during the same period in 1997. EchoStar experienced its strongest ever DISH Network subscriber growth during the fourth quarter of 1998, adding 331,000 net subscribers for a cumulative total of 1.94 million subscribers as of December 31, 1998.

As expected, operating and net losses for the quarter ended December 31, 1998, increased as compared to the corresponding period in 1997. EchoStar reported an operating loss of \$70 million and \$48 million for the three months ended December 31, 1998, and December 31, 1997, respectively. The Company's net losses totaled \$113 million and \$71 million during those same periods. These increases in EchoStar's net losses principally resulted from increases in marketing expenses (including subscriber acquisition costs) as well as increases in DISH Network operating expenses.

For the year ended December 31, 1998, EchoStar reported total revenue of \$983 million compared to \$477 million for the corresponding period in 1997. Pre-marketing cash flow totaled \$300 million during the year ended December 31, 1998, compared to \$129 million during the year ended December 31, 1997. EBITDA for the year ended December 31, 1998, totaled negative \$20 million, compared to EBITDA of negative \$51 million for the corresponding period in 1997. EchoStar's operating loss for the year ended December 31, 1998, improved to \$123 million compared to \$224 million reported during the corresponding period in 1997. The Company's net losses totaled \$261 million and \$313 million during those same periods. The improvement in EchoStar's 1998 results compared to 1997 is principally attributable to the increase in DISH Network and ETC revenues.

For more information about EchoStar, visit the new investor relations section of our website at [www.echostar.com](http://www.echostar.com).

Statement under the Private Securities Litigation Reform Act of 1995: All statements contained herein, as well as statements made in press releases and oral statements that may be made by EchoStar or by officers, directors or employees of EchoStar acting on its behalf, that are not statements of historical fact constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of EchoStar to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Among the factors that could cause actual results to differ materially are the following: a total or partial loss of a satellite due to operational failures, space debris or otherwise; a decrease in sales of digital equipment and related services to international direct-to-home ("DTH") service providers; a decrease in DISH Network subscriber growth; an increase in subscriber acquisition costs; impediments to the retransmission of local or distant broadcast network signals; lower than expected demand for EchoStar's delivery of local broadcast network signals; an unexpected business interruption due to the failure of third-parties to remediate Year 2000 issues; the inability of EchoStar to retain necessary authorizations from the Federal Communications Commission ("FCC"); an increase in competition from cable, 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; a change in the regulations governing the subscription television service industry; the outcome of any litigation in which EchoStar may be involved; failure to consummate the transaction with News Corporation Limited ("News Corporation") and MCI Telecommunications Corporation/WorldCom ("MCI") whereby EchoStar Communications Corporation ("ECC," and together with its subsidiaries, or referring to particular subsidiaries in certain circumstances, "EchoStar" or 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; general business and economic conditions; and other risk factors described from time to time in EchoStar's reports filed with the Securities and Exchange Commission. In addition to statements that explicitly describe such risks and uncertainties, readers are urged to consider statements that include the terms "believes," "belief," "expects," "plans," "anticipates," "intends" or the like to be uncertain and forward-looking. All cautionary statements made herein should be read as being applicable to all forward-looking statements wherever they appear. In this connection, investors should consider the risks described herein.

EchoStar Communications Corp., headquartered in Littleton, Colo., includes three interrelated business units:

- DISH Network is EchoStar's state-of-the-art DBS system that offers customers over 300 channels of digital video and CD-quality audio programming, fully MPEG-2/DVB compliant hardware and installation.
- EchoStar Technologies Corporation (ETC, formerly HTS - Houston Tracker Systems, Inc.), designs, manufactures and distributes DBS set-top boxes, antennas and other digital equipment for DISH Network and various international customers that include ExpressVu Canada and Telefonica's Via Digital system in Spain. ETC also provides uplink-center design, construction oversight and project-integration services for customers internationally.
- Satellite Services provides the delivery of video, audio and data services to business television customers and other satellite users. These services include satellite uplink, satellite transponder space-usage and other services. Satellite Services also administers SKY VISTA, a direct broadcast satellite service offering up to 27 channels of popular digital satellite television programming to viewers in Alaska, Hawaii, Puerto Rico and the U.S. territories in the Caribbean.

DISH Network currently serves over 2.1 million customers. DISH Network is a trademark of EchoStar Communications Corporation. HTS is a trademark of Houston Tracker Systems, Inc. DISH Network is located on the Internet at: <http://www.dishnetwork.com>.

