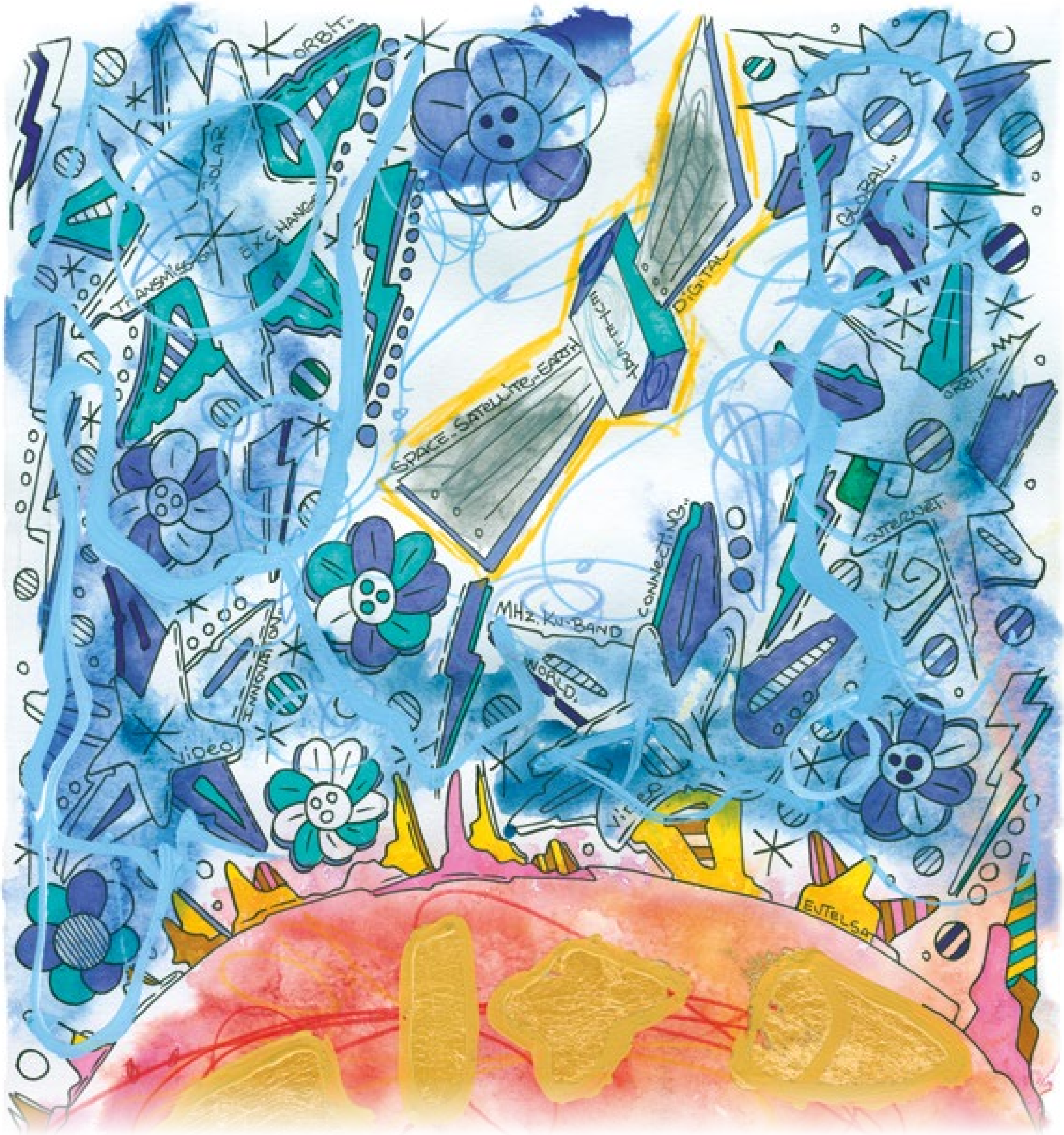
2014-2015 Reference Document

eutelsat




MADRID
MADEIRA
WASHINGTON DC
HERMOSILLO
TAMPA
MIAMI
MEXICO CITY
BEIJING
DUBAI
SINGAPORE

CONTENTS

EUTELSAT COMMUNICATIONS: CREATING SPACE FOR YOUR COMMUNICATIONS

Every day, Eutelsat demonstrates its expertise as a satellite company that contributes essential resources supporting the growth of digital communications.

As a player at the heart of the video and broadband markets, the greatest advances are yet to come. Ongoing progress brings with it the prospect of an increased role for satellites in order to optimise the use of spectrum, a valuable and finite resource, and to transform the digital society into an environment of economic and social benefit for all.

With these goals in mind, our Group is pursuing a development strategy based on investment and innovation, operational excellence and the creation of lasting value.

STRONG CAPACITY TO INNOVATE

LETTER FROM THE CHAIRMAN AND CEO, MICHEL DE ROSEN

"THE YEAR 2014-2015 WILL GO DOWN IN THE HISTORY OF EUTELSAT COMMUNICATIONS AS ONE OF DEVELOPMENT AND GROWTH, OF HIGH PROFITABILITY AND TECHNOLOGICAL ADVANCES"

During the year, our revenues rose by 4% at comparable exchange rates and perimeter, and by 9.5% on a reported basis. Thanks to the acquisition of Satmex, now completely integrated under the name Eutelsat Americas, we have acquired a global dimension and a solid footprint in the rapidly growing markets of Latin America. The year was also marked by several commercial successes, as a result of which we can count on an order book of 6.2 billion euros, which equates to more than four years of revenues.

All our applications contributed to growth during the past year. Video, which represents 63% of total revenues, recorded a rise of 3.5% on a like-for-like basis, reflecting mainly the entry into service of the satellite Express-AT1 in May 2014, the good performance of Eutelsat Americas as well as higher revenues at the 16° East (Sub-Saharan Africa and Central Europe), 36° East (Russia and Sub-Saharan Africa) and 7° East (Middle-East and Africa) orbital positions. At 30 June 2015, almost 5,800 television channels were broadcast by Eutelsat with an increase in the High Definition penetration rate to 12% *versus* 10.2% a year earlier. Data services resumed their growth path with a rise of 1.3% while Value-Added Services recorded an increase of 15% on a comparable basis. High throughput services *via* KA-SAT continued to rise, with 185,000 terminals activated at 30 June against 154,000 a year earlier. Elsewhere, Government Services grew by 2.6% thanks to new contracts on EUTELSAT 33B, EUTELSAT 36B and EUTELSAT 48D as well as the contribution from Eutelsat Americas.

This growth was achieved while maintaining a high level of profitability. The EBITDA margin stood at 76.7% while the net result came out at 355 million euros, a rise of 17%. At the same time cash-flow generation progressed strongly, to amount to 70% of revenues before investments. We confirm our commitment to generating value for our shareholders and propose to the Annual General Meeting the payment of a dividend of 1.09 euros per share in respect of financial year 2014-2015, an increase of 6% and a pay-out ratio of 70%.

€1,476M
revenues
for 2014-2015

39
satellites
operated (1)

1,000
employees
of 32 different
nationalities

274 M
households (2)

We also pursued our innovation dynamic during the year, with the launch of our first full-electric satellite, and the development and procurement of "Eutelsat Quantum", a revolutionary concept which will enable us to address certain markets and customers even more efficiently in the coming years. Developed within the framework of a public-private partnership with the European Space Agency and Airbus Defense and Space, this satellite will be software defined and will become the market reference in terms of flexibility and configurability. Elsewhere, Eutelsat continues to build on its other innovation levers, be it by promoting the ramp of Ultra High Definition alongside its broadcast customers, partnering with Sigfox in the 'Internet of Things', bringing in-flight mobility to aircraft or backing Starburst, the start-up accelerator in the space segment. This is the demonstration that Eutelsat, true to its values, continues to innovate and to invent the Space of tomorrow, in collaboration with all the players in its ecosystem and beyond, at the service of our customers and for the benefit of our shareholders.

Our deployment plan enables us to look to the future with confidence. It will see the entry into service of seven new satellites by the end of calendar year 2017. Two of these, EUTELSAT 115 WEST B, covering the Americas, and EUTELSAT 8 West B bringing additional resources to the Middle-East, have just entered operational service. The other five will be launched between now and 30 June 2017. This new capacity will be focused on the geographic markets with the greatest potential, in particular Latin America and Africa, where satellite is the most effective solution to address growing demand in wide areas devoid of adequate terrestrial infrastructures. Finally, the first Eutelsat Quantum satellite is expected at the end of 2018.

Eutelsat's objective is of revenue growth of 2-3% on a comparable basis for financial year 2015-16, accelerating to 4-6% in 2016-17. This reflects amendments to the nominal deployment plan following launch failures experienced by Proton and Falcon 9, which led to the delay into orbit of several of our satellites. Our objective of an EBITDA margin above 76.5% for each financial year to June 2017 is maintained. At the same time we will pursue our investment program focused on zones and applications offering the highest potential, while maintaining a sound financial structure and continuing to propose a dividend of between 65% and 75% of the net result.

MORE THAN EVER, EUTELSAT'S AMBITION IS TO BE AT THE LEADING-EDGE OF INNOVATION IN AN EVER-EVOLVING DIGITAL WORLD"

More than ever, Eutelsat's ambition is to be at the leading-edge of innovation in an ever-evolving digital world, and to stay a step ahead thanks to its experience, the excellence of its teams, and its commitment to its customers. The arrival of new players from other sectors will multiply opportunities and stimulate markets in a world where connectivity is becoming as much a part of everyday life as running water and electricity.

Michel de Rosen
Chairman and Chief Executive Officer

(1) At the date of the present document.
(2) In direct and indirect audience.

01

PRESENTATION OF EUTELSAT COMMUNICATIONS

1.1 Highlights of the financial year, outlook and key figures

HIGHLIGHTS

FY 2014-2015

- Commercial successes contributing to an order book of 6.2 billion euros at 30 June 2015, with notably important contract renewals at the HOT BIRD orbital position and at 16° East, as well as several contracts in the dynamic video market in Africa, leading to an order book of 6.2 billion euros at the end of June 2015.
- Further development of the Broadband Internet activity with 185,000 activated terminals on KA-SAT at 30 June 2015 (*versus* 154,000 a year earlier) reflecting the strong potential of these markets.
- The completion of the integration of Satmex, acquired at the beginning of 2014, which is now trading as Eutelsat Americas.
- The successful launch, in March 2015, of EUTELSAT 115 West B, the first all-electric commercial satellite, bringing additional capacity over the Americas.
- The procurement of the satellite EUTELSAT 172B to accelerate development in Asia-Pacific.
- The development of the cutting-edge, "Eutelsat Quantum" generation of software-defined satellites, bringing unprecedented flexibility. The first satellite was ordered and will be delivered in 2018.
- The early refinancing of an 800 million euro bank loan maturing in December 2016.

Since 30 June 2015

- Launch of the Eutelsat 8 West B satellite, which add resources serving Video in Middle-East and North Africa (MENA).
- Eutelsat and Facebook partner on satellite initiative to get more Africans online. Under a multi-year agreement with Spacecom, the two companies will utilise the entire HTS payload on the future AMOS-6 satellite and will build a dedicated system comprising satellite capacity, gateways and terminals.

FINANCIAL OUTLOOK

The framework for communicating financial objectives has been amended: Objectives for revenue growth at constant currency and excluding non-recurring revenues and for EBITDA margin are henceforth given for each of the current and following year, compared with current year plus the average of the following two years. All other elements of the objectives remain unchanged.

The previous objective was revenue growth of "above 5%" on average for FY 2015-16 and 2016-2017 and was based on an initial nominal deployment plan. Following the failures of Proton and Falcon 9 launchers and general pressure on launch manifests, this deployment plan has been revised to integrate delays into orbit of the EUTELSAT 9B, EUTELSAT 36C and EUTELSAT 65 West A satellites. Based on the new nominal satellite deployment plan, Eutelsat targets revenue growth of 2-3% for FY 2015-2016. This also reflects the impact of the renegotiation of Russian contracts and the current pressure on Government Services. In FY 2016-2017 growth is set to accelerate, with an objective of 4-6%. This takes into account the entry into service of new capacity, albeit with a delay of EUTELSAT 65 West A.

The EBITDA margin is targeted at above 76.5% for each of the next two fiscal years.

The Group will continue to focus its investment policy on high growth markets in Latin America, Russia, the Middle-East, Africa and Asia-Pacific. Average investments [(1)] will stand at around 500 million euros a year over the three fiscal years to 30 June 2018.

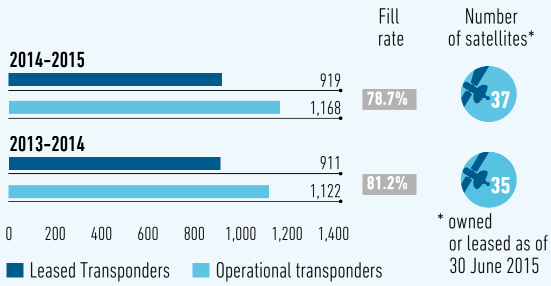
The group will maintain a sound financial structure to support its investment grade credit rating and aims at a net debt/EBITDA ratio below 3.3x.

The Group remains committed to sharing its profits with its shareholders, with a payout ratio of 65% to 75% of Group share of net income.

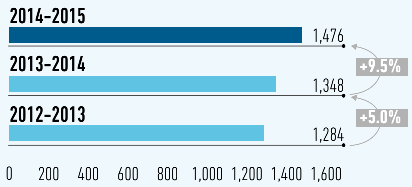
(1) *This includes capital expenditures and payments under existing export credit facilities and under long-term lease agreements on third party capacity.*

KEY FIGURES

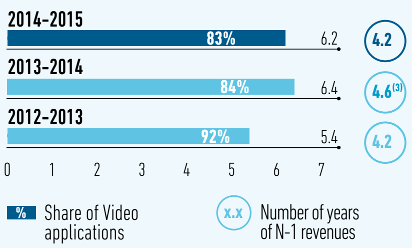
Fill rate[(1)(2)]



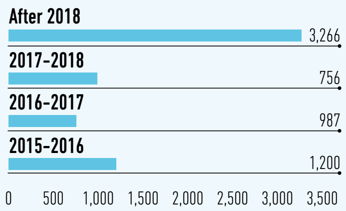
Revenue growth *(€M)*



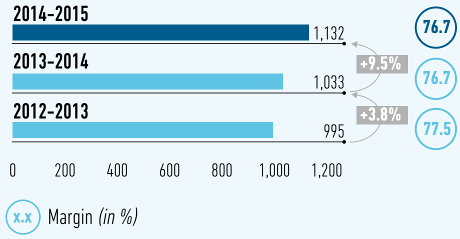
Backlog *(€BN)*



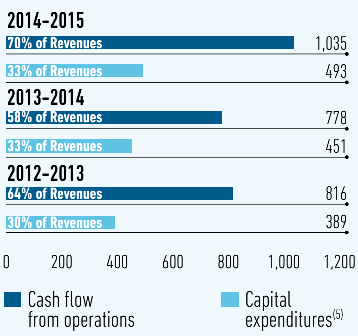
Breakdown of backlog as of 30 June 2015 by year *(€M)*



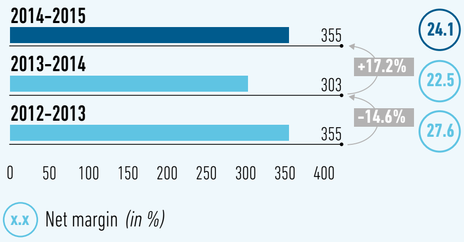
EBITDA *(€M)* [(4)]



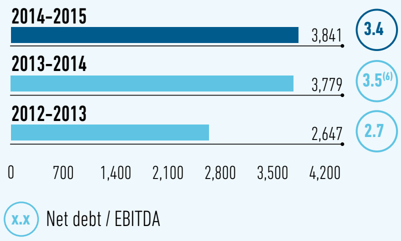
Cash flow from operations *(€M)*



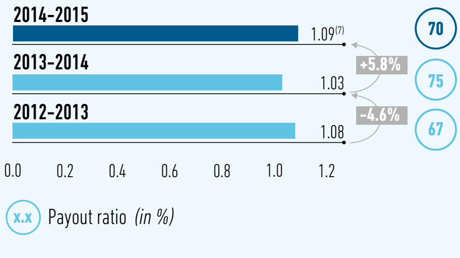
Group share of net income *(€M)*



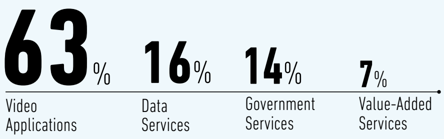
Net debt *(€M)* and leverage



Dividend per share *(€)* and payout ratio



2014/2015 revenues by application *(%)* [(8)]



(1) *On the basis of 36 Mhz-equivalent tranponders, excluding HTS capacity.*

(2) *The number of operational and leased transponders has until now been reported on the basis of physical transponders including high throughput spotbeams. To better reflect actual capacity volumes, the number of transponders (operational and leased) and the fill rate are henceforth disclosed on the basis of the number of 36 MHz-equivalent transponders for regular capacity, excluding high throughput capacity.*

(3) *Including Satmex revenues from July to December 2013 for 69.0 million U.S. dollars.*

(4) *Operating income before depreciation and amortisation, impairments and other operating income/(expenses).*

(5) *As defined in financial outlook: including capital expenditures and payments under existing export credit facilities and under long-term lease agreements on third party capacity.*

(6) *Pro-forma EBITDA including July to December 2013 Satmex EBITDA of 51.0 million U.S. dollars.*

(7) *Proposed to the Annual General Meeting on 5 November 2015.*

(8) *Excluding "other" and "non-recurring revenues".*

1.2 Group activities, main markets and competition

1.2.1 GROUP ACTIVITIES

Eutelsat operates a fleet of 37 satellites (as of 30 June 2015), located between 117° West and 172° East, providing coverage of EMEA [2], a large part of the Asian continent and a portion of the American continent. The Group delivers its services to broadcasters and network operators either directly or *via* distributors.

At 30 June 2015, Eutelsat's revenues were 1,476.4 million euros, of which 63% [3] came from Video Applications. Order backlog at 30 June 2015 was 6.2 billion euros, of which 83% from Video Applications.

In over 30 years of experience as a pioneer in technological innovation and geographical reach, Eutelsat occupies a key role among major international telecommunications operators in an industry recognised for its high level of resilience and driven by multiple growth engines.

Video Applications

Accounting for 63% [3] of Eutelsat's revenues, Revenues for Video Applications were 913.0 million euros in the 2014-2015 financial year (up 3.5% on 2013-2014 on a like-for-like basis [4]).

The Group occupies a key position in the audiovisual chain which extends from the reporting site to the viewer's screen.

Video Distribution ("Direct To Home")

Eutelsat provides its customers with a broadcasting capacity and associated services to enable them to transmit TV programmes to households that are either equipped to receive them direct *via* satellite, or connected to cable or IP networks. The Group occupies a key position in the audiovisual chain, which extends from the reporting site to the TV viewer's screen.

With a direct and indirect audience of almost 274 million households in Europe, the Middle-East and North Africa, Eutelsat provides satellite capacity to major broadcasters. 5,793 TV channels (including 687 in High Definition) and 1,255 radio stations were broadcast *via* the Group's in-orbit resources as of 30 June 2015.

Eutelsat holds a solid market position not only in Europe, but also in strong growth markets such as Russia, the Middle-East, North Africa and Sub-Saharan Africa *via* leading broadcasting orbital positions, all of which are benefiting from the launch of new television channels and the surge in popularity of the new broadcasting formats. In addition, Eutelsat is developing its Video distribution activities in Latin America, particularly at the 117° West orbital position, which will be complemented by the EUTELSAT 117 West B satellite, to be launched in 2016.

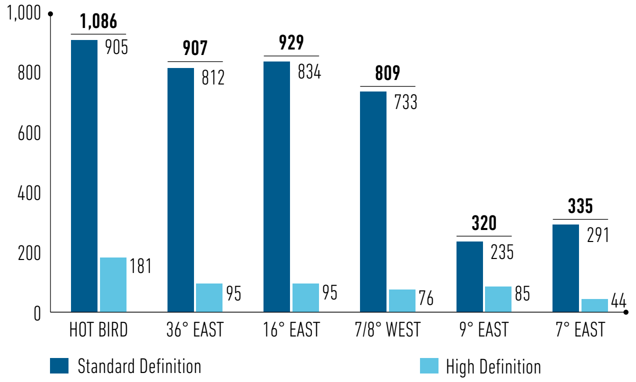
Eutelsat is a pioneer in the development of Ultra High Definition broadcasting: in June 2015, the Group launched the HOT BIRD 4K1 demo channel, encoded in HEVC and broadcast at 50 frames per second with 10-bit colour depth. It is Europe's first Ultra HD channel in this new standard.

Eutelsat's business model rests on the establishment of long-term relations between the Group and its broadcasting customers based on the opening of new in-orbit resources, an increase in programme offerings and numbers of antennae directed at the Group's satellites.

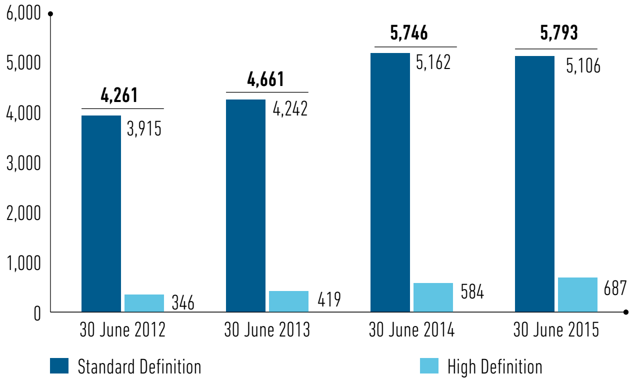
The Group's customers for satellite capacity for Video Distribution include for example: Sky Italia in Italy, Orange in France, M7 in Germany, nc+ in Poland, TricolorTV and NTV+ in Russia, United Group (Total TV) in the Balkans, Al Jazeera Sport in the Middle-East, Multichoice in Africa, DigiTurk in Turkey, or Milicom in Latin America.

Eutelsat is also developing innovative commercial solutions to serve certain markets where it is not a leader. For example in France with the Fransat service, which transmits TNT channels free *via* the EUTELSAT 5 West A satellite. This package is received by more than 2 million households. Finally, Eutelsat is the exclusive satellite partner of Expo Milano 2015. The Group makes its skills available for this event and notably broadcasts a dedicated channel at its HOT BIRD Video neighbourhood.

▸ TV channels broadcast on the Group's satellites at Eutelsat's main Video neighbourhoods



▸ Number of channels on Eutelsat's fleet



Source: Eutelsat Communications.

Research published in January 2015 by the Eutelsat TV Observatory showed that the number of homes receiving channels broadcast by eight of Eutelsat's flagship television neighbourhoods serving Europe, Russia, North Africa and the Middle-East now stands at 274 million, up by 32% since 2010, of which 138 million receive channels from the HOT BIRD neighbourhood, up from 122 million in 2010. All eight neighbourhoods continue to experience audience growth.

Direct-to-Home remains the leading reception mode across the combined Europe, Russia, North Africa and Middle-East footprint. The number of Direct-to-Home households is growing, up by 44% to 160 million homes between 2010 and 2014.

(2) *EMEA consists of Western Europe, Central Europe, Russia and Central Asia, North Africa, the Middle-East and Sub-Saharan Africa.*

(3) *The share of each application as a percentage of total revenues is calculated excluding "other revenues" and "one-off revenues".*

(4) *At constant currency and perimeter.*

Regarding general trends in DTH, cable, IPTV and DTT reception in more mature Western European markets, 15 countries were surveyed, accounting for 179 million TV homes. DTH is confirmed as the main mode for TV reception in Western Europe, up 7% to 58 million homes from 54 million in 2010, accounting for one in three homes.

Professional video services

The Group provides television channels or broadcasting platforms with point-to-point links, enabling them to route their programmes to dedicated teleports so they can be picked up on satellites offering broadcasting services for television channels. These professional video links also enable the etablishment of meshed networks, which are used for the exchange of TV station programmes.

Furthermore, the Group provides links for the transmission by broadcasters of current affairs programmes ("Satellite News Gathering" or SNG) in standard digital or in High Definition. In particular, the NewSpotter service, available on the KA-SAT satellite, extends the perimeter of the Group's offers with a low-cost solution based on cheap and easy-to-use terminals. The Group's customers for this type of service include, in particular, the European Broadcasting Union, France Television Group, television channels (BBC, CBS, Mediaset, NBC, NHK, RAI, TF1), and video reporting professionals, such as APTN and Enex. In May 2015, resources on four satellites of the Group were booked for full broadcast coverage of the UK General Election.

Data and Telecom Services

Data and Telecom services together form Eutelsat's second main business, recording revenues of 525.5 million euros over the 2014-2015 financial year, contributing circa 37% of the Group's total, driven notably by the development of high-speed Internet access solutions.

Eutelsat develops applications aimed at making high-speed connectivity available to everyone: businesses, public governments and private customers.

Data and Telecom services cover capacity leased by private sector customers, administrations and Value-Added Services that bundle capacity with the supply of terminals and ground services.

Data and Telecom Services together form Eutelsat's second main business, with revenues of 525.5 million euros for the 2014-2015 financial year, 37% of the Group's total, driven notably by the development of high-speed Internet access solutions.

► Overview of the Group's data and telecoms services

Applications	Customers
DATA SERVICES	**16% OF REVENUES AT 30 JUNE 2015**
Professional VSAT data communication networks	System integrators and communication network operators, mass distribution, oil industry
Telecom Services: mobile network connection (Backhaul) in the most remote areas and Internet backbone connection (Trunking)	Telecom operators and Internet service providers (ISPs)
VALUE-ADDED SERVICES	**7% OF REVENUES AT 30 JUNE 2015**
Broadband Internet for corporates	Companies or local authorities served rarely or not at all by high-speed terrestrial networks
High-speed Internet access for the general public	Internet access providers, terrestrial broadcast network operators, local authorities
Mobility Services	Air, marine, rail transport companies
GOVERNMENT SERVICES	**14% OF REVENUES AT 30 JUNE 2015**
Provision of capacity services to government agencies	Local government, civil security services, Departments of National Defence

VSAT professional business networks

Three key verticals represent most of the demand from these customers: the oil and gas industry to connect drilling platforms on land and at sea; the banking sector; and mass distribution for the secure transmission of financial and logistical data between remote sites.

Telecom Services

The Group serves the needs of telecoms operators and Internet Service Providers (ISPs) seeking to connect their local platforms, *via* its satellites, to international networks (Internet, voice) or extend their mobile networks in areas which are difficult to reach. The emerging markets of Africa, the Middle-East, Latin America and Asia-Pacific, where the Group has an historical presence, are driving growth.

Despite strong demand, competition is robust in the VSAT and Telecom Services markets in certain areas (Africa and to a lesser extent the Middle-East), with point-to-point services remaining under pressure from the roll-out of terrestrial networks and, specifically in Africa, from the existing supply of satellite capacity.

High speed Internet and mobility

The Group offers high-speed connectivity solutions for corporates, notably IP connectivity services. Demand for these services is particularly strong in emerging markets, notably in Africa.

In addition, KA-SAT made it possible to obtain increased resources in the Ka-band, thus permitting an increase in throughput and service quality at lower cost for all customer segments In Europe.

The range of services for private individuals (Tooway) offers download speeds of 22 Mbps and upload speeds of 6 Mbps, as well as the benefit of highly significant download volumes.

These offers are marketed by retailers who supplement the Internet access offer with additional services, such as voice on IP or access to a television package *via* satellite.

The KA-SAT range of services available to professionals offers download speeds of up to 40 Mbps and upload speeds of 10 Mbps. The main targeted markets are Internet access for businesses and local authorities, interconnection of private virtual networks, the security of terrestrial networks by means of back-up satellite links, and the deployment of remote surveillance solutions (SCADA).

Eutelsat has built three offers specifically for businesses on KA-SAT: "Access", providing top-quality high-speed Internet access; "Connect", a guaranteed dedicated throughput enabling interconnectivity to any type or size of network configured around a central hub and remote stations; and "M-BEAT" ("Multi-beam Best Effort Aggregated Throughput"), enabling flexible bandwidth allocation on several beams on the KA-SAT satellite.

In addition, Eutelsat provides capacity in Ka-band for Broadband Internet access in Brazil on the EUTELSAT 3B satellite. Resources will be strengthened and coverage will be extended with the launch of EUTELSAT 65 West A in 2016. Furthermore, Eutelsat will also provide Broadband Internet access services in Russia on the EUTELSAT 36C satellite.

Finally, there have been many developments built around high-speed Internet access services, especially for mobility, with growing demand in the maritime, rail and air transport industries.

Eutelsat's on-board solution for aircraft, "Internet Air Access", offers passengers top-quality Internet access, a video streaming service, and mobile telephony services accessible on tablets, smartphones and laptop computers throughout the European air space. Eutelsat was notably selected by Telefonica to provide capacity enabling the Spanish carrier, Vueling, to equip its fleet with an in-flight Internet connection.

In 2014, Group announced the launch of the EUTELSAT 172B satellite which will be used by Panasonic Avionics Corporation as a platform for in-flight connectivity and entertainment for airlines serving the Asia-Pacific area.

Government Services

Government missions require reliable global communications that can be rapidly deployed throughout the world. The Group's satellites provide direct links between Europe, the Middle-East, Africa, Western Asia and America.

Eutelsat provides directly or through partners services to governments in the framework of programmes to reduce the digital divide in the field of education or health (e-Education, e-Health…). The Group also addresses the needs in terms of satellite capacity required by intelligence, surveillance and reconnaissance systems, particularly for the U.S. administration. In order to better respond to the satellite needs of government and institutional markets in the EMEA region, Eutelsat has created Eutelsat Government EMEA, in early 2015.

1.2.2 MAIN MARKETS AND COMPETITION

The Fixed Satellite Services (FSS) industry

The Fixed Satellite Services (FSS) operators operate geostationary satellites, positioned in orbit in space approximately 36,000 kilometres from the earth in the equatorial plane. These satellites are one of the most effective and economical means of communication to ensure transmission from one fixed point to an unlimited number of fixed points, as required for television broadcasting, for example. GEO satellites are also suitable for linking together a group of sites spread out over vast geographical areas (private business networks or providing communications support at retail outlets), as well as rolling out the coverage of mobile telephone networks and Internet access to geographical areas where terrestrial networks provide little or no coverage, and establishing or restoring communications networks in emergency situations.

The fast growing global broadcast market, expanding volumes of communication, particularly on the Internet, and the role of the satellites as a complement to terrestrial networks enabling access to digital services in all territories, are three major engines for growth in the FSS industry.

According to Euroconsult, the FSS sector generated global revenues of 12.3 billion U.S. dollars as of 31 December 2014, including 10.6 billion U.S. dollars in infrastructure revenues. Infrastructure revenues in EMEA and Latin America amounted to 6.6 billion U.S. dollars.

A business with strong visibility

Eutelsat is a core player with strong resilience

Visibility in the FSS sector is driven by several factors:

- Satellites represent the most efficient and cost-effective broadcasting technology providing coverage of large geographical areas;
- Barriers to entry are high due to an intricate regulatory framework and high requirements in terms of capital expenditure and technical expertise;
- Availability of satellite capacity must be secured on a long-term basis for customers, especially those in the broadcasting business;
- Long-term partnerships are encouraged due to heavy costs incurred by the transfer of services in the event of a change in the satellite operator, particularly in Video Applications;
- Video Applications, Eutelsat's prime business, enjoy a high resilience, thereby providing strong visibility on future revenues as reflected in the significant order backlog.

A business set for steady growth

Eutelsat is a pioneer in geographical areas with the highest potential for growth

The market is driven by the development of TV-based offers, the expansion of the digital economy and significant demand for these services in the emerging markets. Satellites represent the best solution for universal access to images and data covering areas beyond reach of terrestrial networks.

In response to these trends, satellite capacity should rise by 4.0% per year on average between 2014 and 2019 for regular capacity (source: Euroconsult) in the most dynamic areas, which include Latin America, Sub-Saharan Africa, the Middle-East and North Africa, Russia and Central Asia.

Eutelsat has developed an historical presence in faster growing businesses.

Demand is supported by the digital revolution

Eutelsat plays a key role in the media and Internet convergence

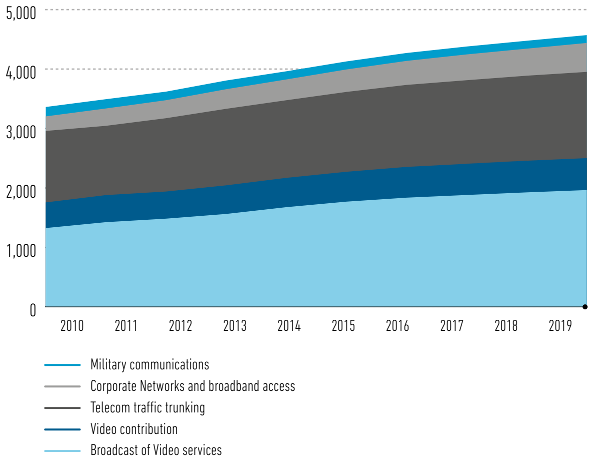
The use of TV services changes over time. Larger TV screens call for improvements in image quality, as well as the development of the High Definition format, and soon Ultra High Definition (UHD). While linear television remains the main technology for operating video content, there is an increasing trend towards the combined use of traditional television and Internet, paving the way for the take-off of connected television and multi-screen TV services. The rising number of television channels requires increased bandwidth capacity at reduced costs.

New-generation solutions are being developed in order to meet the large spectrum of end-user needs. With the launch of the KA-SAT satellite in 2010, Eutelsat has taken a pioneering role, providing the general public with a combination of TV-based solutions and broadband Internet access at speeds comparable to ADSL offers and at affordable prices.

In addition, for homes unserved by fibre optic networks, hybrid solutions combining satellite and broadband terrestrial networks enable end-users to receive television and video signal with the best image quality *via* satellite and use the bandwidth available on the broadband infrastructure for an enhanced service and content offer. These hybrid solutions, which are already available, will become the preferred alternatives, especially in some parts of developed countries where fibre optic will not be available.

With top-ranking clients in both the media and the telecommunications industries, and its pioneering role as a provider of satellite Internet access and connectivity solutions, especially for users on the move, Eutelsat sits this transformation, leveraging on all opportunities that may arise in developed countries as well as in emerging markets.

▸ Breakdown by Application of transponder demand in EMEA and Latin America for regular capacity



Source: Euroconsult, 2015 edition.

Satellites play a key role in propelling the digital revolution around the globe, particularly in areas under-served or unserved by terrestrial networks.

A sustained capacity offer

Eutelsat supports the development of regional operators

Satellite capacity offer is on the rise. Regional operators have launched large-scale investment programmes in order to expand in their own markets and compete with global operators and new regional operators are entering the market.

However, their development can face various obstacles such as the heavy cost of capital expenditure, the level of expertise and commercial effort required, and an intricate regulatory environment.

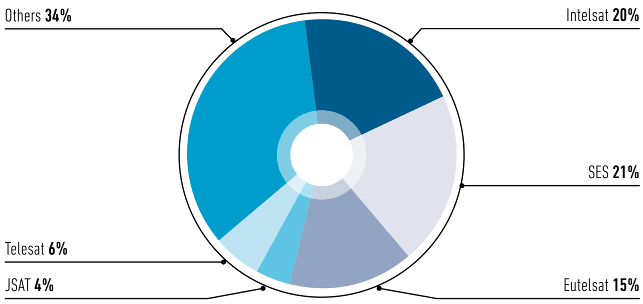
Eutelsat has entered into several long-term partnerships with regional operators. Examples include the Group's long-standing relationship with Nilesat, which contributed to the consolidation of its 7°/8° West flagship video neighbourhood. This is the most established orbital position in coverage of the Middle-East and North Africa, with more than 1,000 TV channels broadcast by satellite and an audience of more than 52 million homes. In Russia, Eutelsat operates capacity on the fleet of RSCC, the country's leading operator, through long-term agreements for capacity leased on the Express-AT1 (56° East) and Express-AT2 (140° East) satellites: Eutelsat will strengthen its resources with the launch of EUTELSAT 36C (36° East). Last but not least, the partnership between Eutelsat and Eshail'Sat, the Qatari operator, materialized with the launch of the EUTELSAT 25B satellite at 25.5° East, to further develop satellite services in the Middle-East and North Africa.

Eutelsat has established long-term partnerships with key regional players.

Competitive environment

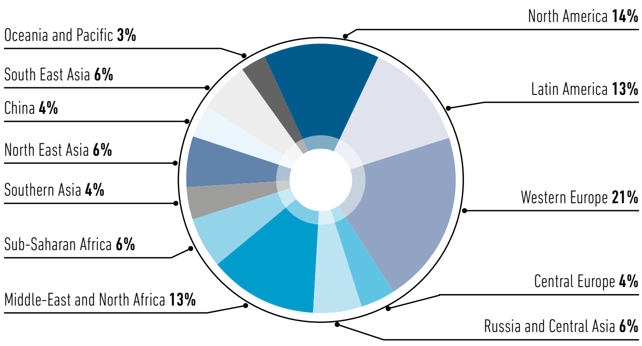
Eutelsat is one of the world's leading satellite operators with strong positions in EMEA. The acquisition of the GE-23 satellite in September 2012 improved coverage in Asia-Pacific. With the acquisition of Satmex, closed on 1 January 2014, Eutelsat now has a strong footprint in the Americas, particularly in Latin America.

▸ Operators global market share (based on infrastructure revenues)



Source: Euroconsult, 2015 edition.

Breakdown by region of infrastructure revenue for the FSS sector



Source: Euroconsult, 2015 edition.

Video Applications – Prospects

Video Applications are experiencing sustained growth:

- The number of homes equipped with a satellite terminal should increase strongly.
- The number of channels broadcast by satellite throughout the world has increased from 29,000 in 2010 to 39,000 in 2014 and should be over 48,000 in 2024 (source: Euroconsult 2015).
- The development of High Definition (HD) and Ultra High Definition (UHD) broadcasting will contribute to the sector's future growth. According to Euroconsult, 46% of channels should be broadcast in High Definition by 2024 (against 20% in 2014) and 2% should be broadcast in Ultra High Definition (0% in 2014).

In EMEA and Latin America, demand for satellite capacity for Video Applications should remain well-oriented, with 3.0% compound annual growth between 2014 and 2019 (source: Euroconsult 2015).

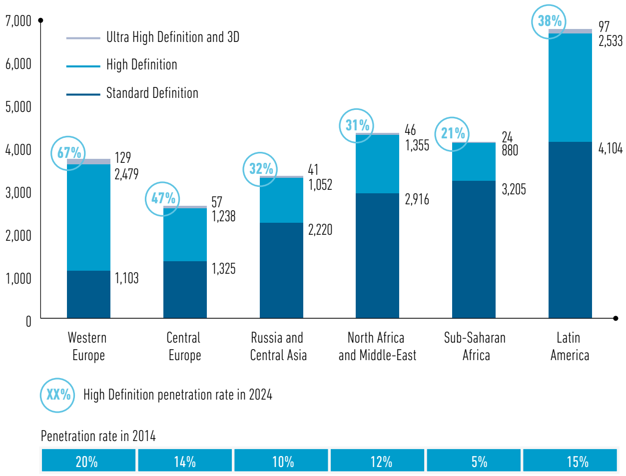
Growth is expected to be stronger in the most dynamic emerging markets. Transponder demand should rise by more than 4.5% per year between 2014 and 2019 in Sub-Saharan Africa, North Africa, the Middle-East, Russia and Central Asia and Latin America (source: Euroconsult 2015).

Eutelsat is a major player in these emerging markets, its customers including dynamic TV platforms such as Multichoice in Sub-Saharan Africa, NTV+ and Tricolor TV in Russia, Cyfrowy Polsat and nc+ in Poland and Millicom in Latin America.

Global demand for capacity for the transmission of Video Applications should be impacted by the following trends:

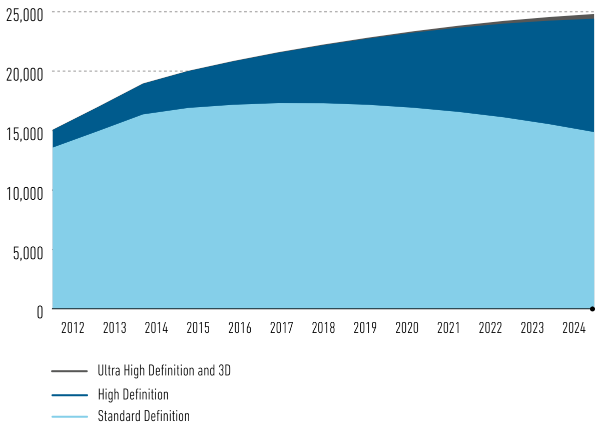
- **the increase in the number of television channels, driven mainly by emerging markets.** The number of channels should rise from more than 19,000 in 2014 to 25,000 in 2024 in EMEA and in Latin America;
- **the widespread adoption of High Definition.** Requiring almost twice as much satellite capacity than standard television (a 36 Mhz transponder allows to broadcast circa 12 Standard Definition channels with MPEG-2 compression format, *versus* six to eight HD channels with MPEG-4 compression format), penetration rate on Eutelsat satellites has risen in one year from 10.2% to 11.9%. According to Euroconsult, the number of HD channels should progress at a weighted average annual rate of 14% in EMEA and in Latin America for the 2014-2024 period to around 9.500 channels;
- **the Ultra High Definition technology** is developing and the appropriate equipment is appearing. The technology is currently four times more resource-hungry than HD, but should benefit from the new DVB-S3 and HEVC compression standards, which will halve the bandwidth size required for video streaming;
- **the rise in popularity of Digital Terrestrial Television (DTT),** mainly in emerging markets and particularly in Africa, offers satellite operators an opportunity to supply the capacity to feed terrestrial re-transmitters and provide additional coverage for homes located in shadow areas;
- **the optimisation of compression rates for TV signals.** Deployment of the DVB-S2 standard and the adoption of compression standard MPEG-4 will make it possible to transmit up to twice as many channels per transponder, thus optimising use of the bandwidth between TV channels, which reduces the cost of access to satellite capacity for new entrants;
- **the development of interactive platforms** on the back of the emergence of new, non-linear, TV consumption modes, is prompting operators to invent a new generation of "hybrid" terminals, combining access to TV and the Internet. It creates a dynamic for the Eutelsat teams who are constantly working to enrich the pay TV offerings and the supply of connected TV services.

HD penetration by subregion in 2024



Source: Euroconsult, 2015 edition.

Evolution of the number of SD, HD and UHD channels in Extended Europe and Latin America

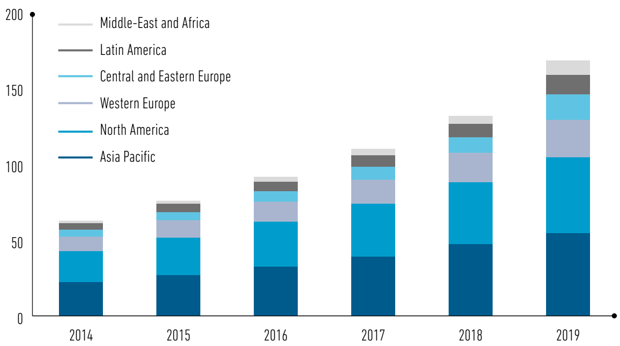


Source: Euroconsult, 2015 edition.

Data and Telecoms services – Prospects

The development of the digital economy is another growth driver for emerging markets as it requires implementation of infrastructures capable of supporting the significant surge in Data and Video Services. According to the VNI Index published by CISCO in May 2015, the volume of data exchanges worldwide should increase by 23% on average per year between 2014 and 2019.

▸ Global Internet traffic evolution *(in PB per month)*



Source: Cisco, VNI 2015.

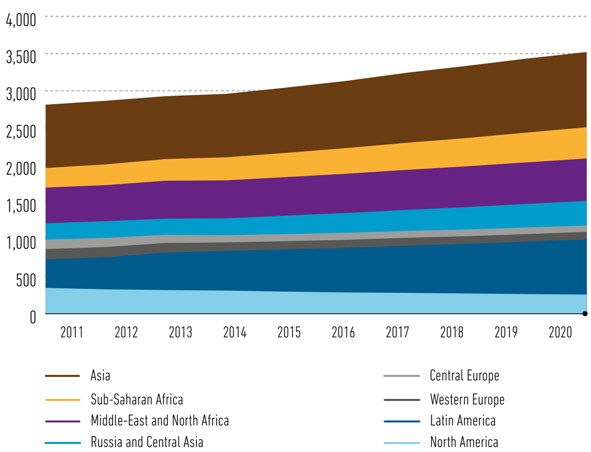
According to Euroconsult, demand for regular capacity for Data and Telecom services should remain well oriented, with a 3.9% CAGR from 2014 to 2019 in EMEA and Latin America. In particular, demand for capacity for Corporate networks should remain well oriented with a 7.7% CAGR from 2014 to 2019 in EMEA and Latin America.

Growth in demand for capacity for Data and Telecom services will be stronger in emerging markets. For the same period, transponder demand for regular capacity is expected at above 5.5% CAGR in Sub-Saharan Africa, Latin America, Russia and Central Asia. These applications, however, have an abundance of capacity and experience competition from the terrestrial networks.

Eutelsat has a strong presence in emerging markets for Data and Telecoms services. Customers for these services notably include:

- Operators such as America Movil or Telefonica in Latin America or Orange in Sub-Saharan Africa;
- Service providers such as Harris Caprock or Schlumberger in Latin America, Skyvision, Astrium Services or Liquid Telecom in Sub-Saharan Africa.

▸ Global demand for telecom services, including services to administrations for regular capacity *(in number of transponders)*

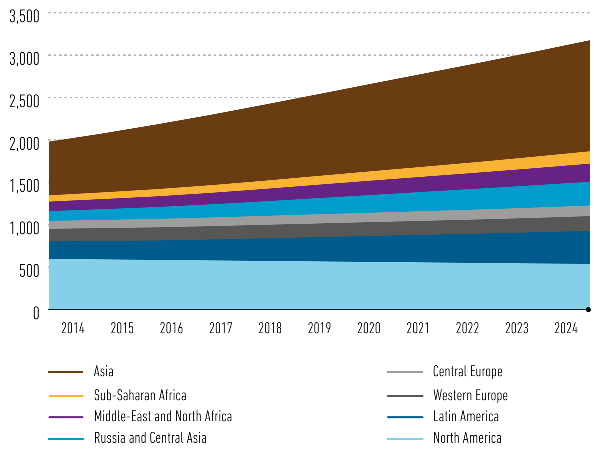


Source: Euroconsult, 2015 edition.