SELECTED FINANCIAL DATA

EchoStar Communications Corporation  
(Nasdaq National Market: DISH; DISHP)

(In thousands, except subscribers and per share data)

Three Months Ended December 31,

	1997	1998

(Unaudited)

Statements of Operations Data

Revenue:

DISH Network:

Subscription television services.....	\$105,897	\$209,770	
Other.....	10,277	1,718	
Total DISH Network.....	116,174	211,488	
DTH equipment sales and integration services.....	52,987	64,163	
Satellite services.....	3,256	6,512	
C-band and other.....	6,748	4,819	

Total revenue..... 179,165 286,982

Costs and Expenses:

DISH Network Operating Expenses:

Subscriber-related expenses.....	46,267	86,206	
Customer service center and other.....	11,949	26,842	
Satellite and transmission.....	4,887	8,200	

Total DISH Network operating expenses..... 63,103 121,248

Cost of sales - DTH equipment

and integration services.....	35,278	43,099
Cost of sales - C-band and other.....	7,632	3,941
Marketing:		
Subscriber promotion subsidies.....	50,445	112,724
Advertising and other.....	10,759	22,292
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Total marketing expenses.....	61,204	135,016
General and administrative.....	20,458	29,126
Amortization of subscriber acquisition costs.....	26,192	-
Depreciation and amortization.....	13,227	24,684
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Total costs and expenses.....	227,094	357,114
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Operating loss.....	\$(47,929)	\$(70,132)
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Net loss.....	\$(71,013)	\$(113,308)
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Net loss attributable to common shares...	\$(78,551)	\$(122,494)
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Weighted-average common shares outstanding.....	43,565	45,088
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Basic and diluted loss per share.....	\$(1.80)	\$(2.72)
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Other Data		
EBITDA.....	\$(8,510)	\$(45,448)
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DISH Network subscribers.....	1,040,000	1,940,000
	-----	-----
	December 31,	December 31,
	1997	1998
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Balance Sheets Data		
Cash, cash equivalents and marketable investment securities.....	\$420,514	\$324,100
Restricted cash and marketable investment securities.....	187,762	183,657
Total assets.....	1,805,646	1,809,519
Total current liabilities.....	310,580	431,444
Total long-term obligations, net of current portion.....	1,384,863	1,521,577
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SELECTED FINANCIAL DATA		
EchoStar Communications Corporation		
(Nasdaq National Market: DISH; DISHP)		
(In thousands, except per share data)		
	Year Ended December 31,	
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	1997	1998
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Statements of Operations Data		
Revenue:		
DISH Network:		
Subscription television services.....	\$298,883	\$669,310

Other.....	45,367	13,722
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Total DISH Network.....	344,250	683,032
DTH equipment sales and integration services.....	91,637	256,193
Satellite services.....	11,135	22,366
C-band and other.....	30,396	21,075
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Total revenue.....	477,418	982,666
Costs and Expenses:		
DISH Network Operating Expenses:		
Subscriber-related expenses.....	143,574	296,923
Customer service center and other....	35,137	72,496
Satellite and transmission.....	14,563	25,992
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Total DISH Network operating expenses..	193,274	395,411
Cost of sales - DTH equipment and integration services.....	61,992	173,388
Cost of sales - C-band and other.....	23,909	16,496
Marketing:		
Subscriber promotion subsidies.....	145,061	272,523
Advertising and other.....	34,862	47,998
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Total marketing expenses.....	179,923	320,521
General and administrative.....	69,315	97,105
Amortization of subscriber acquisition costs.....	121,735	18,869
Depreciation and amortization.....	51,541	83,767
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Total costs and expenses.....	701,689	1,105,557
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Operating loss.....	\$(224,271)	\$(122,891)
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Net loss.....	\$(312,825)	\$(260,882)
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Net loss attributable to common shares...	\$(321,267)	\$(296,097)
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Weighted-average common shares outstanding.....	41,918	44,982
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Basic and diluted loss per share.....	\$(7.66)	\$(6.58)
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Other Data		
EBITDA.....	\$(50,995)	\$(20,255)
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KEYWORD: COLORADO

INDUSTRY KEYWORD: ENTERTAINMENT TELECOMMUNICATIONS COMED  
 COMPUTERS/ELECTRONICS EARNINGS