The trends impacting the market are as follows:

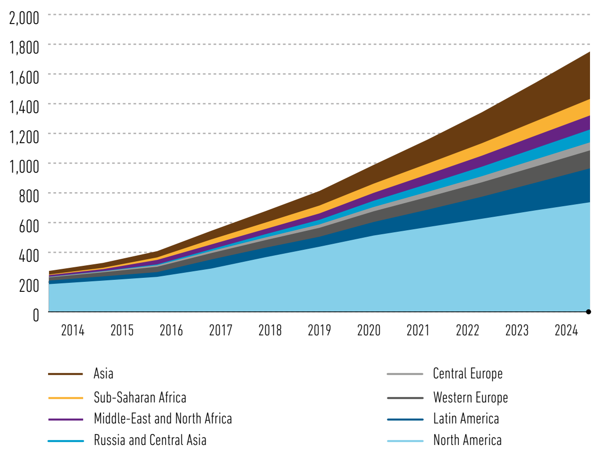
- In a digital economy that requires to be increasingly connected, the need for capacity is constantly growing. This growth is mainly driven by the increase in video use.
- While fibre optic networks have penetrated the heart of large conurbations, many rural areas are overlooked, due to their failure to offer terrestrial operators a return on their investments. The alternative offered by the satellite is an optimum solution in many areas of developed countries and even more in emerging countries. Between 2014 and 2019, the global number of VSAT terminals for corporate networks should increase by more than 5% per year on average, and should reach more than 2.5 million sites by 2019 (source: Euroconsult, 2015 edition).
- The increase in High Throughput Satellites (HTS) exploiting new frequency bands makes it possible to significantly improve the cost of access to the satellite resource for Data Services. Today's growing recourse to HTS technology-based solutions will intensify in future years to account for a major share of capacity dedicated to Data Services. The number of homes equipped with a satellite terminal connected to the Internet should rise from over 2.4 million in 2014 to 4.2 million in 2019 (source: Euroconsult, 2015 edition).

▸ Development in number of V-SAT per region *(in thousands)*



Source: Euroconsult, 2015 edition.

▸ Global demand for HTS telecom services *(in GBPS)*



Source: Euroconsult, 2015 edition.

1.2.3 THE GROUP'S STRATEGY

1.2.3.1 Main objectives

Leveraging on its business portfolio at the crossroads between media and the Internet, and committed to developing the digital economy, Eutelsat's ambition is to strengthen its positions technologies and markets that are key to tomorrow's growth.

To confirm its position as one of the world's leading satellite operators, Eutelsat conducts a policy of targeted investments with a view to delivering profitable growth. Its strategy is primarily focused on organic growth and partnerships, without relinquishing opportunities for external growth, especially in emerging markets. The Group has set the following main objectives:

- consolidating its flagship positions in Video Applications and developing new ones;
- strengthening its presence in fast-growing markets while maintenaing a strong base in Europe;
- developing its leadership in the growing Internet Broadband market;
- capturing opportunities for long-term growth in the area of mobility services and services to governments;
- confirming its role as a complement to terrestrial networks, both technologically and geographically;
- maintaining a high level of flexibility and innovation in order to serve clients in the long term.

Consolidating its flagship positions in Video Applications, and developing new ones

Eutelsat will leverage on its current positions and its past investments. The prime target is organic growth based on a long-term investment policy. For Video Applications in particular, the active strategy applied by Eutelsat to manage its privileged portfolio of orbital positions provides it with high quality resources in coverage of a number of strategic geographical areas:

- At 13° East, the three HOT BIRD satellites make up the world's largest satellite broadcasting system in coverage of Europe, the Middle-East and parts of Africa and Asia, with 1,086 channels broadcast as at 30 June 2015 (of which 181 in HD). HOT BIRD is Europe's leading neighbourhood, serving over 137 million homes in 2014 *versus* 122 million in 2010.
- The partnership developed with Nilesat boosts resources at the 7°/8° West orbital position to address the fast-growing digital television market covering territories from North Africa to the Middle-East. The growth of this market benefits from improved HD penetration and an increase in the number of Free-To-Air channels. This orbital position offers unequalled potential for growth for Video Applications, with a growing audience that has now reached over 52 million viewers compared to 27 million in 2010. This buoyant market was further anchored by the signature of commercial contracts with the Group's key customers, related to the launch of the EUTELSAT 8 West B, which significantly boosts Eutelsat's resources at this position.
- The 36° East position which covers 18.2 million TV households in 2012 in Russia (25.6 million for the overall coverage at this position) is another major growth engine for Eutelsat. Under partnership agreements with the Russian operator, RCSS, satellites deployed by Eutelsat at this position address a rapidly expanding market: Russia and Africa. The launch of the EUTELSAT 36C satellite will boost this flagship position.
- Eutelsat is further developing the other orbital positions occupied by its fleet, in particular the 7° East, 16° East, 9° East, 5° West and 117° West positions and plans to open a new one at 65° West.

Strengthening Eutelsat's presence in fast-growing markets while maintaining a strong base in Europe

Eutelsat's strategy consists in leveraging on its existing positions in Europe, while developing its business in dynamic emerging markets.

To this end, the Group is pursuing its policy of organic growth and the development of partnerships with foreign operators at flagship positions including 7°/8° West and 36° East. The acquisition of the GE-23 satellite (renamed EUTELSAT 172A) in September 2012 opens up new business opportunities for Eutelsat, in the Asia-Pacific region, where demand is rapidly expanding. A new high-capacity multi mission satellite (EUTELSAT 172B) at the same orbital position at 172° East, expected for launch in 2017, will accelerate development in the Asia-Pacific region. The acquisition of the Mexican satellite operator Satmex, (now operating under the commercial name Eutelsat Americas), closed in January 2014, and the procurement of the EUTELSAT 65 West A satellite will enable Eutelsat to scale up in Latin America, one of the most dynamic markets for the Fixed Satellite Services industry. According to Euroconsult, demand for regular capacity in Latin America is expected to grow 4.0% per year on average over the 2014-2019 period and demand for HTS capacity should be multiplied by ten between 2014 and 2024. Eutelsat Americas current's fleet, completed by the steerable Ka-band payload of EUTELSAT 3B covering Brazil and by the EUTELSAT 115 West B (successfully launched in March 2015), EUTELSAT 117 West B and EUTELSAT 65 West A satellites make Eutelsat a leading operator on fast-growing digital markets in Latin America:

- strategic orbital positions covering 90% of the population of the Americas;
- a well-established position in corporate networks and mobile backhauling;
- high customer loyalty, as evidenced by strong customer retention rates.

These initiatives are consistent with the Group's strategy to strengthen its presence in regions with the highest growth.

Investments in new satellite capacity which Eutelsat plans to launch by 2017 will therefore be primarily focused on fastest growing markets in order to benefit from new growth drivers that are both sustainable and create value. Subsidiaries or offices notably in Europe, the United States, Mexico, Brazil, Dubai in United Arab Emirates, Singapore and South Africa demonstrates the Group's commitment to be located as close as possible to its clients.

Developing leadership on the growing Internet Broadband market

Satellite Internet Broadband access is a new market with a strong growth potential which Eutelsat has fully anticipated thanks to the entry into service of the KA-SAT satellite in May 2011 and the payloads in Ka-band on EUTELSAT 3B, launched in 2014, EUTELSAT 36C, expected for launch in 2015, and EUTELSAT 65 West A, expected for launch in 2016 (see Section 1.2.3.2).

KA-SAT is Europe's most powerful satellite to date. The Company intends to draw on the breakthrough and technological strengths of this High Throughput Satellite (HTS) to the benefit of other markets. Operating in the Ka-band, the satellite's footprint is equipped with 82 spot beams of limited size, offering the possibility to reuse frequencies between non-adjacent spots, which results in the cost of access to satellite capacity being reduced by six to eight times. The comparatively modest cost of the equipment means that this satellite can provide a high speed Internet access solution at competitive prices for households located in areas not covered by broadband terrestrial networks. The satellite's potential footprint can cover 30 million homes across Europe. The satellite also enables the Group to develop professional services and mobile applications designed for the maritime and aeronautical sectors, in particular the "Eutelsat Air Access" service for in-flight broadband access.

Capturing opportunities for long-lasting growth in mobility services and services to governments

The development of mobile broadband communications solutions is a new market with significant growth potential in maritime, and above all, aeronautical mobility. The in-flight connectivity market is set to undergo strong growth due to the combination of the following factors: significant progress in satellite technology in terms of performance, quality and costs with HTS ("High Throughput Satellites"), growing passenger demand for in-flight connectivity, airlines' desire to invest in this new service and the continued growth of air traffic (average annual growth of 4.6% by 2034 for commercial aviation – source: Airbus Global Market Forecast 2015-2034).

Eutelsat has signed several contracts which will allow airlines (notably Vueling) to provide in-flight connectivity services on their European flights, using the KA-SAT satellite. In 2014, the Group also ordered the EUTELSAT 172 East B satellite, which will be equipped in particular with the first multi-beam payload for the Pacific Ocean region in Ku-band. This payload, which is expected to enter into service in 2017, has already been selected by Panasonic Avionics Corporation as a key platform for in-flight broadband and live TV services for airlines serving the Asia-Pacific region.

Elsewhere, Government Services in the defense and security areas are expected to represent a source of growth in the medium term, due to the development of IT systems and the increasing use of commercial resources by governments whose long-term policies include a more efficient use of public resources.

A geographical and technological complement to terrestrial infrastructures

Eutelsat aims to draw on the opportunities offered by the geographical location of its facilities, which represent a complement to terrestrial networks in both developed and emerging countries.

- In developed countries, the Group's strategy is to complete existing networks in areas where the cost and time required to set up new terrestrial infrastructures for providing broadcasting services and Internet access increase dramatically as the population density diminishes. Satellites serve rural areas immediately and with the same quality of service as urban zones. They are thereby particularly well adapted to provide universal digital coverage of all territories.
- In emerging countries, Eutelsat offers an alternative solution in areas unserved or underserved by terrestrial infrastructures. Satellites play a key role across different links in the supply chain for connecting terrestrial infrastructures (interconnecting mobile networks, professional broadcasting services), or for serving directly a large number of areas out of reach of terrestrial networks (DTH, broadband access, VSAT networks).

The other avenue of growth focuses on the satellite's role as a technological complement to terrestrial systems. A hybrid system combining both satellite and terrestrial networks enables optimal use of each system, with satellites dedicated to video and particularly TV streams, and terrestrial networks covering Internet access and interactive solutions, with a view to lasting and consistent delivery of connected television services across all territories.

Finally, Eutelsat's telecom services also make it possible to ensure service continuity and restoration. Terrestrial networks are increasingly prone to physical deterioration; satellites are therefore an effective solution to maintain connectivity between remote sites.

Maintaining a high level of flexibility and innovation in order to serve clients in the long term

In order to respond to changing market conditions and customers' needs over time, Eutelsat is focused on two major drivers: flexibility and innovation.

Flexibility:

- the fleet uses several frequency bands and covers different areas. It has developed in such a way that a satellite is capable of replacing another one in a cascaded manner thanks to similarity in design for all satellites; and
- satellites as such are designed to adjust to market conditions: broad coverage, adjustable spot beams, in-orbit reconfiguration.

In December 2014, Eutelsat announced a ground-breaking innovation: the development of the software-defined "Eutelsat Quantum" class of satellites which is supported by ESA (European Space Agency). It will give customers operating in the government, mobility and data markets access to premium capacity through footprint shaping and steering, power and frequency band pairing that they will be able to actively define.

Innovation has been a key driver for Eutelsat for over 30 years. In this area, the Group's objective is three-fold: (i) ensuring that the largest number of territories enjoys the benefits of digital revolution; (ii) ensuring that end-users are provided with high quality services, (iii) improving long-term competitiveness. Eutelsat teams are known for their expertise throughout the world, providing innovative solutions for both the space and the ground segments. Recent and current initiatives include:

- improvements in image quality: the Group launched the first UHD TV channels broadcast *via* satellite and continues to be a first-mover in the development of UHD;
- connected television: with for example the "Smart LNB", designed mainly for emerging markets: Eutelsat's "Smart LNB" for Direct-to-Home antenna will allow broadcasters to operate linear television and connected TV services directly by satellite. The first phase of development was carried out and "Smart LNB" is now entering into the industrialization phase;
- mobility, in particular with the development of solutions such as Internet Air Access which offer passengers top-quality Internet access on tablets, smartphones and laptop computers throughout European air space;
- Internet broadband access with notably since 2011, KA-SAT, the first European Ka-band multibeam satellite, offering improved speed;
- the use of electric propulsion reducing the mass of satellites compared to chemical propulsion, with the launch of EUTELSAT 115 West B in March 2015 and the future launch of EUTELSAT 117 West B (expected in 2016);
- solutions against jamming and interference.

Flexibility and innovation involve working in close collaboration with the Group's customers to support their development, and where appropriate, to assist them in dealing with the evolutions they may face.

1.3 In-orbit operations

OPERATIONAL REVIEW FOR FINANCIAL YEAR 2014-2015

Main changes since 30 June 2014

Fully-owned capacity

- EUTELSAT 3B, launched on 25 May 2014, started operations in early July 2014. It replaced the EUTELSAT 3A and EUTELSAT 3D satellites at 3° East, and embarks the Ku-, C- and Ka-bands capacity to increase and diversify resources covering Europe, Africa, the Middle-East, Central Asia and Latin America.
- Mid-July 2014, EUTELSAT 3D was relocated to 7° East where it is now co-positioned with EUTELSAT 7A and was renamed EUTELSAT 7B.
- Following the launch of EUTELSAT 3B, EUTELSAT 3A was redeployed in inclined orbit at 8° West and then de-orbited as of end-October 2014.
- EUTELSAT 48C was de-orbited in November 2014.
- EUTELSAT 16B was de-orbited in February 2015.
- On 2 March 2015, EUTELSAT 115 West B was launched by a Falcon 9 rocket operated by SpaceX. Currently in the in-orbit raising phase, it is expected to enter into service in the fourth quarter of calendar year 2015 and will extend reach of the Americas to markets in Alaska and Canada.
- In January 2014, in the framework of the settlement of a dispute with SES concerning the 28.5° East orbital position, the Group contracted long-term satellite capacity on the SES fleet at this orbital position. Following this agreement and the entry into service of the ASTRA 2G satellite on 18 June 2015, Eutelsat commercializes capacity on 20 transponders (12 fully-owned and eight leased) at the 28.2° East/28.5° East orbital position, operating under the names EUTELSAT 28E, EUTELSAT 28F and EUTELSAT 28G.

Capacity leased from third parties

- The Express-AT2 satellite, which was launched on 16 March 2014 entered into operation at 140° East in early July 2014. Eutelsat commercializes capacity in the framework of the partnership with RSCC.
- In May 2015, Eutelsat concluded a lease at 53° East for five transponders on RSCC's Express-AM6 satellite to replace the existing lease for 12 transponders on SESAT 2 covering Europe, MENA and Central Asia. This capacity is operated under the name EUTELSAT 53A.
- In the context of the current economic environment in Russia, notably the decrease of the value of the Ruble, Eutelsat entered into discussions with its Russian clients with the aim of alleviating some contract terms. Long-term lease agreements with RSCC at 56° East have been reviewed, leading to the return by Eutelsat of three transponders at this position.
- Since the entry into service of Astra 2G on 18 June 2015, Eutelsat leases eight transponders on this satellite in the framework of a long-term lease agreement.

Main investments

During the financial year, the Group continued its investment programme aimed at expanding and replacing its in-orbit resources. The Group will continue to focus its investment policy on high growth markets. Average investments will stand at an average of around 500 million euros a year over the three fiscal years to 30 June 2018. This includes capital expenditures and payments under existing export credit facilities and under long-term lease agreements on third party capacity.

New orders

In July 2014, the EUTELSAT 172B satellite was ordered. Expected for launch in the first half of 2017 by an Ariane 5 rocket, this satellite will be manufactured by Airbus Defence and Space and will use electric propulsion for in-orbit raising which should require circa four months. It will allow early follow-on programme to EUTELSAT 172A and will provide continuity and expansion capacity at a position (172° East) that is already a prime gateway for services in the Asia-Pacific region. EUTELSAT 172B will pioneer High Throughput payload customised for in-flight broadband over trans-Pacific and Asian flight paths and has been selected by Panasonic Avionics Corporation as prime platform for growth for in-flight connectivity and entertainment; EUTELSAT 172B will host three distinct payloads:

- A C-band payload delivering increased power and broader coverage that will enhance service provided today to existing customers *via* EUTELSAT 172A and tap into new growth markets in South East Asia.
- A regular Ku-band payload doubling capacity at 172° East and connected to five improved service areas: North Pacific, North East Asia, South East Pacific, South West Pacific and South Pacific.
- An innovative High Throughput Ku-band payload specifically designed for in-flight broadband, featuring multiple user spots optimised to serve densely-used Asian and trans-Pacific flight paths and interconnected to gateways operating in the Ka-band. This new payload will be the first customised for in-flight connectivity over the Pacific Ocean Region, delivering an overall throughput of 1.8 Gbps.

In December 2014, Eutelsat announced the development of the software-defined "Eutelsat Quantum" class of satellites setting new standards in terms of coverage, bandwidth, power and frequency configurability. This premium capacity will enable customers to specifically address regions where end-users in government, mobility and data markets are located and to adapt to their changing needs. The first satellite was ordered from Airbus Defence and Space (ADS) in July 2015 and will be delivered at the end of 2018.

Other Satellites under procurement

The Group has proceeded with the procurement of satellites ordered during the last financial year or during previous years:

- EUTELSAT 9B, ordered from Airbus Defence and Space and planned for launch in the first half of 2016. Its task will be to extend and diversify resources at the 9° East orbital position. This position serves the vibrant broadcasting market in Europe. Being adjacent to the flagship HOT BIRD video neighbourhood at 13° East, the satellite enables combined reception on a single dual-feed antenna.
- EUTELSAT 117 West B (previously Satmex 9), ordered from Boeing, is an electric propulsion satellite to be launched in the first quarter of 2016 and co-located with EUTELSAT 117 West A (previously Satmex 8) at 116.8° West. The satellite will serve Latin American customers in the video, telecommunications and government sectors.
- EUTELSAT 65 West A: scheduled for launch in the second half of 2016, this satellite will inaugurate Eutelsat's new orbital position at 65° West. The satellite will address Video and Broadband markets in Brazil and in Latin America through the provision of capacity in Ku-, Ka- and C-band.
- Furthermore, within the framework of a long-term partnership with the Russian operator RSCC, the procurement of the satellite EUTELSAT 36C (for which the Group signed long-term leases for capacity during financial year 2012-2013). EUTELSAT 36C will ensure continuity of the EUTELSAT 36A broadcasting satellite with increased resources. This powerful satellite will embark up to 70 transponders, including 18 Ka-band spot beams. Combining resources in Ku- and Ka-bands, covering the European part of the Russian Federation, it was built in order to support the development of the Russian digital technology at the 36° East premium video neighbourhood. EUTELSAT 36C will also ensure continuity and expansion of broadcasting resources in Sub-Saharan Africa. Its launch is planned in the fourth quarter of 2015.

Launch services associated with satellites under procurement

Under its security policy and resource deployment plan, the Group aims to diversify its launch service providers as much as possible to ensure a degree of operational flexibility in the event of a failed launch. For example, its satellites are technically adaptable to a launch using several different types of launch vehicles. Similarly, the Company may choose to re-allocate satellite launches to another of its launch service providers under its firm or optional launch services contracts.

Satellites and coverage areas

EUTELSAT FLEET
OCTOBER 2015

- ● stable orbit
- ○ inclined orbit
- * capacity on third-party satellites
- ** ongoing redeployment

FUTURE SATELLITES: EUTELSAT 36C*, EUTELSAT 9B, EUTELSAT 117 West B, EUTELSAT 65 West A, EUTELSAT 172B, Eutelsat Quantum

SATELLITE FLEET

As of 30 June 2015, the Group operates capacity on 37 satellites [1]; of which five are leased from third parties and four are satellites in inclined orbit.

Fully owned capacity as at 30 June 2015

Name of satellite	Orbital position	Geographic coverage	Nominal capacity *(number of physical transponders)*	Nominal [2] capacity *(36 MHz-equivalent transponders / Spotbeams)*	Launch date	Estimated end of operational use in stable orbit as of 30 June 2015 [3] *(calendar year)*
EUTELSAT HOT BIRD 13B	13° East	Europe, North Africa, Middle-East	64 Ku	60 Ku	August 2006	Q1 2025
EUTELSAT HOT BIRD 13C	13° East	Europe, North Africa, Middle-East	64 Ku	60 Ku	December 2008	Q3 2024
EUTELSAT HOT BIRD 13D	13° East	Europe, North Africa, Middle-East	64 Ku	60 Ku	February 2009	Q1 2024
EUTELSAT 12 West A	12.5° West	Europe, Middle-East, Americas	19 Ku	29 Ku	August 2002	Q4 2018
EUTELSAT 117 West A	116.8° West	Americas	40 Ku / 24 C	42 Ku / 24 C	March 2013	Q4 2035
EUTELSAT 113 West A	113° West	Americas	24 Ku / 36 C	24 Ku / 36 C	May 2006	Q2 2023
EUTELSAT 8 West A	8° West	Europe, Middle-East, Americas	26 Ku	31 Ku	September 2001	Q2 2019
EUTELSAT 8 West C [4]	8° West	Middle-East, North Africa	10 Ku / 1 Ka	10 Ku / 2 C	August 2002	Q4 2017
EUTELSAT 7 West A	7° West	Middle-East, North Africa	50 Ku	52 Ku	September 2011	Q1 2033
EUTELSAT 5 West A	5° West	Europe, Americas, Africa	35 Ku / 10 C	35 Ku / 14 C	July 2002	Q3 2019
EUTELSAT 3B	3° East	Europe, Middle-East, Africa	30 Ku / 12 C / 5 Ka	54 Ku / 23 C / 5 Ka	May 2014	Q1 2033
EUTELSAT 7A	7° East	Europe, Middle-East, Africa	42 Ku / 2 Ka	57 Ku / 6 Ka	March 2004	Q2 2021
EUTELSAT 7B	7° East	Europe, Middle-East, Africa	53 Ku / 3 Ka	70 Ku / 3 Ka	May 2013	Q3 2038
EUTELSAT 9A	9° East	Europe, North Africa, Middle-East	38 Ku	35 Ku	March 2006	Q4 2024
EUTELSAT KA-SAT 9A	9° East	Europe, Mediterranean Basin	82 Ka	82 spots Ka	December 2010	Q2 2028
EUTELSAT 10A	10° East	Europe, Middle-East, Africa	42 Ku / 10 C	59 Ku / 20 C	April 2009	Q1 2023
EUTELSAT 16A	16° East	Europe, Middle-East, Africa, Indian Ocean	53 Ku / 3 Ka	70 Ku / 8 C	October 2011	Q2 2027
EUTELSAT 21B	21.5° East	Europe, Middle-East, Africa	40 Ku	59 Ku	November 2012	Q2 2033
EUTELSAT 25B	25.5° East	Europe, North Africa, Middle-East	8 Ku / 7 Ka	8 Ku / 7 Ka	August 2013	Q1 2034
EUTELSAT 28E [5]	28.2/28.5° East	Europe	4 Ku	4 Ku	September 2013	Q1 2029
EUTELSAT 28F [5]	28.2/28.5° East	Europe	4 Ku	4 Ku	September 2012	Lifetime in excess of 15 years
EUTELSAT 28G [5]	28.2/28.5° East	Europe	4 Ku	4 Ku	December 2014	Lifetime in excess of 15 years
EUTELSAT 33B [6]	33° East	Europe, North Africa, Middle-East, Central Asia	20 Ku	40 Ku	November 2002	Q4 2015
EUTELSAT 36A	36° East	Africa, Russia	31 Ku	28 Ku	May 2000	Q3 2017
EUTELSAT 36B	36° East	Europe, Middle-East, Africa	70 Ku	87 Ku	November 2009	Q4 2026
EUTELSAT 48D	48° East	Afghanistan, Central Asia	8 Ku	12 Ku	December 2008	Q4 2020
EUTELSAT 70B	70.5° East	Europe, Middle-East, Asia	48 Ku	92 Ku	December 2012	Q2 2032
EUTELSAT 172A	172° East	Asia-Pacific, Australia, New Zealand	20 Ku / 18 C	23 Ku / 24 C	December 2005	Q2 2022
EUTELSAT 115 West A	114.9° West	Americas	24 Ku / 24 C	-	December 1998	Inclined orbit
EUTELSAT 16C	16° East	Europe, Middle-East, Africa, Asia	5 Ku	-	April 2000	Inclined orbit
EUTELSAT 31A	31° East	Europe	20 Ku	-	September 2003	Inclined orbit
EUTELSAT 48A	48° East	Central Europe, Middle-East, Central Asia	20 Ku	-	November 1996	Inclined orbit

(1) Including capacity on EUTELSAT 28A satellite which was at the time being relocated to 33° East.

(2) The number of transponders can vary from one year to the next as a result of relocations or reconfigurations. The figures are rounded to the nearest whole number.

(3) Every year, the Group reviews the estimated operational life of the satellites in-orbit (for further information, see Notes 4.7 and 6 to the consolidated financial statements for the financial year ended 30 June 2015).

(4) In January 2014, the satellite experienced an anomaly to an onboard power transmission assembly. As the electrical power produced by the other onboard assembly remains well above the level required by the overall satellite platform for its current mission, it is fully expected that the satellite will continue to deliver nominal service to clients.

(5) In January 2014, in the framework of the settlement of a dispute with SES concerning the 28.5° East orbital position the Group contracted long-term satellite capacity on the SES satellite fleet at this orbital position. The number of transponders indicated is the number of transponders fully owned by Eutelsat on SES fleet.

(6) Following an incident on 16 June 2008, the power of this satellite and its estimated remaining life has been reduced. See Note 6 of the consolidated accounts for the year ending 30 June 2011.

Capacity leased from third parties as of 30 June 2015

Name of satellite	Orbital position	Geographic coverage	Nominal capacity *(number of physical transponders)*	Nominal capacity *(36 MHz-equivalent transponders / Spotbeams)*	Launch date	Estimated end of operational use in stable orbit as of 30 June 2015 *(calendar year)*
Telstar 12 [(1)]	15° West	Europe, Americas	4 Ku	6 Ku	October 1999	Q2 2016
EUTELSAT 53A [(2)]	53° East	Europe, North Africa, Middle-East, Asia	5 Ku	8 Ku	October 2014	Q1 2030
Express-AT1 [(3)]	56° East	Siberia	18 Ku	17 Ku	March 2014	Q2 2029
Express-AT2 [(3)]	140° East	Far East Russia	8 Ku	7 Ku	March 2014	Q2 2029
EUTELSAT 28G [(4)]	28.2/28.5° East	Europe	8 Ku	6 Ku	September 2014	Lifetime in excess of 15 years

(1) Owned by Loral Skynet. This capacity corresponds to that operated by Eutelsat.

(2) Owned by Russian Satellite Communications Company (RSCC). This capacity corresponds to that operated by Eutelsat.

(3) Owned by Russian Satellite Communications Company (RSCC). This capacity corresponds to that operated by Eutelsat.

(4) In January 2014, in the framework of a settlement of the dispute with SES concerning the 28.5° East orbital position the Group contracted long-term satellite capacity on the SES satellite fleet at this orbital position. The number of transponders indicated is the number of transponders leased by Eutelsat on SES fleet.

Main changes since 30 June 2015

- On 20 August 2015, the EUTELSAT 8 West B satellite was successfully launched into orbit by an Ariane 5 rocket. It entered full commercial service at 7/8° West in early October. The EUTELSAT 8 West A satellite was relocated at 12.5° West where it operates under the name EUTELSAT 12 West B; EUTELSAT 8 West C is being relocated at 33° East.
- In July 2015, the first "Eutelsat Quantum" satellite was ordered from Airbus Defence and Space (ADS).
- In July 2015, EUTELSAT 28A was relocated to 33° East where it now operates as EUTELSAT 33C.
- In October 2015, EUTELSAT 115 West B started operations a month ahead of the original date.

Satellite programmes under procurement [(1)]

Satellite	Orbital position	Estimated launch *(calendar year)*	Manufacturer	Launcher	Main applications	Main geographic coverage	Physical Transponders	36 MHz-equivalent transponders / Spotbeams	Of which expansion 36 MHz-equivalent transponders
EUTELSAT 36C [(2)]	36° East	Q4 2015	Airbus DS	Proton	Video, Data, Broadband	Russia, Sub-Saharan Africa	Up to 52 Ku / 18 Ka-band spotbeams	48 Ku 18 Ka spotbeams [(3)]	19 Ku 18 Ka spotbeams
EUTELSAT 9B	9° East	H1 2016	Airbus DS	Proton	Video	Europe	50 Ku	47 Ku	12 Ku
EUTELSAT 117 West B	116.8° West	Q1 2016	Boeing	SpaceX	Video, Data, Government Services	Latin America	40 Ku	48 Ku	48 Ku
EUTELSAT 65 West A	65° West	H2 2016	Space Systems/ Loral Inc.	Arianespace	Video, Data, Broadband	Latin America	24 Ku, 10 C, up to 24 Ka-band spotbeams	24 Ku, 15 C, 24 Ka-band spotbeams [(4)]	24 Ku, 15 C, 24 Ka-band spotbeams
EUTELSAT 172B	172° East	H1 2017	Airbus DS	Arianespace	Data, Government Services, Mobility	Asia-Pacific	36 Ku (regular), 14 C, 11 Ku-band HTS spotbeams	42 Ku (regular), 24 C, 11 Ku-band HTS spotbeams [(5)]	19 Ku (regular), 11 Ku-band HTS spotbeams
Eutelsat Quantum	To be defined	Delivered end of 2018	Airbus DS	Not decided	Data, Government Services, Mobility	Flexible	12 quantum channels	Not applicable	Not applicable

(1) Chemical propulsion satellites generally enter into service 1 to 2 months after launch. Of the electric propulsion satellites, EUTELSAT 117 West B will take 7-9 months after launch to enter into service, and EUTELSAT 172B circa 4 months.

(2) Partnership with RSCC.

(3) Total capacity of the HTS payload: 11.6 Gbps.

(4) Total capacity of the HTS payload: 37.5 Gbps.

(5) Total capacity of the HTS payload: 1.8 Gbps.

01

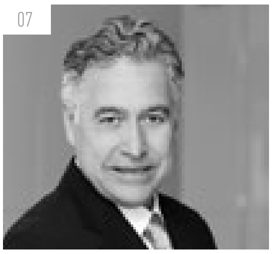

02


03


04


05


06


07


08


09


1.4 Management

EXECUTIVE COMMITTEE

The nine members of the Executive Committee of Eutelsat Communications implement the Group's strategy whose major directions are established by the Board of Directors.

1/ **MICHEL DE ROSEN**
Chairman and Chief Executive Officer

2/ **MICHEL AZIBERT**
Deputy CEO and Chief Commercial and Development Officer
Committee Deputy Chairman

3/ **ANTOINE CASTARÈDE**
Chief Financial Officer

4/ **JACQUES DUTRONC**
Chief Development and Innovation Officer

5/ **ANDREW JORDAN**
Executive Vice-President Strategic Projects

6/ **YOHANN LEROY**
Chief Technical Officer and Secretary of the Committee

7/ **PATRICIO NORTHLAND**
Chief Executive Officer of Eutelsat Americas

8/ **JEAN-LOUIS ROBIN**
Director of Human Resources and Information Systems

9/ **EDOUARD SILVERIO**
Group General Counsel and Company Secretary

MANAGEMENT COMMITTEE

The Management Committee manages Eutelsat's operating activities. In addition to the members of the Executive Committee, the Management Committee comprises Olivier Anstett, Director of Multimedia & Value-Added Services, Antonio Arcidiacono, Director of Innovation, Jean-François Bureau, Director of Institutional and International Affairs, Manuel Calvo Serrano, Director of Operations, Francesco Cataldo, Deputy Chief Commercial Officer, Markus Fritz, Director of Commercial Development & Marketing, Bernard Kasstan, Satellite Fleet Manager, Jean-Hubert Lenotte, Director of Strategy, Christian Marte, Director of M&A and Investments, Raphaël Mussalian, Special Advisor on Technology Strategy, Vanessa O'Connor, Director of Corporate Communications, Arduino Patacchini, Special Advisor, Ariane Rossi, Deputy Chief Financial Officer.

1.5 Social and societal responsibility

Eutelsat's employees reflect a broad range of expertise and cultures and sit at the heart of the Group's success. They carry out their work across a wide international footprint to meet customer needs and to build lasting relationships with partners and stakeholders. Technological excellence as well as ethical and responsible values underpin the Group's culture. The main objectives of Eutelsat's human resources policy are to pursue a long tradition of success and innovation, to increase market knowledge in order to improve responses to new business opportunities, to constantly improve skill sets in anticipation of changing markets and to recruit and build employee loyalty through a stimulating work environment.

Eutelsat grounds its human resources management policy on a long-term vision designed to reinforce a sense of belonging and employee loyalty as well as to attract highly-qualified talent. A number of principles underline this objective: on-going training for almost two out of three employees during the year, a priority towards internal mobility during recruitment processes, fair remuneration packages through annual evaluation procedures, a high level of social security cover and an employee company savings scheme with a match funding policy.

Sharing the fruits of the Company's growth is also provided for through long-term incentive plans and, as a consequence, by employees' shareholding in the Company.

As of 31 December 2014, women represented 30% of Eutelsat S.A.'s workforce. The Group is keen to attract a larger proportion of women to scientific and technical careers, and as such works closely with educational establishments to achieve a better gender balance with the recruitment of engineers and executives. Internal training and promotion also contributes to this objective.

Another key principle of the human resources policy is prevention of all forms of discrimination, along with diversity in terms of age, ethnic origin and professional experience. Eutelsat is a signatory of the Charter of Workplace Diversity and was the first company in the telecommunications sector to sign a Senior Agreement on work-time flexibility. It was also the first French firm to offer employees Solidarity Rounding, an initiative in favour of local employment and small-loan matching by the Company.

Section 3 of this Reference Document describes the Group's environmental, social and societal policy.

EUTELSAT'S PEOPLE SIT AT THE HEART OF THE GROUP'S SUCCESS"

02

CORPORATE GOVERNANCE

2.1 Composition of the Board of Directors

The Company was incorporated on 15 February 2005, as a *société par actions simplifiée* (joint-stock company) and was transformed into a *société anonyme* (limited company) with a Board of Directors on 31 August 2005.

As of the filing date of this Reference Document, the Company is managed by a Board of Directors comprising nine Members (five of whom are independent). Each Board Member has a four-year renewable term of office.

At the Ordinary and Extraordinary General Meeting of Shareholders held on 7 November 2014:

- the corporate office of Bpifrance Participations as Director was renewed for a term of four (4) years;
- the corporate office of Mr. Ross McInnes as Director was renewed for a term of four (4) years.

The composition of the Board of Directors as of the filing date of this Reference Document is shown in the table below:

MICHEL DE ROSEN

Board Member, Chairman of the Board of Directors (since 16 September 2013) and Chief Executive Officer

DoB: 18 February 1951 – 64 years old
a French national

Business address:
Eutelsat Communications
70, rue Balard
75015 Paris

First appointment/Co-opting:
10 November 2009 (as Board Member and Chief Executive Officer)

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2016

Biography

Michel de Rosen joined Eutelsat Communications on 1 July 2009 as Deputy Chief Executive Officer, before being appointed as Chief Executive Officer and Board Member of the Company on 9 November 2009. In parallel, Mr. de Rosen was appointed CEO and Board Member of Eutelsat S.A. on 10 November 2009. On 16 September 2013, he was appointed Chairman and Chief Executive Officer of the Company and of Eutelsat S.A. Mr. de Rosen graduated from the French *Hautes Études Commerciales* (HEC) Business School and the *École Nationale d'Administration* (ENA). He began his career in the French *Inspection générale des finances.* He was a member of the Minister of Defence's office from 1980 to 1981 and then Chief of Staff for the Minister for Industry and Telecommunications from 1986 to 1988. In the Rhône-Poulenc Group, Mr. de Rosen was CEO of Pharmuka (1983-1986), CEO of Rhône-Poulenc Fibres and Polymères (1988-1993), then Chairman and CEO of Rhône Poulenc Rorer (United States, 1993-1999). From 2000 to 2008, Mr. de Rosen was CEO of the American company Viro-Pharma before returning to France in 2008 as Chairman and CEO of the company SGD.

OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:

In France:
- Board Member (Chairman of the Board of Directors since 16 September 2013) and Chief Executive Officer of Eutelsat S.A.
- Representative of Eutelsat S.A., Chairman of Eutelsat VAS S.A.S.

Outside France:
- Board Member and Chairman of Eutelsat Inc. (USA)
- Board Member of Eutelsat International Ltd (Cyprus)
- Board Member of Satélites Mexicanos S.A. de C.V. (Mexico) since 1 January 2014

Offices and functions having expired:

In France:
- Deputy CEO of the Company and of Eutelsat S.A.

Outside of France:
- Board Member of Skylogic S.p.A. (Italy)
- Board Member of Holdsat Mexico SAPI de C.V. (Mexico) absorbed by Satélites Mexicanos S.A. de C.V. (Mexico) as of 31 July 2014

OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:

In France:
- Board Member of Pharnext

Outside France:
- Board Member of Hispasat S.A. (Spain)
- Board Member of ABB Ltd (Switzerland)

Offices and functions having expired:

Outside France:
- Board Member of Solaris Mobile Ltd (Ireland)

LORD JOHN BIRT

Vice President, Board of Directors

DoB: 10 December 1944 – 70 years old
a British national

Business address:
Eutelsat Communications
70, rue Balard
75015 Paris

First appointment/Co-opting:
10 November 2006 (as Board Member)

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2015

Biography

Lord John Birt is a member of the House of Lords. He served as Director General of the BBC (1992-2000) then as a Strategy Adviser to the British Prime Minister, Tony Blair (2000-2005). He was also Chairman of Waste Recycling Group (2006), Infinis Ltd (2006-2007) Maltby Capital Ltd (2007-2010) and Paypal Europe (2010-2014). He worked as an adviser to McKinsey (2000-2005) and Capgemini (2005-2010). He is currently Chairman of Terra Firma's Investor Advisory Board and Chairman of Host Europe Group. Lord Birt is a graduate of Oxford University.

OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:
None

Offices and functions having expired:
None

OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:

Outside France:
- Non-executive Director of Shopvolution (United Kingdom)
- Chairman of Terra Firma Investor Advisory Board (United Kingdom)
- Chairman of Host Europe (United Kingdom)
- Member of the House of Lords

Offices and functions having expired:

In France:
- Adviser to Capgemini

Outside France:
- Chairman of Maltby Capital Ltd (United Kingdom)
- Non-executive Director of Infinis Ltd (United Kingdom)
- Chairman of Paypal Europe (Luxemburg)

MIRIEM BENSALAH CHAQROUN

Board Member

DoB: 14 November 1962 – 52 years old
a Moroccan national

Business address:
Eutelsat Communications
70, rue Balard
75015 Paris

First appointment/Co-opting:
8 November 2012

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2016

Biography

Miriem Bensalah Chaqroun graduated from ESC Paris and is the holder of an MBA in International Trade and Finance from the University of Dallas (USA). She began her career at Société Marocaine de Dépôt et Crédit (SMDC) in the Securities Department. In 1990, she joined Holmarcom Group, where she currently sits at the Board, and she is the CEO of the subsidiary Eaux Minérales d'Oulmès. She is also Director and Chairwoman of the Audit Committee of Bank Al Maghrib and Director of the Morocco Central Bank. M. Bensalah Chaqroun is also Director of the Mohammed VI Foundation, Chairwoman of the Euro-Mediterranean Board for Mediation and Arbitration, member of the Arab Business Council (ABC), member of the Management Board of the Moroccan British Business Leader Forum (MBBLF), member of the Young Presidents' Organization (YPO), member of the Al Akhawayn University Board and Director of Care International Maroc. Since May 2012, the President of the *Confédération Générale des Entreprises du Maroc* (CGEM), the Moroccan employers' federation, and she is the first woman ever performing this function in the MENA region. Furthermore, M. Bensalah Chaqroun is a member of the ONG-US "Initiative for Global Development" (IGD-USA) Board.

OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:
None

Offices and functions having expired:
None

OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:

Outside France:
- Director of the Holmarcom Group (Morocco)
- CEO of Eaux minérales d'Oulmès (Holmarcom Group) (Morocco)
- Director and Chairwoman of the Audit Committee of the Morocco Central Bank (Bank Al Maghrib) (Morocco)
- Director of the Mohammed VI Foundation for Environmental Protection (Morocco)
- Chairwoman of the Euro-Mediterranean Board for Mediation and Arbitration (Morocco)
- Member of the Arab Business Council (ABC)
- Member of the Management Board of the Moroccan British Business Leader Forum (MBBLF)
- Member of the Al Akhawayn University Board
- Member of the Young Presidents' Organization (YPO)
- President of the *Confédération Générale des Entreprises du Maroc* (CGEM)
- Member of Planet Finance Association Board in Morocco
- Director of CARE International Maroc
- Member of the ONG-US "Initiative for Global Development" (IGD-USA) Board

Offices and functions having expired:

Outside France:
- Member of the Board of the Social Development Agency (ADS)

BPIFRANCE PARTICIPATIONS REPRESENTED BY: JEAN D'ARTHUYS

Board Member

DoB: 20 November 1966 – 48 years old
a French national

Business address:
(since 25 February 2014)
6/8, Boulevard Haussmann
75009 Paris

First appointment/Co-opting:
17 February 2011 (Fonds Stratégique d'Investissement)

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2018

Biography

Bpifrance Participations (since 12 July 2013, previously Fonds Stratégique d'Investissement) is currently represented at the Company's Board of Directors by Mr. Jean d'Arthuys. A graduate of the HEC School of management, he built up his career in the media and digital industries, mainly within the M6 Group, and later in the investment sector. Jean was in charge of business development and strategy between 1996 and 1999 at Groupe M6, where he was appointed as an Executive Board Member in 1999. He served as Executive Director of business development and Head of digital TV operations of the Group before serving as CEO of Paris Première and W9 TV channels. A valued expert in the media and digital sectors, he served as Director of TPS, Sportfive and Newsweb. An experienced manager, he headed the *Girondins de Bordeaux* football club. Between 2007 and 2010, he was a partner at PAI Partners private equity firm, focusing on the media, Internet and telecom sectors. In 2010, he joined the Executive Committee of the Fonds Stratégique d'Investissement (renamed Bpifrance Participations, in the context of the formation of the group Bpifrance further to a series of contributions leading to an equal shareholding of Caisse des Dépôts et Consignations and the French State in BPI-Groupe, which is itself the sole shareholder of Bpifrance Participations) in charge of investment.

OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions of the permanent representative, Mr. Jean d'Arthuys:

In France:
- Permanent representative of Bpifrance Participations, Board Member of Eutelsat S.A.

Offices and functions of the permanent representative, Mr. Jean d'Arthuys, having expired:
None

OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions of the permanent representative, Mr. Jean d'Arthuys:

In France:
- Permanent representative of Bpifrance Participations
- Board Member of Soprol
- Board Member and Member of the Executive Committee of Bpifrance Participations

Offices and functions of the permanent representative, Mr. Jean d'Arthuys, having expired:

In France:
- President of HEC Alumni
- Board Member of Indefilms (Sofica)
- Member of the Supervisory Board of ST Microelectronics
- Board Member of Talend
- Board Member of Viadeo

JEAN-PAUL BRILLAUD

Board Member

DoB: 29 October 1950 – 64 years old
a French national

Business address:
Eutelsat Communications
70, rue Balard
75015 Paris

First appointment/Co-opting:
8 November 2011

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2015

Biography

Before being appointed a Board Member, J.-P. Brillaud joined the Group in 1999 as Director of Strategic Affairs and Institutional Relationships. J.-P. Brillaud was appointed to the Eutelsat S.A. Management Board in 2001 and served as Deputy Chief Executive Officer of the Company and of Eutelsat S.A. between 2005 and 2011. During his career with the Company, he oversaw the transformation of Eutelsat from an international organisation to a limited company *("société anonyme")*, led its strategic development and steered it through the IPO process. Before joining the Group, Jean-Paul Brillaud was Deputy Director of Space Telecommunications at France Télécom where he was notably responsible for managing France Télécom's space segment investments and the operations of the satellite communications centre. He began his career with the CNET (*Centre national d'études des télécommunications* – Centre for Telecommunications Research). Jean-Paul Brillaud is a graduate of the *École nationale supérieure des télécommunications.*

OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:

In France:
- Board Member of Eutelsat S.A.

Offices and functions having expired:

In France:
- Deputy CEO of the Company and Eutelsat S.A.

Outside France:
- Member of the Supervisory Board of Eutelsat Services & Beteiligungen GmbH (Germany)
- Board Member of Eutelsat Inc. (USA)

OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:

In France:
- President of KerSat SAS

Offices and functions having expired:

Outside France:
- Board Member of Hispasat S.A. (Spain)
- Board Member of Solaris Mobile Ltd (Ireland)

BERTRAND MABILLE
Board Member

DoB: 18 March 1964 – 51 years old
a French national

Business address:
Eutelsat Communications
70, rue Balard
75015 Paris

First appointment/Co-opting:
10 May 2007

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2017

Biography

Bertrand Mabille has been Chief Executive Officer of Carlson Wagonlit France since October 2008 and, since March 2012, Executive Vice President France and Mediterranean for CWT. He was Chairman of the Supervisory Board of Jet Multimedia in late 2008, after having been successively Chief Executive Officer of SFR Entreprises in 2005 and Director of Strategy and Regulatory Affairs for the SFR Cegetel Group since 2003. From 2000 to 2003, he worked for Thomson as the Group Director for Strategic Partnerships, then Chairman and Chief Executive Officer of Nextream, a joint subsidiary of Thomson and Alcatel. From 1995 to 2000, B. Mabille worked for the French Prime Minister's office. B. Mabille is a graduate of the *École normale supérieure* and the *École nationale supérieure des télécommunications*.

OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:

In France:
- Board Member of Eutelsat S.A.

Offices and functions having expired:
None

OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:

In France:
- CEO of CWT France
- Executive Vice President of CWT France-Mediterranean
- Representative of Carlson Wagonlit Travel France, Chairman of Carlson Wagonlit Distribution
- Chairman of Carlson Wagonlit Meetings & Events
- Chairman of SETA (Forum Voyages)
- Board Member of Videodesk

Outside France:
- Chairman of the Board of Carlson Wagonlit Italia S.r.l. (Italy)
- Chairman of the Board of Acentro Turismo S.p.A. (Italy)
- Managing Director of Carlson Wagonlit España S.L.U (Spain)
- Managing partner of Viajes Lepanto, S.L.U. (Spain)
- Permanent Representative of Carlson Wagonlit Spain Holdings II BV (Spain)
- Director of Carlson Wagonlit Maroc S.A. (Morocco)
- Permanent Representative of CWT Beheermaatschappij B.V. of the Board of Carlson Wagonlit Maroc S.A. (Morocco)

Offices and functions having expired:

In France:
- Member of the Supervisory Board of Cofitel
- Chairman of the Supervisory Board of Adeuza
- Board Member of So Ouat

ROSS MCINNES
Board Member

DoB: 8 March 1954 – 61 years old
both French and Australian citizenship

Business address:
Eutelsat Communications
70, rue Balard
75015 Paris

First appointment/Co-opting:
7 February 2013

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2018

Biography

After graduating from Oxford, Ross started his career with Kleinwort Benson Bank in London, then in Rio de Janeiro. In 1980, he joined the corporate finance arm of Continental Bank (which became part of Bank of America), where he held several positions as Vice-President, working in Chicago and Paris. In 1989, Ross McInnes moved to the industrial sector by joining large international groups such as Ferruzzi Corporation of America as Chief Financial Officer. The group included Eridania Beghin-Say, where he became Chief Financial Officer in 1991 and later a member of the Board of Directors in 1999. The following year, he moved to Thomson-CSF (now Thales) as Senior Vice President and CFO, playing a major role in the Company's transformation. In 2005, he was appointed Executive Vice President of Finance for the PPR Group (Pinault-Printemps-La Redoute) before joining the Supervisory Board of Générale de Santé in 2006. On request from the Supervisory Board, he served as interim Chairman of the Management Board from March to June 2007. He then served as Vice Chairman of Macquarie Capital Europe, a company specialised in infrastructure investments. In March 2009, Ross McInnes joined the Safran Group as Adviser to the Chairman of the Management Board, before becoming Executive Vice President of Economics and Finance in June 2009. He served as a member of the Management Board between July 2009 and April 2011. From 21 April 2011 to 23 April 2015, he was Deputy Chief Executive Officer in charge of Finance at Safran. On 1 October 2014, he was appointed as member of the Board of IMI, Plc and as Chairman of the Audit Committee with an effective date on 1 January 2015.Since 23 April 2015, he is Chairman of the Board of Safran.

OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:
None

Offices and functions having expired:
None

OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:

In France:
- Chairman of the Board of Safran
- Board Member and Chairman of the Audit Committee of Faurecia

Outside France:
- Board Member and Chairman of the Audit Committee of IMI, Plc

Offices and functions having expired:

In France:
- Deputy CEO of Safran
- Board Member of Aircelle
- Board Member of Turbomeca
- Board Member of Messier-Bugatti-Dowty
- Board Member of Morpho
- Board Member of Snecma
- Board Member of Sagem Défense Sécurité
- Board Member of Vallaroche Conseil
- Permanent Representative of Safran at the Board of Directors of Établissements Vallaroche
- Member of the Advisory Board of Safran
- Permanent Representative of Safran at the Board of Directors of Messier-Dowty S.A.
- Board Member of Messier-Dowty S.A.
- Board Member of SME
- Board Member of Financière du Planier
- Chairman of Chartreuse & Mont-Blanc S.A.S.
- Board Member of Macquarie Autoroutes de France S.A.S.
- Board Member of Eiffarie S.A.S.
- Board Member of Société des Autoroutes Paris-Rhin-Rhône
- Board Member of AREA – Société des Autoroutes Rhône-Alpes
- Board Member of Adelac S.A.S.
- Board Member of Bienfaisance Holding
- Member of the Supervisory Board of Générale de Santé
- Member of the Supervisory Board of Pisto S.A.S.
- Permanent Representative of Établissements Vallaroche at the Board of Directors of La Financière de Brienne
- Observer of Générale de Santé
- Permanent Representative of Santé Europe Investissements S.A.R.L. at the Board and Member of the Audit Committee of Générale de Santé

Outside France:
- Board Member of Safran USA, Inc. (USA)
- Permanent Representative of Établissements Vallaroche at the Board of Directors of Soreval (Luxemburg)
- Permanent Representative of Santé Europe Investissements S.A.R.L. at the Board of Directors of Santé S.A. (Luxemburg)
- Vice-President de Macquarie Capital Europe Ltd (United Kingdom)
- Board Member of Limoni S.p.A. (Italy)
- Board Member of Santé S.A. (Luxemburg)
- Board Member of Chartreuse & Mont-Blanc Global Holdings S.C.A. (Luxemburg)
- Board Member of Chartreuse & Mont-Blanc GP S.a.r.l. (Luxemburg)
- Board Member of Chartreuse & Mont-Blanc Holdings S.a.r.l. (Luxemburg)

ELISABETTA OLIVERI

Board Member

DoB: 25 October 1963 – 51 years old
an Italian national

Business address:
Eutelsat Communications
70, rue Balard
75015 Paris

First appointment/Co-opting:
8 November 2012

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2016

Biography

Elisabetta Oliveri holds a Master degree in Electronics Engineering from the University of Genova (Italy). She started her career as Project Manager successively at Digital Equipment and Automa. From 1991 to 2002, she worked for Marconi S.p.A., the Italian company of Marconi Group Plc, specialized in telecommunications for military and civil markets in Italy and abroad, as Project and Test Manager, and then as Business Development Manager. She then moved to the SIRTI group, which is the Italian leader in network engineering, of which she became the General Manager in 2003 and the CEO in 2008. Since September 2011, E. Oliveri has been working with the Italian Group Fabbri Vignola, leader in the food stretch packaging sector; she was appointed as CEO in September 2012. E. Oliveri also holds Directorships in Gruppo Editoriale L'Espresso (2012) and SNAM (2010).

OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:
None

Offices and functions having expired:
None

OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:

Outside France:
- CEO of Gruppo Fabbri Vignola (Italy)
- Board Member, Chairwoman of the Audit Committee and Lead Independent Director of Gruppo Editoriale L'Espresso (Italy)
- Board Member, Chairwoman of the Compensation Committee and Member of the Nomination Committee of SNAM (Italy)
- Board Member and Chairwoman of the Nomination Committee of Banca Farmafactoring Spa (Italy)
- Board Member of Gruppo Monzino 1750 (Italy)
- Founder and Board Member of the Furio Solinas Onlus Foundation (Italy)

Current offices and functions:

Outside France:
- CEO and Board Member of Sirti S.p.A. (Italy)
- CEO and Board Member of SEIRT S.A. (Italy)
- Board Member of Azienda Trasporti Milanesi (Italy)

CAROLE PIWNICA

Board Member

DoB: 12 February 1958 – 57 years old
a Belgian national

Business address:
Eutelsat Communications
70, rue Balard
75015 Paris

First appointment/Co-opting:
9 November 2010

Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2016

Biography

Carole Piwnica a graduate in law from the *Université libre de Bruxelles* (Belgium), holds a Masters degree in Law from New York University. After a career with several international law firms, C. Piwnica is currently a Board Member of Naxos UK (private equity firm) and a member of the Boards of the listed companies: Sanofi (healthcare), Paris Orléans (financial services) and Amyris Inc (industrial biotechnology). Prior to that, C. Piwnica was notably Chairman of the Board of Directors of Amylum Group, Board Member and Vice Chairman (regulatory affairs) of Tate & Lyle Plc (food ingredients) and Board Member of Dairy Crest Group Plc (food). She also served as a member of the Compensation Committee and Chairperson of the "Social Responsibility" Committee of the Aviva Plc Board of Directors.

OTHER OFFICES AND FUNCTIONS HELD WITHIN THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:
None

Offices and functions having expired:
None

OFFICES AND FUNCTIONS HELD OUTSIDE THE EUTELSAT GROUP OVER THE PAST 5 YEARS

Current offices and functions:

In France:
- Board Member of Sanofi
- Board Member of Paris Orléans

Outside France:
- Board Member of Naxos UK (United Kingdom)
- Board Member of Amyris (USA)
- Board Member of Big Red (USA)
- Board Member of Elevance (USA)
- Board Member of Recycoal (United Kingdom)
- Board Member of I20 (United Kingdom)

Offices and functions having expired:

In France:
- Chairman of the Board of Amylum group

Outside France:
- Board Member of S.A. Spaldel N.V. (The Netherlands)
- Board Member and Vice-Chairman of Tate & Lyle Plc (United Kingdom)
- Board Member of Toepfer International GmbH (Germany)
- Board Member of Dairy Crest Group Plc (United Kingdom)
- Board Member, Member of the Compensation Committee, and Chairman of the Social Responsibility Committee of the Board of Aviva Plc (United Kingdom)
- Board Member of Louis Delhaize (Belgium)

BOARD MEMBERS AT 30 JUNE 2015 WHOSE TERMS OF OFFICE EXPIRE AT THE GENERAL MEETING OF SHAREHOLDERS APPROVING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The terms of office of Jean-Paul Brillaud and Lord Birt will expire at the General Meeting held to approve the accounts for the financial year ending 30 June 2015. The draft resolutions adopted by the Board of Directors of the Company on 29 July 2015, and to be submitted for approval on 5 November 2015, provide to renew these terms of offices for a further four years:

- the renewal of the mandate of Lord Birt for four (4) years;
- the appointment of Mr. Jean d'Arthuys, permanent representative of Bpifrance Participations, as a Board Member. Bpifrance Participations will henceforth be represented by Mrs. Stéphanie Frachet;
- the appointment of Mrs. Ana Garcia Fau as a Board Member.

The biography of Mrs Ana Garcia Fau is shown below:

ANA GARCIA FAU (DoB: 3 November 1968 – 46 years old), a Spanish national. A graduate in Economics, Business Administration and Law from the Universidad Pontificia Comillas (ICADE) in Madrid. She holds an MBA from the Massachusetts Institute of Technology (MIT) in Boston, USA. She began her career in management consulting at McKinsey&Co. in Madrid and at the M&A department of Goldman Sachs in London. She built up her career at the Telefónica Group, serving as Corporate Development Officer and Chief Financial Officer of TPI-Páginas Amarillas (yellow Pages & digital businesses) from 1997 until 2006. She was responsible for the international expansion of the company, business development and strategy, holding in parallel Board Member positions at Telfisa in Madrid, Publiguías in Chile, TPI Brazil, Telinver in Argentina and TPI Perú, amongst others. In 2006 she was appointed CEO of Yell for the Spanish and Latinamerican business (2006-2014), and expanding her role to the U.S. Hispanic market, based in Houston, Texas. In 2013 she was appointed Chief Global Strategy Officer of hibu (former Yell Group) responsible for partnerships and the digital strategy.

Since its IPO in June 2014 she serves as Non-executive director of Merlin Properties, a leading real state company in Spain (Reit) and is a member of its Audit & Control Committee. She has also served as a member of the Professional Advisory Board of ESADE Business School in Madrid (2012-2013), as member of the Board of Trustees of several Foundations in Spain (2010-2014). During 2011 and 2012 she was also President of the European Professional Women Network in Spain.

The biography of Mrs Stéphanie Frachet is shown below:

STÉPHANIE FRACHET (born 17 May 1977—38 years of age). A French national and graduate of the ESSEC business school, S. Frachet has fifteen years of experience in finance and private equity. She was in charge of transaction services for six years at Ernst & Young and then Pricewaterhouse Coopers, then worked in auditing and financial consulting on mergers/acquisitions and LBOs. In 2007, she joined the Leverage Finance team at Société Générale, in charge of LBO operation financing and led a number of restructuring operations. In 2009, she joined the Fonds Stratégique d'Investissement (renamed Bpifrance Participations, as part of the creation of the Bpifrance Group under a process of contributions through which the Caisse des Dépôts et Consignations and the French State became joint shareholders of the BPI Group, the sole shareholder of Bpifrance Participations) where she holds the position of Investment Director. She serves on the Boards of Sarenza and Cylande (on behalf of Bpifrance) and sits as an Observer (French *censeur*) on the Boards of Paprec and Carso. She is also an independent Director of Eurosic.

BOARD MEMBERS RESIGNING DURING THE FINANCIAL YEAR ENDED 30 JUNE 2015

No director has resigned during the financial year ended 30 June 2015.

"CENSEUR" AND OBSERVER WITHIN THE BOARD OF DIRECTORS

Pursuant to the Letter-Agreement between the Company and Eutelsat IGO and the Company's By-laws, Mr. Christian Roisse, Executive Secretary of Eutelsat IGO, sits on the Board of Directors as an observer *(censeur)*.

Finally, pursuant to its policy aimed at improving labour relations within the Group, the Company entered into an agreement with the Work council of its operating subsidiary, Eutelsat S.A., under which the two representatives of the Work council are invited to attend the meetings of the Board of Directors and are provided with the same information as the Board Members of the Company.

2.2 Key management personnel

As of the filing date of this Reference Document, the Company's key management personnel were as follows:

Full name, business address	Office	Date of first appointment/ co-opting and expiry date of office	Other offices and functions held within the Eutelsat Group over the past 5 years	Offices and functions held outside the Eutelsat Group over the past 5 years
MICHEL DE ROSEN Eutelsat Communications 70, rue Balard 75015 Paris	Board Member, Chairman of the Board of Directors (since 16 September 2013) and Chief Executive Officer	**First appointment/Co-opting:** 10 November 2009 (as Board Member and Chief Executive Officer) **Expiry date of office:** General Meeting to be held to approve the accounts for the financial year ending 30 June 2016	**Current offices and functions:** **In France:** × Board Member (Chairman of the Board of Directors since 16 September 2013) and Chief Executive Officer of Eutelsat S.A. × Representative of Eutelsat S.A., Chairman of Eutelsat VAS S.A.S. **Outside France:** × Board Member and Chairman of Eutelsat Inc. (USA) × Board Member of Eutelsat International Ltd (Cyprus) × Board Member of Satélites Mexicanos S.A. de C.V. (Mexico) since 1 January 2014 **Offices and functions having expired:** **In France:** × Deputy CEO of the Company and of Eutelsat S.A. **Outside of France:** × Board Member of Skylogic S.p.A. (Italy) × Board Member of Holdsat Mexico SAPI de C.V. (Mexico) absorbed by Satélites Mexicanos S.A. de C.V. (Mexico) as of 31 July 2014	**Current offices and functions:** **In France:** × Board Member of Pharnext **Outside France:** × Board Member of Hispasat S.A. (Spain) × Board Member of ABB Ltd (Switzerland) **Offices and functions having expired:** **Outside France:** × Board Member of Solaris Mobile Ltd (Ireland)
MICHEL AZIBERT Eutelsat Communications 70, rue Balard 75015 Paris	Deputy CEO	**First appointment:** 28 July 2011 (effective 1 September 2011) **Expiry date of office:** General Meeting to be held to approve the accounts for the financial year ending 30 June 2016	**Current offices and functions:** **In France:** × Deputy CEO of Eutelsat S.A. **Outside France:** × Board Member of Eutelsat Inc. (USA) × Board Member of Eutelsat Americas (ex-Satélites Mexicanos S.A. de C.V.) (Mexico) since 1 January 2014 × Board Member and President of Eutelsat UK Ltd (UK) × Board Member and President of Eutelsat Madeira (Portugal) × Board Member of Eutelsat America Corp (USA) **Offices and functions having expired:** **Outside of France:** × Board Member of Holdsat Mexico SAPI de C.V. (Mexico) absorbed by Satélites Mexicanos S.A. de C.V. (Mexico) as of 31 July 2014 × Member of the Advisory Board of Eutelsat Services & Beteiligungen GmbH (Germany) × Board Member of Eutelsat International Ltd (Cyprus)	**Current offices and functions:** **Outside France:** × Board Member of Hispasat (Spain) **Offices and functions having expired:** **In France:** × Deputy CEO of TDF (2007-August 2011) × Board Member of Mediamobile, subsidiary of TDF **Outside France:** × Board Member of Digita (Finland) × Board Member of Media Broadcast (Germany) × Board Member of Levira (Estonia) × Board Member of Antenna Hungária (Hungary) × Board Member of Axión (Spain) × Board Member of Solaris Mobile Ltd (Ireland)

2.3 Compensation and benefits

2.3.1 COMPENSATION AND OTHER BENEFITS PAID TO THE COMPANY'S CORPORATE OFFICERS *(MANDATAIRES SOCIAUX)* AND SENIOR MANAGEMENT

All standardised information as laid down in the Afep-Medef recommendations of June 2013 is presented in Chapters 2 and 3 of this Reference Document.

Pursuant to the Afep-Medef Code, the compensation package awarded to Corporate Officers as described below shall be submitted to an advisory opinion by shareholders at the Annual General Meeting of Shareholders to be held on 5 November 2015.

Compensation philosophy

The Board, supported by the Company's GSRC, has defined the global philosophy for the compensation of Michel de Rosen and Michel Azibert as Executive Directors and Corporate Officers and assessed the level of achievement of the criteria previously set out (GRSC and Board meetings of 29 July 2015).

The global philosophy of the compensation policy is to attract, retain and motivate high quality executives and to align their interests with value creation for the Group, taking into account the capital intensiveness of the Company, its high-technology environment, the long-term investment horizon and growth challenges in a very competitive environment and the international dimension of our industry and vision.

Given these objectives, Eutelsat has implemented a global compensation policy structured under three key elements described in the table below:

	Purpose	Key Features
BASIC SALARY	▸ Recognise level of responsibility in a competitive talent market.	
ANNUAL BONUS	▸ Incentivise managers to maximise the performance to beat the business objectives (qualitative and quantitative) of the year.	Two sets of objectives: ▸ Quantitative objectives: Revenues; EBITDA [1]; net income; ▸ Qualitative objectives: specific objectives linked to the strategic roadmap.
LONG TERM INCENTIVE PLAN	▸ Incentivise managers and staff to maximise mid-term value creation; ▸ Align with shareholders, including fostering share-ownership; ▸ Retain key executives	▸ Award of phantom shares linked to three-year value creation objectives: EBITDA; ROCE [2]; relative TSR [3]; ▸ Requirement to own Eutelsat Communications shares for an amount which varies depending on each executive's base salary.

(1) EBITDA is defined as the operating result before depreciation and amortisation, asset impairments, and other operating income and charges.

(2) ROCE is Return on Capital Employed = operating result / (shareholders' equity + net debt – goodwill).

(3) TSR is Total Shareholder Return. Rate of return on a share over a given period, including the dividends received and the capital gain earned (i.e. variation in the share price).

Market positioning policy

The competitiveness of the compensation policy is measured primarily against comparable French companies. However, given the global footprint of Eutelsat, its executives' compensation is also benchmarked against key European companies in the Technology, Media and Telecom businesses.

Pay comparator selection

A set of specific criteria has been defined to select companies consistent with Eutelsat's key features: size (market capitalisation and revenues) and capital intensity.

Market positioning policy

A set of guidelines to assess the competitiveness of the global compensation policy against the market is proposed, consistent with Eutelsat's specific features:

- Long-term component of the compensation is strengthened compared to peers, in order to emphasise long-term objectives and to improve alignment to shareholders' interests.
- Relative positioning targeted for cash compensation: base salary between first quartile and median, total cash compensation around median.

Evolution of the components of compensation of Mr. Azibert for FY 2014-2015 compared to FY 2013-2014

At its meeting of 30 July 2014, on the recommendation of the Governance Committee, and Compensation Selections, the Board of Directors decided to: i) raise the fixed salary of Mr. Azibert for financial year 2014-2015 by 5% compared to financial year 2013-2014, then by 5% for financial year 2015-2016 compared to financial year 2014-2015; ii) to bring the variable compensation of Mr. Azibert due for financial year 2014-2015 to between 0 and 105% of the fixed salary (previously between 0 and 70% of the fixed salary); iii) to develop performance criteria to determine the variable remuneration which now includes the Group's quantitative targets for 33.33%, the Group's specific quantitative targets linked to his position as Group Head of Sales and Development for 33.33% and qualitative targets for 33.33%.

To reflect:

i) the expansion of Mr. Azibert's duties who has also taken – in addition to his office as Deputy Managing Director – direct responsibility for the Group's commercial and development activities as of 23 June 2014;

ii) the results of an external benchmark study of executive pay compared to the French market and the satellite sector.

Evaluation criteria for the variable portion of compensation

In accordance with the Afep-Medef recommendation, the variable part of the corporate officers remuneration is based on predetermined qualitative and quantitative targets.

The annual variable portion for corporate officers for the financial year 2014-2015 may vary from 0 to 105% of the fixed portion for Mr. de Rosen and Mr. Azibert. It is entirely determined by performance criteria that include:

- for Michel de Rosen:
- quantitative targets at Group level (52%), linked to turnover (for 30%), to EBITDA (for 40%) and consolidated net income (for 30%),
- qualitative targets (for 48%);
- for Michel Azibert:
- quantitative targets at Group level (33.33%), linked to turnover (for 30%), to EBITDA (for 40%) and consolidated net income (for 30%),
- specific quantitative targets related to functions of Group Head of Sales and Development (for 33.33%),
- qualitative targets (for 33.33%).

The weight of each criterion is summarised in the summary table below:

(as a percentage of the fixed compensation, rounded to one decimal place)	Michel de Rosen	Michel Azibert
Quantitative targets at Group level	**54.6%**	**35%**
Turnover	16.4%	10.5%
EBITDA	21.8%	14%
Consolidated net profit	16.4%	10.5%
Qualitative targets at Group level	**50.4%**	**35%**
Specific quantitative sales targets	**-**	**35%**
TOTAL *(MAXIMUM EXPRESSED AS A PERCENTAGE OF THE FIXED PART)*	**105%**	**105%**

Quantitative targets at Group level

Regarding quantitative targets at Group level, the amount allocated for each criterion is:

- 100% if the budget is met;
- 60% if the financial targets communicated are met;
- 50% in the event of under-performance by 1.5% compared to the financial targets;
- 0% in the event of a level of achievement below these levels.

The calculation is performed at constant exchange rates and is linear between each threshold.

Qualitative targets

Qualitative targets are related to priority projects at strategic or operational level for the fiscal year. The criteria set to determine compensation in respect of the financial year 2015-2016 are not publicly disclosed for reasons of confidentiality.

For Michel de Rosen

The qualitative targets that were set to determine the variable compensation due to Mr. de Rosen in respect of the financial year 2014-2015 were as follows:

- improve business processes in order to maximise sales, including a focus on Data Services and on KA-SAT (for 7.56% of the fixed salary, ie 15% of the qualitative part);
- prepare growth beyond the current budget year in promoting a number of strategic projects and maximise presales (for 7.56% of the fixed salary, ie 15% of the qualitative part);
- improve the efficiency of innovation projects to foster the development of new products and services (connected TV, mobility, broadband Internet) and new satellite architectures and increased use of electronical propulsion (for 7.56% of the fixed salary, ie 15% of the qualitative part);
- optimise the satellite resources of the Group by reducing, for example, the cost per transponder for new programs (for 7.56% of the fixed salary, ie 15% of the qualitative part);
- define the developments of the Group strategy (for 12.60% of the fixed salary, *i.e.* 25% of the qualitative part);
- improve the efficiency of the Group's processes and organisation, in particular with the completion of the integration of Satmex (for 7.56% of the fixed salary, ie 15% of the qualitative part).

For Michel Azibert

Qualitative objectives that were set to determine variable compensation due to Mr. Azibert in respect of the financial year 2014-2015 included notably:

- the performance of some flagship orbital positions including the HOT BIRD orbital position and positions covering the Middle-East and North Africa (up to 7% of the fixed salary);
- developing relationships with new business leads and presales on future satellites, and identifying joint business opportunities between the Group subsidiaries (up to 8%);
- improved sales reporting for the Board of Directors and Executive Committee (up to 2%);
- the contribution of the sales department to innovation: in particular for the design of new satellites as well as in the field of hybrid TV and video in push mode (up to 4%);
- improvement of the sales pitch by developing arguments of differentiation compared to competitors and adjustment of the pricing policy (up to 6%);
- improved marketing strategy particularly in data and professional Video Services (4%);
- progress of strategic projects, for example in the field of HTS satellites (4%).

Mr. Azibert's specific quantitative targets related to the functions of the Group Director of Sales and Development include the following:

- income levels for Data Services Applications and Value-Added Services;
- income levels for Eutelsat America Corp.;
- contract renewal rates;
- amount of new contracts;
- profitability of KA-SAT.

The following table presents a summary of compensation and stock/purchase options or free shares granted to Executive Directors and Corporate Officers during the financial years ended 30 June 2014 and 2015:

Summary of compensation and benefits paid to Executive Directors and Corporate Officers (Table 1 – AMF Recommendation)

(in euros)	Financial year 2013-2014	Financial year 2014-2015
Mr. de Rosen Chief Executive Officer (since 10 November 2009), Chairman of the Board of Directors (since 16 September 2013)		
Compensation (see Table 2 for details)	747,596	750,000
Valuation of options granted during the financial year	N/A	N/A
Valuation of performance shares granted during the financial year	N/A	N/A
Valuation of phantom shares granted during the financial year	481,254	520,019
TOTAL	**1,228,850**	**1,270,019**
Mr. Azibert Deputy CEO (since 5 September 2011)		
Compensation (see Table 2 for details)	520,956	611,058
Valuation of options granted during the financial year	N/A	N/A
Valuation of performance shares granted during the financial year	N/A	N/A
Valuation of phantom shares granted during the financial year	305,045	346,104
TOTAL	**826,001**	**957,162**

The following table summarises the compensation paid to Executive Directors and Corporate Officers during the financial years ended 30 June 2014 and 2015:

Summary of compensation paid to each executive and non-executive Director (Table 2 – AMF Recommendation)

	Financial year 2013-2014		Financial year 2014-2015	
(in euros)	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Mr. de Rosen CEO (since 10 November 2009), Chairman of the Board of Directors (since 16 September 2013)				
Fixed salary	400,000	400,000	400,000	400,000
Variable portion of compensation	347,596	312,932	350,000	347,596
Attendance fees	N/A	N/A	NA	NA
Benefits in kind	N/A	N/A	NA	NA
Exceptional compensation	N/A	N/A	NA	NA
TOTAL	**747,596**	**712,932**	**750,000**	**747,595**
Mr. Azibert Deputy CEO (since 5 September 2011)				
Fixed salary	329,600	329,600	346,080	346,080
Variable portion of compensation	185,937	172,456	259,560	185,937
Attendance fees	N/A	N/A	N/A	N/A
Benefits in kind	5,418	5,418	5,418	5,418
Exceptional compensation	N/A	N/A	N/A	N/A
TOTAL	**520,956**	**507,474**	**611,058**	**537,435**

Mr. de Rosen's compensation

Fixed salary

The amount of Mr. de Rosen's fixed salary as determined for the financial year ended 30 June 2015 corresponds to the total compensation paid by Eutelsat Communications in respect of his duties as Chairman and Chief Executive Officer of Eutelsat Communications. The fixed remuneration due to Mr. de Rosen for financial year 2014-2015 is 400,000 euros.

Mr. de Rosen has waived the amount of attendance fees that would have been paid to him as a director.

Variable portion of compensation

The amount of the variable compensation allocated to Mr. de Rosen amounted to 347,596 euros for the financial year ended 30 June 2014 and was paid during the first quarter of the financial year ended 30 June 2015.

After reviewing the targets the variable part of the CEO's remuneration, for financial year 2014-2015, stood at 87.6% of the gross annual fixed compensation (as compared to 86.9% for financial year 2013-2014), *i.e.* 350,000 euros. The quantitative targets were achieved for 78.7% and the qualitative targets for 88.4%. The detailed calculation is presented in the table below: This variable part will be paid during the first half of the financial year ending on 30 June 2016.

(as a percentage of the fixed compensation, rounded to one decimal place)	Weight	% of achievement	% weighted achievement	Achievement *(in euros)*
Quantitative targets at Group level	**54.6%**	**78.7%**	**43.0%**	**173,184**
Turnover	16.4%	70.4%	11.5%	46,507
EBITDA	21.8%	60.0%	13.1%	52,688
Consolidated net profit	16.4%	112.0%	18.4%	73,989
Qualitative targets	**50.4%**	**88.4%**	**44.6%**	**176,816**
TOTAL	**105%**	**83.3%**	**87.6%**	**350,000**

Regarding the qualitative targets, the level of achievement of each target has been established precisely but is only made public at an aggregate level for reasons of confidentiality. The main achievements of the previous financial year include:

- the continued growth of the KA-SAT customer base (+31,000 customers over the financial year) and the strengthening of the distribution network, as agreements have been signed in particular with the telecom operations OTE (Greece) and Telekom Austria (Austria);
- the improving sales trend in Data Services that have returned to positive evolution (+1.3% at constant scope and exchange rates);
- the order of the EUTELSAT 172B satellite, which uses electric propulsion in-orbit raising which helped to optimise the investment;
- the successful integration of Satmex which delivered a strong financial performance;
- the launch of the "Eutelsat Quantum" programme, a new concept of a satellite configurable using software, which constitutes a breakthrough innovation and whose high level of flexibility will revolutionise the service for customers and transform fleet management by allowing a more efficient use of resources.

Mr. Azibert's compensation

Fixed salary

The total fixed compensation disclosed for Mr. Azibert during the financial year ended on 30 June 2015 was paid by Eutelsat Communications in respect of his corporate office as Deputy Chief Executive Officer of Eutelsat Communications and Group Director of Sales and Development. The fixed remuneration due to Mr. Azibert for financial year 2014-2015 is 346,080 euros.

Variable portion of compensation

The amount of the variable compensation allocated to Mr. Azibert amounted to 185,937 euros for the financial year ended 30 June 2014 and was paid during the first quarter of the financial year ended 30 June 2015.

After reviewing the targets, the variable part of Mr. Azibert's remuneration, for financial year 2014-2015, stood at 75% of the gross annual fixed compensation (as compared to 56.4% for financial year 2013-2014), *i.e.* 259,560 euros. The quantitative targets were achieved for 78.7% and the qualitative targets for 78.4%. The detailed calculation is presented in the table below: This variable part will be paid during the first half of the financial year ending on 30 June 2016.

(as a percentage of the fixed compensation, rounded to one decimal place)	Weight	% of achievement	% weighted achievement	Achievement *(in euros)*
Quantitative targets at Group level	**35%**	**78.7%**	**27.6%**	**95,352**
Turnover	10.5%	70.4%	7.4%	25,582
EBITDA	14%	60.0%	8.4%	29,071
Consolidated net profit	10.5%	112.0%	11.8%	40,699
Qualitative targets	**35%**	**78.4%**	**27.4%**	**94,992**
Specific quantitative sales targets	**35%**	**57.1%**	**20%**	**69,216**
TOTAL	**105%**	**71.4%**	**75.0%**	**259,560**

Regarding the qualitative targets and specific quantitative sales targets, the level of achievement of each target has been established precisely but is only made public at an aggregate level for reasons of confidentiality. The main achievements of the past year include - in addition to the items already mentioned for Mr. de Rosen:

- the reorganization and strengthening of the commercial department;
- major contract renewals in particular at the HOT BIRD orbital position with the Polish operator nc+ and at 16° East with the Total TV platform;
- the signing of new contracts with particularly strong momentum in Africa in Video (Azam TV, Muvi, Strong Media) at the orbital positions 16° East and 7° East;
- the presale of capacity on the EUTELSAT 172B satellite which will be launched in 2017 and which has been selected by Panasonic Avionics

Corporation as a privileged platform to develop its connectivity and in-flight entertainment services;

- the strong increase in revenues from Value-Added Services (+14.8% over the financial year on a comparable basis);
- a high order book level of 6.2 billion euros at the end of June 2015.

Benefits in kind

The amount of the benefits in kind for Mr. Azibert in respect to the financial year ended 30 June 2015 corresponds to a Company car.

Attendance fees and other forms of compensation received by non-Executive Directors and Corporate Officers (Table 3 – AMF Recommendation)

The following table lists the gross amount of the attendance fees and other forms of compensation corresponding to the amounts payable to non-Executive Directors and Corporate Officers during the financial years ended 30 June 2014 and 30 June 2015 by the Company and by the companies it controls. Attendance fees payable in respect to the financial year 2014-2015 and paid on 1 July 2015 have been indicated in the column named "Financial Year 2014-2015".

Members of the Board of Directors (non-Executive Directors) *(in euros)*	Financial year 2013-2014	Financial year 2014-2015
J.-P. Brillaud **Board Member**	**45,000**	**43,000**
Attendance fees	45,000	43,000
Other forms of compensation	0	0
Lord J. Birt **Board Member**	**91,000**	**91,000**
Attendance fees	91,000	91,000
Other forms of compensation	0	0
Bpifrance Participations **Board Member, represented by J. d'Arthuys**	**53,000**	**51,000**
Attendance fees	53,000	51,000
Other forms of compensation	0	0
B. Mabille **Board Member**	**58,000**	**58,000**
Attendance fees	58,000	58,000
Other forms of compensation	0	0
C. Piwnica **Board Member**	**68,926**	**68,000**
Attendance fees	68,926	68,000
Other forms of compensation	0	0
E. Oliveri **Board Member**	**67,074**	**63,000**
Attendance fees	67,074	63,000
Other forms of compensation	0	0
M. Bensalah Chaqroun **Board Member**	**49,000**	**49,000**
Attendance fees	49,000	49,000
Other forms of compensation	0	0
R. McInnes **Board Member**	**68,000**	**68,000**
Attendance fees	68,000	68,000
Other forms of compensation	0	0
TOTAL	**500,000 (1)**	**491,000**

(1) This amount does not include 22,314 euros paid to Jean-Martin Folz, Chairman of the Board until 16 September 2013.

Regarding the total annual amount of attendance fees

The level of attendance fees has been unchanged, at 855,000 euros since the General Meeting of Shareholders of 8 November 2011.

The draft resolutions adopted by the Board of Directors on 29 July 2015 and which will be submitted for approval by the General Meeting of Shareholders to be held on 5 November 2015 do not provide for any change in this amount.

Regarding the method of allocation of attendance fees to Directors

The method of allocation of attendance fees, as set out in the Board's Internal Rules, takes priority account of Board Members' effective participation at meetings and committees, in accordance with the article 21.1 of the Afep-Medef code:

- Board:
  - annual fixed part of 15,000 euros per Board Member (increased to 30,000 euros for the Vice Chairman and 45,000 euros for the Chairman);
  - annual additional 10,000 euros per Board Member with foreign nationality and living outside of France;
  - variable part of 4,000 euros per Board Member for each Board meeting attended, with a maximum of 30,000 euros per year.
- Audit Committee:
  - annual fixed part of 4,000 euros per Committee member (increased to 14,000 euros for the Committee Chairman);
  - variable part of 3,000 euros per Committee member for each Audit Committee attended, with a maximum of 9,000 euros per year.
- Governance, Selection and Remuneration Committee (GSRC):
  - annual fixed part of 3,000 euros per Committee member (increased to 8,000 euros for the Committee Chairman);
  - variable part of 2,000 euros per member for each GSRC Committee attended, with a maximum of 5,000 euros per year.

The Chairman and Chief Executive Officer has waived the right to perceive attendance fees.

Attendance fees due for a given fiscal year are paid once a year at the beginning of the following fiscal year.

Stock options or stock purchase options (Tables 4 and 5 – AMF Recommendation)

The Company did not put in place any stock options or stock purchase plans during the financial years ended 30 June 2013, 2014 and 2015.

Note however that, during earlier financial years, the operating subsidiary Eutelsat S.A. had put in place stock options and stock purchase plans.

As of the filing date of this Reference Document, none of the Corporate Officers or their related parties held any Eutelsat S.A. stock options or stock purchase plans.

Free Share Allocation

Free Share Allocation Plan of 28 July 2011

On 28 July 2011, the Board of Directors approved a plan for the allocation of free shares to all employees of Eutelsat Communications Group, including the Directors and Corporate Officers *(mandataires sociaux)*, representing a maximum of 700,000 shares and decided that the allocation plan should be implemented through the distribution of previously repurchased shares. The allocation of free shares is subject to the condition that the beneficiaries are still employed within the Group three years as from the above-mentioned date for the beneficiaries from French subsidiaries and four years as from the above-mentioned date for the beneficiaries of foreign subsidiaries, and that they hold the shares for a further two-year period starting on the shares' vesting date.

The characteristics of this plan are as follows:

- on the one part, the grant of 600 shares per employed beneficiary, conditional upon the attainment of performance objectives over three financial years ending 30 June 2014, with 50% linked to a target cumulative EBITDA and the another 50% objective linked to a target average ROCE;
- on the other part, the grant of 327,140 shares to Directors and Corporate Officers *(mandataires sociaux)*, conditional upon the achievement, over the same three financial periods, of one 25% objective based on cumulative EBITDA, one 25% objective based on average ROCE, one 25% objective linked to cumulative EPS and one 25% TSR-linked objective.

The performance objectives are defined on the basis of the Group's consolidated accounts.

As of 30 June 2014, 564 employees of the Group who fulfilled the conditions for eligibility could receive a minimum of 600 free shares in the Company.

Under this plan and subject to the achievement of the performance objectives set by the Board of Directors, Mr. de Rosen, CEO, could have received a maximum of 52,000 free shares and Mr. Azibert could have received a maximum of 32,000 free shares.

On 30 July 2014, at the end of the three-year acquisition period, the Board of Directors subsequently decided to definitively grant 133,484 shares to 559 employees and key managers (including Corporate Officers) of the Eutelsat Group. Under this plan, Mr. de Rosen was definitively allocated 5,341 free shares and Mr. Azibert 3,287 free shares *i.e.* an acquisition rate of 10.27%.

The table below shows the calculation of the acquisition rate used for each of the criteria for Mr. de Rosen and Mr. Azibert:

Criteria	Weight	% of achievement	% weighted achievement
EBITDA	25%	0%	0%
EPS	25%	0%	0%
ROCE	25%	41.08%	10,27%
TSR	25%	0%	0%
TOTAL ACQUISITION RATE			**10.27%**

In application of the Afep-Medef recommendation with respect to the disposal of shares by Directors and Corporate Officers, the latter will have to keep 50% of the vested shares until the end of their term of office.

Free Share Allocation Plan of 8 November 2012

On 8 November 2012, the Board of Directors approved a plan for the allocation of free shares to all employees of Eutelsat Communications Group, including the Directors and Corporate Officers *(mandataires sociaux)*, representing a maximum of 347,530 shares and decided that the allocation plan should be implemented through the distribution of previously repurchased shares.

The definitive allocation of free shares is subject to the condition that the beneficiaries are still employed within the Group three years as from the above-mentioned date for the beneficiaries from French subsidiaries and four years as from the above-mentioned date for the beneficiaries of foreign subsidiaries, and that (for the French subsidiaries) they hold the shares for a further two-year period starting on the shares' vesting date.

The characteristics of this plan are as follows:

- on the one part, the grant of 200 shares per employed beneficiary, conditional upon the attainment of performance objectives over three financial years ending 30 June 2015, with 50% linked to a target cumulative EBITDA and the another 50% objective linked to a target average ROCE;

- on the other part, the grant of 205,530 shares to Directors and Corporate Officers *(mandataires sociaux)*, conditional upon the achievement, over the same three financial periods, of one 25% objective based on cumulative EBITDA, one 25% objective based on average ROCE, one 25% objective linked to cumulative EPS and one 25% TSR-linked objective.

Under this plan and subject to the achievement of the performance objectives set by the Board of Directors, Mr. de Rosen, CEO, may be entitled to a maximum of 20,900 free shares and Mr. Azibert may be entitled to a maximum of 12,900 free shares.

On 29 July 2015, the Board of Directors decided on the definitive granting of 27,562 shares to 87 employees and executives (including corporate officers) of the Group, at the end of the vesting period of three years, *i.e.* 9 November 2015. Under this plan, 3,283 shares will be allocated to Mr. de Rosen and 2,027 shares will be allocated to Mr. Azibert, *i.e.* an acquisition rate of 15.71%. The definitive granting of these shares will take place as of 9 November 2015 subject to compliance with the condition of presence.

The table below shows the calculation of the acquisition rate used for each of the criteria for Mr. de Rosen and Mr. Azibert:

Criteria	Weight	% of achievement	% weighted achievement
EBITDA	25%	0%	0%
EPS	25%	0%	0%
ROCE	25%	0%	0%
TSR	25%	63%	15.71%
TOTAL ACQUISITION RATE			**15.71%**

In application of the Afep-Medef recommendation with respect to the disposal of shares by Directors and Corporate Officers, the latter will have to keep 50% of the vested shares until the end of their term of office.

At the date of this report, no other allocation plan was carried out by the Board. A table (Table 9) summarizes the history of performance shares granted to each Director and Corporate Officer.

Phantom share allocation

Phantom share allocation plan of 13 February 2014

On 13 February 2014, the Board of Directors approved a plan for the allocation of phantom shares to Corporate Officers, executives and to certain employees of the Group.

Cash bonus payment is based on the number of phantom shares definitively granted which is subject to both a performance conditions and a condition of presence in the Company over the three relevant financial years (financial years 2013-2014, 2014-2015 and 2015-2016).

Under this plan and subject to the achievement of the performance objectives (one 25% objective based on EBITDA, one 25% objective based on ROCE, one 25% objective linked to EPS and one 25% TSR-linked objective) set by the Board of Directors, Mr. de Rosen, CEO, may be entitled to a maximum of 22,999 phantom shares and Mr. Azibert may be entitled to a maximum of 14,578 phantom shares.

The number of phantom shares theoretically acquires is equal, for Mr. de Rosen to 130% (100% for Mr. Azibert) of the gross annual base salary divided by the average prices of the Eutelsat Communications share over the last 20 trading days prior to the opening date of the plan.

The performance objectives are based on the Group's consolidated financial statements. The definitive granting of these phantom shares will take place as of 1 September 2016 subject to achievement of the performance objectives mentioned above.

Within three years from the date of the definitive granting of the phantom shares and provided that the performances after the three years following the grant of the shares allow the vesting of at least 50% of the phantom shares granted, members of the Executive Committee have to own Eutelsat shares for an amount equivalent to a certain percentage of their salary. This percentage is 200% of the gross annual base salary for Michel de Rosen and 100% of the gross annual base salary for Michel Azibert.

Phantom share allocation plan of 11 February 2015

On 11 February 2015, the Board of Directors approved a plan for the allocation of phantom shares to Corporate Officers, executives and to certain employees of the Group.

Cash bonus payment is based on the number of phantom shares definitively granted which is subject to both a performance conditions and a condition of presence in the Company over the three relevant financial years (financial years 2014-2015, 2014-2016 and 2016-2017).

The number of phantom shares theoretically acquired is equal, for Mr. de Rosen to 130% (100% for Mr. Azibert) of the gross annual base salary divided by the average prices of the Eutelsat Communications share over the last 20 trading days prior to the opening date of the plan.

Under this plan and subject to the achievement of the performance objectives (for one third an objective based on EBITDA, for one third an objective based on ROCE, and for one third a relative TSR objective over the defined period) set by the Board of Directors, Mr. de Rosen could benefit from a total of 20,775 phantom shares and Mr. Azibert from 13,827 phantom shares. Compared with the previous plan, it has been decided:

- to exclude the EPS target, whose evolution is strongly related to EBITDA;
- to now take into account a relative TSR (and no longer an absolute TSR) which measures relative performance and indices and competitors thereby enabling to dissociate the assessment of performance from the effects of macro-economic or market events exogenous to the Company. The relative TSR is calculated in relation to a composite index which corresponds to the arithmetic average of the following four indices: SBF 120, MSCI Europe Infrastructure, MSCI Europe Telecom and a composite index of the top three listed competitors in the sector satellite (SES, Intelsat, Inmarsat).

The performance objectives are based on the Group's consolidated financial statements.

The EBITDA and ROCE objectives are confidential. Concerning the criterion of relative TSR, the percentage of actual acquisition varies as follows:

- 0% in case of a performance lower than that of the composite index defined above;
- 67% in case of a performance equal to that of the composite index defined above;
- 100% in case of over-performance by 10% as compared to the composite index defined above;
- 112% in case of over-performance by 15% as compared to the composite index defined above.

The definitive granting of these phantom shares will take place as of 1 September 2017 subject to fulfilment of the performance conditions mentioned above.

Within three years from the date of the definitive granting of the phantom shares and provided that the performances after the three years following the grant of the shares allow the vesting of at least 50% of the phantom shares granted, members of the Executive Committee have to own Eutelsat shares for an amount equivalent to a certain percentage of their salary. This percentage is 200% of the gross annual base salary for Michel de Rosen and 100% of the gross annual base salary for Michel Azibert.

Performance shares granted to Executive Directors and Corporate Officers (Table 6 – AMF Recommendation)

Performance shares granted during the financial year 2014-2015

Not applicable to the financial year 2014-2015.

Phantom shares granted to Executive Directors and Corporate Officers (Table 6 *bis*)

Performance shares granted during the financial year 2014-2015

Performance shares granted by the Board of Directors under delegated powers from the General Meeting to each Corporate Officer by the issuer and all companies in the Group	Date of plan and vesting	Number of shares granted on the financial year ended 30 June 2015	Valuation of shares based on method used for the consolidated financial statements *(in euros)*	Date of payment	Performance plan conditions
Michel de Rosen Chairman and Chief Executive Officer	11 February 2015 for financial years 2014-2015, 2015-2016 and 2016-2017	20,775	520,019	2017	33.3% of grant based on EBITDA performance 33.3% of grant based on the return on capital employed 33.3% of grant based on TSR objective
Mr. Azibert Deputy CEO	11 February 2015 for financial years 2014-2015, 2015-2016 and 2016-2017	13,827	346,104	2017	
TOTAL	**-**	**34,602**	**866,123**		

Performance shares available to Corporate Officers (Table 7 – AMF Recommendation)

Performance shares granted during the financial year 2014-2015

Performance shares made available during the financial year by the Board of Directors under delegated powers from the General Meeting to each Corporate Officer by the issuer and all companies in the Group	Date of plan and vesting	Number of shares made available during the financial year	Performance plan conditions
Mr. de Rosen Chairman and Chief Executive Officer	1 February 2010 for financial years 2009-2010, 2010-2011 and 2011-2012	55,617	25% of grant based on EBITDA performance per financial year 25% of grant based on the return on capital employed 25% of grant based on the Company's net earnings per share and 25% of grant based on TSR objective
TOTAL		**55,617**	

History of performance shares granted to Corporate Officers (Table 9 – Afep-Medef Recommendation)

	Plan No. 1	Plan No. 2	Plan No. 3
Date of the Board of Directors meeting	1 February 2010	28 July 2011	08 November 2012
Total number of shares attributed	700,000 (1)	700,000 (2)	347,530
▸ to Directors and Corporate Officers	66,952 (1)	84,000 (2)	33,800
Michel de Rosen	66,952 (1)	52,000 (2)	20,900
Michel Azibert	N/A	32,000	12,900
Date of vesting	2 February 2013	29 July 2014	9 November 2015
Date available	2 February 2015	29 July 2016	9 November 2017
Performance plan conditions (for Directors and Corporate Officers)	25% of grant based on EBITDA performance per financial year 25% of grant based on the return on capital employed 25% of grant based on the Company's net earnings per share and 25% of grant based on TSR objective	25% of grant based on EBITDA performance per financial year 25% of grant based on the return on capital employed 25% of grant based on the Company's net earnings per share and 25% of grant based on TSR objective	25% of grant based on EBITDA performance per financial year 25% of grant based on the return on capital employed 25% of grant based on the Company's net earnings per share and 25% of grant based on TSR objective
Vested shares at 30 June 2015	536,091	132,230	-
Cumulated number of cancelled or outdated shares	163,909	567,770	-
Performance shares remaining at financial year-end	-	-	347,530

(1) On 30 July 2012, at the end of the three-year acquisition period, the Board of Directors subsequently decided to definitively grant 536,091 shares to 486 employees and key managers (including Corporate Officers) of the Eutelsat Group. Under this plan, Mr. de Rosen was definitively allocated 55,617 free shares on 2 February 2013.

(2) On 30 July 2014, at the end of the three-year acquisition period, the Board of Directors subsequently decided to definitively grant 133,484 shares to 559 employees and key managers (including Corporate Officers) of the Eutelsat Group. Under this plan, Mr. de Rosen was definitively allocated 5,431 free shares and Mr. Azibert 3,287 free shares.

2.3.2 COMPENSATION AND OTHER BENEFITS PAYABLE OR LIKELY TO BE PAYABLE AS A RESULT OF OR FOLLOWING THE TERMINATION OF OFFICE OF THE GROUP'S SENIOR EXECUTIVES

Corporate officers did not receive any supplementary pension or termination benefit.

Employment contract and pensions (Table 10 – AMF Recommendation)

	Employment contract		Supplementary pension scheme		Payments of benefits due or likely to be payable as a result of termination or change in office		Payments pursuant to a non-competition clause	
Corporate officers and Executive Directors	Yes	No	Yes	No	Yes	No	Yes	No
Mr. de Rosen **Chief Executive Officer, Chairman of the Board of Directors (since 16 September 2013)** Appointed on: 10 November 2009 End of office: General Meeting approving the financial statements for the financial year ending 30 June 2016		X (1)		X		X		X
Mr. Azibert **Deputy Chief Executive Officer** Appointed on: 5 September 2011		X (2)		X		X		X

(1) Mr. de Rosen has no employment contract with any affiliate of the Eutelsat Group.

(2) Mr. Azibert has no employment contract with any affiliate of the Eutelsat Group.

2.3.3 SHAREHOLDING IN THE COMPANY CAPITAL BY ADMINISTRATIVE AND MANAGEMENT MEMBERS

Number of Eutelsat Communications S.A. shares held	30 June 2014	30 June 2015
Michel de Rosen Chief Executive Officer, Chairman of the Board of Directors (since 16 September 2013)	102,259	112,059
Bertrand Mabille Board Member	2,000	2,000
Jean d'Arthuys Permanent representative of Bpifrance Participations	0	0
Jean-Paul Brillaud Director	271,236	265,106
Ross McInnes Board Member	2,000	2,000
Lord John Birt Board Member	2,101	2,101
Carole Piwnica Board Member	2,000	2,000
Miriem Bensalah Chaqroun Board Member	2,000	2,000
Elisabetta Oliveri Board Member	2,000	2,000
Michel Azibert Deputy Chief Executive Officer	0	25,036

2.4 Report of the Chairman of the Board of Directors of Eutelsat Communications in application of Article L. 225-37 of the French *Code de commerce*

Preliminary remark: This report has been approved by the Board of Directors of 29 July 2015. Consequently, it does not include any events which have occurred since that date.

In accordance with Article L. 225-37 of the French Commercial Code, this report provides information on the preparation and organisation of the work carried out by the Board of Directors of Eutelsat Communications during the fiscal year ended 30 June 2015, and on the internal control and risk management procedures implemented by the Eutelsat Group.

For the purposes of this report, "Company" refers to Eutelsat Communications and "Group" or "Eutelsat Group" refers to Eutelsat Communications and all companies controlled by it within the meaning of Article L. 233-3 of the French Commercial Code.

2.4.1 GOVERNANCE OF THE COMPANY

2.4.1.1 Reference Code

The Company complies with the guidelines in the Afep-Medef Corporate Governance Code of June 2013 (hereinafter the "Reference Code"). Whenever the Company's practices differ from the recommendations in the Reference Code, this is mentioned in the relevant paragraphs of this report.

2.4.1.2 Lack of control or concerted action

To the Company's knowledge, as of 30 June 2015, none of the shareholders of Eutelsat Communications either directly or indirectly, by themselves or with others, exercised control within the meaning of Articles L. 233.3 *et seq.* of the French of Commercial Code.

2.4.1.3 Duties of the Board of Directors

Pursuant to the provisions of Article L. 225-35 of the French Commercial Code in particular, the Board of Directors is responsible for directing the Company's business activities and ensuring that this framework is properly implemented. Subject to the powers expressly reserved for General Shareholders Meetings, the Board of Directors can address any matter that affects the Company or the Eutelsat Group functioning properly.

Pursuant to the Board's Internal Rules, certain decisions taken by the Chief Executive Officer require prior approval from the Board of Directors. These decisions can be broken down as follows:

- **Medium term operations:** the medium-term plan aims to establish the Group's objectives and define the resources required to achieve these objectives, together with the Group's financial and business activity forecasts.

  The Group's five year plan, as well as any operation that has a significant impact on the Company's structure or strategy, is subject to prior approval from the Board of Directors.
- **Investments and financial commitments:** the Group's consolidated Annual Budget, which establishes the financial and budgetary objectives for the coming year and which is included in the medium term plan, is subject to prior approval from the Board of Directors at the beginning of each fiscal year.

The annual budget for the 2015-2016 fiscal year was approved by the Board of Directors on 18 June 2015.

Similarly, any capital expenditure or transaction involving the purchase of or investment in the share capital of another company for an amount exceeding 50 million euros, if the relevant operation is included in the Group's Annual Budget or in its Strategic Plan, or 25 million euros, if not included in the Group's Annual Budget, is subject to prior approval from the Board of Directors.

Prior approval from the Board is also required for any loan, credit facility, financing or refinancing agreement that is not expressly included in the Group's Annual Budget. This authorisation is not required for any transaction or group of transactions for an amount less than 100 million euros in any given fiscal year and for up to two transactions and/or groups of transactions in any given fiscal year. Finally, prior Board approval is also required for any loan or disposal of Company assets, or for any other form of transfer of assets in excess of 50 million euros that is not expressly included in the Group's Annual Budget. Accordingly, the Board of Directors and the Audit Committee were required to take action in relation to refinancing part of Eutelsat Communications' debt.

- **Interim and annual financial statements:** the interim and annual financial statements and the consolidated financial statements are settled by the Board of Directors.
- **Group Senior Management:** prior approval from the Board of Directors is required before an executive manager who will be one of the six highest paid in the Group can be recruited or dismissed.
- **Monitoring the Group's business activities:** Management submits to the Board a monthly report on the Group's operations, which includes its results and financial indicators (turnover by business sector, summary income statement, debt position, cash flow and costs, etc.) to give the Board a clear understanding of how the business has evolved, particularly on a technical or commercial level, enabling it to monitor the budget.

2.4.1.4 Composition of the Board of Directors

The composition of the Board of Directors as of 30 June 2015 is shown in the table below:

Name	Date of first appointment/co-optation	Term of office expires at the close of the General Meeting called to examine the financial statements for the fiscal year ended
Miriem Bensalah Chaqroun	8 November 2012	30 June 2016
Lord John Birt	10 November 2006	30 June 2015
Jean-Paul Brillaud	8 November 2011	30 June 2015
Michel de Rosen (Chairman)	10 November 2009	30 June 2016
Bpifrance Participations, represented by Jean d'Arthuys	17 February 2011	30 June 2018
Bertrand Mabille	10 May 2007	30 June 2017
Ross McInnes	6 February 2013	30 June 2018
Elisabetta Oliveri	8 November 2012	30 June 2016
Carole Piwnica	9 November 2010	30 June 2016

2.4.1.5 Independent Directors

As of 30 June 2015, five of the Board's nine members were independent directors, namely Miriem Bensalah Chaqroun, Lord Birt, Elisabetta Oliveri, Carole Piwnica and Ross McInnes. The independence criteria adopted by the Board are those recommended in the Reference Code.

In addition, there are no business links between the directors and the Company.

2.4.1.6 Gender representation

Three women sit on the Board of Directors, representing 33% of the directors.

2.4.1.7 Directors' term of office

The directors' term of office is four years as provided for by the By-laws.

2.4.1.8 Employee representation on the Board of Directors

As part of a policy aimed at improving communication between the Group's management and employees, the Company entered into an agreement with its operating subsidiary Eutelsat S.A. and the Eutelsat S.A. Works Council on 8 November 2007. This agreement is designed to give Eutelsat S.A.'s Works Council greater visibility regarding the Company's operations and decisions.

Accordingly, in addition to establishing a procedure for informing the Eutelsat S.A. Works Council when the Company undertakes operations that are likely to affect Eutelsat S.A.'s operations or perimeter, the two Eutelsat S.A. Works Council representatives on the Eutelsat S.A. Board of Directors attend Eutelsat Communications' Board meetings and have access to the same information as the directors.

2.4.1.9 Board meetings and information communicated to the Board of Directors

The Board of Directors met nine times during the fiscal year (eleven times in the previous fiscal year).

The average annual attendance rate of directors at meetings held during the fiscal year was 89.9% (compared to 90.9% in the previous fiscal year). Each director's attendance rate is shown below:

Directors	Attendance rate
Miriem Bensalah Chaqroun	77.8%
Lord John Birt	88.9%
Jean-Paul Brillaud	77.8%
Michel de Rosen (Chairman)	100.0%
Bpifrance Participations, represented by Jean d'Arthuys	88.9%
Bertrand Mabille	88.9%
Ross McInnes	100.0%
Elisabetta Oliveri	77.8%
Carole Piwnica	88.9%

2.4.1.10 Conflicts of interest and related party agreements

The Board of Directors' Internal rules require each Director to declare conflicts of interest and, where these cannot be avoided, they must be dealt with in a fully transparent manner. A director who has a conflict of interest may not participate in the discussions or vote regarding the issue at hand.

In the event of an ongoing conflict of interest, the Board's Internal Rules require that the director concerned resigns from office.

As of 30 June 2015, there is no employment or service contract between the Company's directors and the Company or any of its subsidiaries that grants benefits of any kind.

In accordance with the provisions of article L. 225-38 of the French Commercial Code, the auditors are informed of related party transactions.

2.4.1.11 Assessment of the Board of Directors

The Board of Directors has worked on the areas of improvement suggested by the external firm which assessed the Board during the previous fiscal year. Accordingly it was proposed to the shareholders to appoint a new female independent director. If this appointment were adopted it would increase the number of directors from nine to ten of which 40% would be women and 60% would be male independent directors. The Council is also considering whether or not to split the Governance, Selection and Remuneration Committee into two committees.

During the 2014-2015 fiscal year the Board carried out its own self-assessment, the conclusions of which were presented to the Board on 30 July 2015 by the Chairperson of the Governance, Selection and Remuneration Committee.

2.4.1.12 Committees of the Board of Directors

During the 2014-2015 fiscal year the Board was assisted in its work by two committees: the Governance, Selection and Remuneration Committee and the Audit Committee.

Governance, Selection and Remuneration Committee

This Committee is mainly responsible for studying and providing recommendations to the Board as appropriate regarding (i) the selection or, in the event of vacancies, the appointment of new directors; (ii) the remuneration of the Chief Executive Officer and the Deputy Chief Executive Officer; (iii) the introduction of stock-option plans, or plans for performance-based share allocation within the Group; (iv) the allocation of attendance fees to Board Members, and (v) the recruitment or dismissal of any executive who is amongst the six highest paid in the Group.

As of 30 June 2015, the Governance, Selection and Remuneration Committee consisted of three members, namely Lord Birt, Jean d'Arthuys (Bpifrance Participations) and Carole Piwnica who has chaired the Committee since 17 January 2011. As of 30 June 2015, the majority of the members (two out of three) were independent directors in accordance with the Reference Code; the independent directors being Lord Birt and Carole Piwnica.

The Committee met five times during the fiscal year (eight times in the previous fiscal year). The attendance rate for Committee members at meetings was 100% (compared to 96.9% in the previous fiscal year).

The Committee was called upon to make recommendations to the Board of Directors on the following topics in particular:

- introducing a new long-term incentive plan;
- assessing the directors' independence pursuant to the independence criteria set forth in the Reference Code;
- assessing the gender balance on the Board of Directors;
- compensation for corporate officers; and
- assessing the Board's performance.

Audit Committee

The Audit Committee's task is to (i) assist the Board of Directors by reviewing the Company's draft interim and annual financial statements (individual and consolidated financial statements), (ii) make recommendations on the draft consolidated Annual Budget proposed by the Management, prior to it being examined by the Board, (iii) make recommendations to the Company's Senior Management and the Board of Directors regarding the principles and methods for ensuring the accounting and financial information produced is reliable and accurate, (iv) ensure that the internal controls applied within the Group are properly implemented, (v) make recommendations to the Board and Company's Senior Management regarding the appropriate method for handling any risk likely to affect the Group's operations and (vi) oversee the appointment/reappointment of statutory auditors.

As of 30 June 2015, the Audit Committee consisted of Bertrand Mabille and three independent directors: Elisabetta Oliveri, Lord Birt and Ross McInnes, with the latter chairing the Committee and meeting the financial competence criteria established by the French Commercial Code.

The Group's Chief Financial Officer attended all Audit Committee meetings along with employees from the cash management and accounting departments.

The Committee met five times during the fiscal year (compared to four times in the previous fiscal year). The annual attendance rate was 68.8%.

The attendance rate for each Committee member is shown in the table below:

Name	Attendance rate
Ross McInnes (Chairman)	100.0%
Lord John Birt	100.0%
Elisabetta Oliveri	40.0%
Bertrand Mabille	60.0%

Given that some members of the Audit Committee live abroad, Committee meetings are held the day before Board meetings; documents and files are nevertheless sent to members in good time for them to acquaint themselves with said documents in advance.

As part of its mission, the Audit Committee regularly communicates with the Company's statutory auditors and the latter attend Audit Committee meetings when the interim and annual financial statements are being examined before being settled by the Board of Directors.

The Audit Committee communicates regularly with the Risk Management Department as part of the latter's duties. Exposure to risks and off-balance sheet commitments are presented by the Group's Chief Financial Officer.

Finally, the Audit Committee also reviewed the audit plan for the Internal Audit during the fiscal year, as well as the objectives being pursued.

During the second half of the fiscal year, the Audit Committee was called upon to examine refinancing the Company.

2.4.1.13 Observer

Pursuant to the provisions of (i) the Letter of Agreement signed on 2 September 2005 between the Company and Eutelsat IGO and (ii) the Company's By-laws, the Executive Secretary of Eutelsat IGO sits as an observer on the Board of Directors.

2.4.1.14 Separating the roles of Chairman and Chief Executive Officer

Following the resignation of Jean-Martin Folz as Chairman of the Board of Directors on 16 September 2013 to comply with the new rules governing the total number of directorships dictated by the Reference Code, the Board of Directors decided (in accordance with the legal provisions and regulations (articles L. 225-51-1, R. 225-26 and R. 225-27 of the French Commercial Code) to combine the roles of Chairman of the Board and Chief Executive Officer. The Board of Directors thus appointed, for the duration of his office as director, Michel de Rosen as Chairman and Chief Executive Officer. When making this appointment, the Board of Directors noted that it had been decided to separate the roles in 2009 to ease the transition following the departure of the previous Chairman. In addition, the Board of Directors considers that having a majority of independent directors ensures there is a balance of power and thus avoids the risk of conflicts of interest.

2.4.2 EUTELSAT GROUP SENIOR MANAGEMENT

Michel de Rosen and Michel Azibert, Deputy Chief Executive Officer, comprise the Senior Management.

At Eutelsat S.A., the Group's principal operating company, Senior Management is assisted by (i) an Executive Committee consisting of the Chief Executive Officer, the Deputy Chief Executive Officer and Sales Director, the Chief Financial Officer, the Company Secretary and General Counsel, the Human Resources Director, the Technical Director, the Deployment and Innovation Director, the Strategic Projects Director, the Director responsible for Eutelsat Americas and ii) a Management Committee consisting of the members of the Executive Committee and the managers of the following departments: Multimedia and Value-Added Services, Operations, Engineering, Strategy, Risk Management, Institutional and International Affairs, Technology Innovation, Institutional Communications and Resource Management.

2.4.2.1 Principles and rules for determining compensation and benefits granted to corporate officers

The fixed and variable compensation components and benefits in kind received by the Company's Chief Executive Officer and Deputy Chief Executive Officer, are determined by the Board of Directors on the basis of recommendations made by the Governance, Selection and Remuneration Committee.

The variable component of the Chief Executive Officer's compensation and the Deputy Chief Executive Officer's compensation is determined on the basis of objectives linked to the Company's performance by reference to predetermined financial indicators (namely turnover, EBITDA and consolidated net results) and qualitative objectives. This variable component is awarded at the beginning of the year with reference to the previous fiscal year. Details regarding compensation are set forth in the Reference Document, in the Section 2.3.1 on "Compensation and benefits for the Company's Corporate Officers and Directors".

2.4.2.2 Granting of stock options or performance based shares to corporate officers

No stock-option or share purchase plans were put in place by the Board during the fiscal year ended 30 June 2015.

Pursuant to the delegations granted by the General Shareholders' Meetings, in February 2010, July 2011 and November 2012, the Company's Board of Directors authorized several Long Term Incentive Programmes (LTIP) to be established for staff and management, including the Group's corporate officers, involving the allocation of a maximum number of shares that varies from one programme to another. The vesting period was set at three years. The final vesting of the shares depends on the performance conditions being met during the three year period and on the beneficiaries' presence in the Group. The beneficiaries must continue to hold these shares for a period of two years, commencing from the effective date of acquisition.

Michel de Rosen received 55,617 performance shares under the February 2010 plan and 5,341 performance shares under the July 2011 plan. Michel Azibert received 3,287 performance shares under the July 2011 plan.

In accordance with the recommendations of the Reference Code, Michel de Rosen and Michel Azibert agreed to keep 50% of their definitively allocated performance-based shares until the end of their term of office.

Pursuant to the delegations granted by the General Shareholders' Meeting, in February 2014 and February 2015 the Company's Board of Directors also authorised two new Long Term Incentive Programmes to be established in the form of deferred bonuses. The underlying instruments used to determine the size of the bonus to be paid, subject to attendance and performance conditions being met, are made up of Company phantom shares allocated.

2.4.3 OTHER INFORMATION

2.4.3.1 Conditions for admission to and participation in the General Shareholders' Meetings

As of 30 June 2015, there are no preferred shares or shares with double voting rights in the Group; during the November 2014 Meeting, the shareholders decided not to amend the By-laws to introduce the double voting right provided for in Article 225-123 of the French Commercial Code. The General Meeting resolutions are approved according to the majority and quorum conditions specified in the applicable legislation.

The conditions for taking part in General Shareholders' Meetings are set out in Article 21 of the Company's By-laws.

In accordance with the recommendations set forth in the Reference Code, Board Members participate in General Shareholders' Meetings.

2.4.3.2 Factors likely to have an impact in the event of a public offering

To the Company's knowledge, there are no provisions aimed at delaying, deferring or preventing a change of control.

There are no clauses or agreements providing for preferential conditions for the sale or acquisition of shares.

To the Company's knowledge there is no shareholders' agreement.

2.4.4 INTERNAL CONTROL PROCEDURES

Internal control is a Company process defined and implemented under the responsibility of the Internal Control and Audit Department to ensure, at both the Company and the Group level:

- that there is compliance with legislation and regulations;
- that instructions and guidelines laid down by General Management are applied;
- that the Company's internal procedures function properly, particularly those that help to safeguard its assets;
- that the financial information is reliable,

while contributing to controlling its activities, the effectiveness of its operations and the efficient use of its resources.

The Company ensures that its internal control system complies with the AMF's (*Autorité des marchés financiers*, the French financial market regulator) Reference Terms. This report on the internal control and risk management procedures implemented by the Company is based on the implementation guidelines in the Reference Terms, supplemented by the application guidelines established by the AMF as published in its recommendation dated 22 July 2010.

The risks identified in the internal audit plan approved by the Audit Committee are monitored on a permanent basis by the Audit and Internal Control Department, and the extent to which the objectives have been reached is subject to an assessment that is sent to the Audit Committee at the end of the fiscal year.

The subsidiaries' self-evaluation exercise is now part of the ongoing internal control process. A number of specific targeted internal audit actions and internal control review processes within the various subsidiaries are initiated based on the answers provided by each subsidiary in its questionnaire. The main actions undertaken during the fiscal year include optimizing the internal control process in relation to the main Group-wide systems, increasing the reliability of the sales cycle and the contracting process, and standardising an enhanced procurement process within the Group.

A new Enterprise Resource Planning (ERP) and a new reporting tool were installed on 1 July 2014 and this was subject to auditing which covered the main financial and operational processes.

In the description below, it is important to make a distinction between internal control procedures designed to ensure the security of the Group's operating activities, namely procedures relating to the management of satellite risks and other Group risks on the one hand, and internal control procedures relating to the handling of accounting and financial information (in compliance with the applicable regulations) concerning the business activity of the Company and its subsidiaries on the other hand.

The Company's role is to provide financial and strategic management for the Eutelsat Group. The operating procedures described below are the procedures implemented at Eutelsat S.A. and its subsidiaries.

2.4.4.1 Procedures related to the satellite fleet and its operation

These procedures are designed to ensure the continuity of the communications service offered to our customers and end users.

Administration and control of the satellite system is the responsibility of the Operations Department, which is in charge of controlling the satellites and the quality of the signals that satellites receive and broadcast.

These activities are carried out from the Company's control centres, which have backup facilities to overcome any operational unavailability or interruption affecting the centres. These centres are located in France and in Mexico depending on the satellite and the entity (Eutelsat S.A. or Eutelsat Americas) responsible for controlling and marketing the satellite. The operational availability of the backup facilities is checked regularly.

These control centres are responsible for ensuring, in line with the recommendations and technical procedures applicable to the various satellites, that the satellites are protected and that the signal's operational continuity is maintained to meet the requirements of the Group's customers.

Written operational procedures for the control centres, and the control centre responsible for the satellite fleet in particular, cover the various manoeuvres and configuration changes required in a nominal situation as well as in a crisis situation, or when a technical incident occurs. These procedures are reviewed and checked using satellite simulators by the staff responsible for controlling them and form part of the controllers' ongoing training.

Any incident affecting a satellite or one of the transmitted signals (*e.g.* a technical failure or signal interruption) is dealt with internally by the Operations Department according to escalation procedures. These procedures enable internal skilled staff to intervene immediately or call on the expertise of the satellite manufacturers if necessary. Any incidents that affect a satellite or the control system are logged and monitored under the authority of the manager responsible for satellite operations, so as to identify the causes of the incident and propose and implement the necessary corrective measures.

In addition, any material incident likely to affect the quality or continuity of the telecommunications service is:

- communicated to the Group's Senior Management;
- reviewed internally by Eutelsat S.A.'s Technical Department;
- where appropriate, reviewed by a panel of independent experts, depending on the nature of the relevant incidents;
- communicated to customers; and
- where appropriate, reported in a press release.

2.4.4.2 Satellite control system IT security and certification

Measures designed to increase IT security for the information systems used for satellite control continued to be introduced during the year. This work is supervised and coordinated by the person with specific responsibility for IT security in the Operations Department.

In 2011 the satellite control team obtained information security certification (ISO 27001) for a period of three years, which was renewed in June 2014. In June 2013 the teleport teams in Rambouillet also obtained information security certification (ISO 27001) for a period of three years. A monitoring audit was carried out in June 2015 for both entities and no items of non-compliance with the standards were identified. During these audits certification was extended to include 2013 standards.

ISO 9001 certification for the satellite control activities was obtained in 2005 and renewed three times: in June 2008, April 2011 and May 2014. Certification covers control and operation of the satellites, satellite launch and orbit operations and the satellite ground control system (definition, development, procurement, deployment, operation and maintenance).

ISO 9001 certification was obtained in 2011 for the activities at the Rambouillet teleport and renewed in May 2014. It was also obtained in May 2014 for the teleport activities of the subsidiary Skylogic S.p.A. (Turin, Italy).

For the Rambouillet teleport, certification covers activities relating to:

- the communications control centre;
- commercial services (television signal and data management using the teleport's ground equipment); and
- radio frequency systems and Rambouillet teleport's technical infrastructures.

In June 2014 this certification was extended to the teleport located in Sardinia.

For the Skylogic S.p.A teleport, certification covers design, installation, supply and technical assistance activities on behalf of the Eutelsat Group for video and data connectivity services.

In addition the Eutelsat Americas subsidiary has ISO 9001 certification for all its operating activities (controlling the satellites and the quality of the signals the satellites receive and broadcast).

At Skylogic S.p.A and Eutelsat Americas preparations are being made to obtain ISO 27001 certification for their operating activities. The aim is to obtain certification during 2016.

2.4.4.3 Procedures for preventing and managing the Group's other operating risks

The Company's Business Continuity Plan

The continuity plan includes the following items:

- mapping of critical processes and their recovery objectives. This mapping is derived from an analysis of the impacts on business performance in various crisis scenarios;
- crisis management procedures (logistics, external and internal communications, decision-making process);
- business procedures describing the necessary duties to be performed at the backup site;
- backup information system (applications, systems and network infrastructure, telephony);
- procedures describing emergency actions to be carried out in a crisis scenario; and
- necessary logistics for activating the plan (backup positions for users, rooms with technical facilities to accommodate the backup infrastructure).

Eutelsat S.A. regularly performs tests to check that the Business Continuity Plan (BCP) runs smoothly. Under the responsibility of the Information Systems Department, this project is designed to define the conditions for continuing commercial, financial and administrative, legal, corporate communications, information systems and human resources management activities.

During the 2014-2015 fiscal year, the business continuity plan was updated to take into account functional and technical changes resulting from installing the new ERP. A full scale test organised in November 2014 was used to check that the emergency procedures run smoothly in the event of the site hosting the ERP being unavailable. A second full scale test will be organised in the second half of 2015 in the presence of business users to check that procedures relating to the Eutelsat head office being unavailable run smoothly.

Activities directly linked to managing the satellite fleet (particularly satellite and communications control centre activities) are not currently included as they are already covered by specific security procedures, as described in the previous paragraph devoted to this topic.

Information systems security

In carrying out its business, the Group is exposed to a certain number of operational risks and, more specifically, to risks that are likely to affect its business process. The Information Technology (IT) Department is addressing the operating risks relating to the security of the Corporate information systems and this is reflected in the following activities:

- Mapping the risks related to information systems security and assessing their impacts on the Company's operation;
- Introducing a policy and a set of standards to meet the Group's security requirements;
- Drawing up and monitoring an action plan;
- Assessing the protective measures that are in place in organisational and technical areas; and
- Reacting in the event of suspicious events or security incidents.

An annual audit along with spot-checks during the 2014-2015 fiscal year enabled us to monitor the effectiveness of the security measures in place and correct any vulnerabilities identified. The 2014-2015 fiscal year was also devoted to increasing intrusion detection and computer security measures and expanding mobility enhancing tools making it possible to encrypt and sign e-mail messages.

Safety measures

With regards to safety, the following measures were finalised during the fiscal year:

- reinforcing the protection around the head office building; and
- increasing protective measures controlling access to the head office building and the Rambouillet teleport.

2.4.4.4 Processing accounting and financial information

In addition to the internal control procedures inherent in its main business activity, the Group has developed significant control procedures for processing accounting and financial information, for both its operating subsidiaries and those that manage its equity interests.

Monthly reports are also prepared under the supervision of the Deputy Chief Executive Officer and the Financial Director. These reports take into account information regarding the Group's various activities as provided by Eutelsat S.A.'s different operational departments (Sales Department, Financial Department, Technical Department, Legal Department etc.) after due reconciliation with the relevant bookkeeping and legal documentation.

Closing, consolidation and reporting procedures have not been specifically amended during this fiscal year. Eutelsat S.A.'s financial departments and those of its subsidiaries have duly complied with these procedures.

2.4.4.5 Eutelsat Communications Finance

The Company holds, directly or indirectly, *via* Eutelsat Communications Finance SAS (a wholly-owned subsidiary of Eutelsat Communications) more than 96% of the share capital of Eutelsat S.A., the Group's principal operating and share holding company.

Controlling the commitments and actions of Eutelsat Communications Finance is essentially based on the legal and statutory provisions applicable to it. Its legal form is that of a simplified Joint Stock Company *(Société par Actions Simplifiée)* incorporated under French law. The sole Chairman of this subsidiary is the Group's Legal Counsel and Company Secretary.

There is no statutory limitation on the powers of the sole Chairman, with the exception of those matters reserved by law for the sole shareholder, namely the Senior Management of Eutelsat Communications. Any decision or proposal related to amending the by-laws, a capital increase, a merger and/or transformation is a matter that must be dealt with by the Senior Management of Eutelsat Communications.

2.4.4.6 Operating subsidiaries

To optimise management of the business carried out by Eutelsat S.A.'s subsidiaries, the Company's Management has created a "Subsidiaries Committee". This Committee's task is to ensure that there is synergy between the activities of the subsidiaries and the Group's parent company. It makes recommendations on the appropriateness of creating or winding-up subsidiaries, intra-Group agreements and risk management within the subsidiaries. It oversees the introduction of performance indicators by the subsidiaries, the proper management of human resources at Group level, the proper coordination between Group entities, the tax policy options, creating procurement synergies and standardising IT systems.

The Subsidiaries Committee is chaired by the Chief Financial Officer. The Subsidiaries Committee meetings are held once every quarter.

2.4.4.7 Preparing the consolidated financial statements

At the end of each month, the financial data from each subsidiary are reviewed by the consolidation manager to verify, in particular, that the accounting policy and methods currently in force within the Group are being correctly applied. The methods for communicating the Group's accounting and financial principles include the consolidation manager preparing and communicating precise instructions to the subsidiaries before each account closing date, including a detailed timetable as well as a to-do list. In addition, the increased formalization of the process for drawing up consolidated accounts on the basis of information provided by the subsidiaries ensures that the entire corporate perimeter is covered.

In addition, each time the accounts are closed (every six months and annually), the Audit Committee meets to examine and approve the financial statements in the presence of the Company's Statutory Auditors.

Furthermore, as part of their audit at each closing date, the Statutory Auditors ensure that the accounting principles and procedures embedded in the consolidation tool data entry manual and applied by the Company are appropriate, and that the accounts approved by the Board of Directors give a reliable and accurate picture of the financial position and business activity of the Company and the Group.

In addition, Management responsibility and financial data control for all companies in the Group, the Company uses a consolidation and reporting system guaranteeing:

- a single source for information used in the legal consolidation and reporting process, managed in a shared database;
- that legal data is entered by the various senior managers in the companies comprising the Group and stored in the system.

The information used for consolidation is confirmed by the legal managers in the subsidiaries using representation letters.

The consolidation and reporting system was overhauled as a result of the ERP being changed at Eutelsat S.A.. This new version has been used since the beginning of the 2014-2015 fiscal year.

2.4.4.8 Delegation of signing authority

In principle, all contracts and documents embodying a commitment by the Company are submitted for signature by the Chief Executive Officer or the Deputy Chief Executive Officer. However, in a number of specific cases, such as managing contracts with suppliers involving small amounts, the Chief Executive Officer has authorised certain people in the Group to delegate signing authority. The delegations of signing authority are prepared by the office of the General Counsel, which ensures that they are properly monitored The Chief Executive Officer and the Deputy Chief Executive Officer are authorized to sign all expenditure commitments, with no limit as to the amount or the nature of the expense, subject to legal requirements and the provisions of the Internal Regulations of the Company's Board of Directors.

2.4.4.9 Managing and monitoring the Group's supplier contracts

As with the Group's other contracts, preparing, negotiating and monitoring the Company's supplier contracts and financing contracts are carried out by Eutelsat S.A. under the service agreement between the Company and Eutelsat S.A.. Accordingly, before they are signed, supplier contracts are examined using a procedure that requires endorsement from the relevant Managers, followed by formal approval from the Chief Executive Officer, the Deputy Chief Executive Officer or the Managers to whom the Chief Executive Officer has delegated signing authority.

In addition, financing contracts are approved by the Board of Directors in accordance with the Board's Internal Regulations.

2.4.4.10 Managing and monitoring the Group's customer contracts

The Group's customer contracts are concluded by Eutelsat S.A. or its subsidiaries on the basis of standard form contracts prepared by Eutelsat S.A.'s General Counsel and Sales Department.

Any change to the standard form is examined in advance by the office of the General Counsel before the contracts are signed by those with authority to do so.

The execution of sales agreements is subject to a number of approval stages, which vary depending on the annual value of each commitment.

The process for drafting capacity allotment agreements, which is complex, is designed to ensure that the agreements are duly executed and that the clients are properly invoiced according to the conditions of the agreement. During each fiscal year, the sales cycle, which the Group's Senior Management deems to be one of the key procedures, is thoroughly audited. The purpose of these recurrent annual audits is to assess whether the existing internal procedures are appropriate. Depending on the findings of these audits, the relevant changes are made to internal procedures to increase the reliability of the process that contributes to revenue recognition.

Allotment agreements are the subject of monthly and quarterly reports prepared jointly by the Sales and Finance Departments.

2.4.4.11 Delegations of powers

Following an audit of the existing delegations of powers and signing authorities in the Company, Eutelsat's Management has drawn up new delegations of powers as part of a global and coherent system for organising power and decision-making centres in the Company, which takes into account the skills, authority and resources of each of the delegates in their area of competence.

2.4.4.12 Customer risk management

All new customers are systematically assessed for customer risk by the "Credit Management" team in the Finance Department, which determines the level of financial guarantee required. Any delayed payment is thoroughly analysed with the appropriate customer relations managers in the Sales Department and the office of the General Counsel and, if necessary, followed by appropriate measures.

The Group has also taken out a credit-insurance policy to provide better protection against the risks of customer default.

2.4.4.13 Procurement procedures

Procedures have been put in place to guarantee that any commitment to order goods or services is preceded by a duly authorized purchase requisition.

The following authorization procedure must precede all purchases:

- approval by Senior Management of a procurement budget per project/activity as part of the Annual Budget approved by the Board of Directors; and
- approval by the head of the department issuing the purchase requisition.

Invoices received are compared with the appropriate items delivered and/or the appropriate services provided subsequent to the relevant contract or order being submitted.

Invoice payment is subject to the agreement of the various services involved in the procurement process, in compliance with the internal control principles relating to the rules regarding the separation of roles.

All payments are predicated on the principle that two signatures are required. If certain pre-determined amounts are exceeded, the signature of the Chief Executive Officer or the Deputy Chief Executive Officer is also required.

It should be noted that procurement contracts for satellites and launchers are approved beforehand by the Board of Directors as part of its review of the Group's business and investment decisions. Contracts for these programmes are governed by a specific procedure (technical, legal and financial) before being signed by the Chief Executive Officer or Deputy Chief Executive Officer of Eutelsat S.A.

2.4.4.14 Addressing the Group's main financial risks

The Group has introduced a centralized cash management system in its operating subsidiary Eutelsat S.A. Under service agreements between Eutelsat S.A. and the various entities within the Group (including the Company), the accounts department at Eutelsat S.A. manages foreign exchange, interest rate, counterparty and liquidity risks on behalf of all the Group's entities.

To manage interest rate and counterparty risk, the Group uses a number of derivatives. The aim is to limit, where it seems appropriate, fluctuating revenues, income and cash flows caused by changes in interest rates and foreign exchange values. The Group does not engage in financial transactions of a speculative nature.

Foreign exchange risk: Through its sales transactions in respect of satellite capacity the Group receives foreign currency, predominantly U.S. dollars. The Group is therefore essentially exposed to U.S. dollar /Euro exchange rate risk.

Through the geographical diversification of its business, the Group is exposed to translation risk. This means that its statement of financial position and its income statement are sensitive to exchange rate fluctuations when consolidating the accounts of its foreign subsidiaries outside the Euro zone (translation risk). With regards to investment in currencies not belonging to the Euro zone, the Group's hedging policy consists of creating liabilities denominated in the currency of the cash flows generated by these assets. Among the hedging instruments used, the Group also uses cross-currency swaps.

Interest rate risk: the Group manages its exposure to interest rate changes by keeping part of its debt at fixed rates (Eutelsat S.A. bonded debt), and by applying a policy of fully hedging its variable rate revolving credit facilities. To hedge its debt, the Group uses interest rate hedges for the Company.

Counterparty risk: counterparty risk includes issuer risk, execution risk in connection with derivatives or monetary instruments, and credit risk related to liquidity and forward investments.

The Group minimizes its exposure to issuer risk and its exposure to execution and credit risk by acquiring financial products exclusively from A-rated financial institutions or banks and diversifying its financial investments with exposure to several counterparties. Exposure to these risks is closely monitored and maintained within predetermined limits.

Liquidity risk: the Group manages liquidity risk by using a tool that enables it to monitor and manage its recurring liquidity needs. This tool takes into account the maturity of financial investments, financial assets and estimated future cash flows from operating activities.

The Group's objective is to maintain a balance between the continuity of its funding needs and their flexibility by using overdraft facilities, bank term loans and bond loans, revolving credit lines from banks, export financing and satellite leases.

2.4.4.15 Addressing the risk of corruption

After approval from the Board of Directors, Senior Management has put in place a programme which aims to improve the fight against corruption within the Group (mainly using an ethical charter and publishing a procedures and training manual). As part of this programme, a committee has also been formed and a professional reporting mechanism has been put in place. The committee has been asked to vote on the choice of intermediary agents.

2.4.5 RISK MANAGEMENT POLICY

Due to the very complex nature of the activities involved in operating and developing its satellite fleet, the Group's Senior Management has always been particularly attentive to risk management within the Group and to the measures taken to cover these risks.

The Risk Management Department's principal duties are as follows:

- to undertake to identify the major risks likely to affect the Group's operations and activities and define an associated risk management policy and procedure in conjunction with the other departments involved;
- to assist the Group's Senior Management and Audit Committee in applying a risk management policy consisting of all the envisaged measures to prevent and reduce risks, improve their control and organise contingency plans;
- to ensure that employees adhere to the risk management policy and that the appropriate communications with respect thereto are distributed;
- to ensure that the Group's interests are protected by making sure that risks likely to affect the Group are defined in a suitable manner and that the Company's operations, activities and internal control procedures are carried out in such a way as to minimize the risks to the Group as much as possible; and
- to ensure that the risk management policies are implemented in an appropriate manner and that they are taken into account when conducting the Company's business.

Work carried out during the 2014-2015 fiscal year continued to focus on the risk of in-orbit failures most notably with a systematic assessment of the consequences of these events, which was carried out with the support of all Company departments. The proper implementation of the recommendations issued to mitigate the effects that these incidents could have on the Company's normal business is monitored on a permanent basis.

During the fiscal year, new commercial projects and plans to invest in new satellites, the updated strategic plan, and the budget for the 2015-2016 fiscal year were also subject to in-depth risk analysis.

2.5 Application of the Afep-Medef Corporate Governance Code

The following table summarises those recommendations from the Afep-Medef Code which the Company has decided to dismiss on the following grounds:

Recommendations concerned	Explanations
Timeframes for reviewing accounts should be sufficient (no less than two days prior to Board review (Article 16.2.1 of the Code)	In view of the fact that two out of four members of the Audit Committee are domiciled abroad, Audit Committee meetings are held one day prior to Board meetings. However, all documents and materials are sent to Audit Committee members in sufficient time to enable them to examine the documents in advance.

03 SUSTAINABLE DEVELOPMENT

During financial year 2014-2015, Eutelsat management continued its efforts to promote awareness of social, environmental and societal issues within the Group. In compliance with Decree no. 2012-557 of 24 April 2012 on transparency requirements for companies in relation to social, environmental and societal information, associated with the application of Article 225 of Law no. 2010-788 dated 12 July 2010 and Article 12 of Law no. 2012-387 dated 22 March 2012 which amended Article L. 225-102-1 of the French Commercial Code, the Group collected information in the areas listed below to address the items that are relevant for its activity among the 42 sections defined by the law:

- social;
- environmental;
- societal.

The effort is spearheaded by a cross-sectional committee, known as the Sustainability Committee, which is supported by the CFO and the Director of Human Resources. The committee is composed of Group representatives from the following departments: Finance, Human Resources, Legal Affairs, Technology, Operations, Purchasing, General Services, Internal Audit, Risk Management, Corporate Communications and Institutional Relations. The Sustainability Committee is coordinated by the Investor Relations Department.

The sustainability report provides a response to all 42 sections defined by the French "Grenelle II" Act, which are dealt with in three sections: social, environmental and societal, thereby offering a balanced look on the critical sustainability issues facing the Group.

Satmex (which now operates under the commercial name Eutelsat Americas), whose acquisition was finalized in early January 2014, was included in the scope of consolidation for the first time. For easier comparison, pro forma information reflecting Eutelsat Americas' contribution has been included for the previous financial year for certain indicators.

In addition, during financial year 2014-2015, the Group signed the "Collective for Space Care" charter which brings together the space industry and partners who share the spirit of responsibility as derived from international treaties and principles on space, in keeping with space legislation and in accordance with the best practices arising therefrom. The aim is to promote the safety of persons and goods, ensure the health of populations in all space operations, protect the earth and space environments and strengthen the prevention of risks associated with launch operations as well as space operations.

Group Management has identified three specific areas where the application of sustainability indicators will have the most positive impact on both the Company's performance, and more generally for responsible long-term development. These three areas include:

- maintaining the space around the earth uncongested and clean;
- engaging in efforts to bridge the "digital divide";
- building a multinational corporate environment that reflects a diversity of cultures and ideas.

MAINTAINING THE SPACE AROUND THE EARTH UNCONGESTED AND CLEAN

With the proliferation of telecommunications satellites populating space around the earth, management of satellites having reached the end of their useful lives has become an increasingly important issue, especially as it relates to the substantially growing amount of space debris, particularly in lower orbits.

Maintaining the space around the earth uncongested and clean is one of the Group's priorities. The Group policy in this area is based on:

- a responsible fleet management policy;
- compliance with the French Space Act;
- the willingness to share Eutelsat's policies and best practices at industry level.

Each one of these items is detailed in Section 3.2.1.1 "Impact of satellites and launch services on the environment" of this document.

ENGAGING IN EFFORTS TO BRIDGE THE "DIGITAL DIVIDE"

One of the main focuses of the Group's socially responsible development policy is the commitment to reducing the digital divide. The digital divide refers to the discrepancies in access to information and communication technologies (ICTs), more specifically to Internet and television. In this respect, the Group is faced with three major challenges:

Delivering Internet services to consumers, professionals and governmental agencies in areas with limited or no access to terrestrial networks

Today, satellites offer easy and secure broadband access to homes located beyond reach of terrestrial telecommunication networks.

Operated on the EUTELSAT KA-SAT 9A satellite in coverage of 55 countries in Europe, North Africa and the Middle-East, the Tooway system is an accessible and cost-effective solution for users who want to take advantage of broadband internet without additional delays and irrespective of their location. As of 30 June 2015, 185,000 Tooway terminals were activated, which represents nearly 31,000 more terminals than at 30 June 2014.

Since the launch of the service, bit-rates offered by Tooway have increased for entry-level services: from download speeds of 6 Mbps and upload speeds of 4 Mbps when the EUTELSAT KA-SAT 9A first came into operational service in 2011 to download speeds of 22 Mbps and upload speeds of 6 Mbps in 2014. In this respect, satellites offer an efficient solution in helping public authorities reach their objective of bridging the digital divide.

IP Easy is another public service-oriented solution delivering Internet speeds of up to 8 Mbps with the help of a 1-meter diameter antenna and a modem. Using Ku-band capacity on the EUTELSAT 16A, EUTELSAT 10A and EUTELSAT 8 West A satellites, the IP Easy service sweeps across several countries in Africa and Latin America. Several thousand terminals are already in operational service. As an example, during the financial year 2014-2015, Global Technology decided to use the IP Easy service on the EUTELSAT 8 West A satellite, allowing for a broadband Internet service to be delivered in Guyana with speeds ranging between 512 Kbps and 10 Mbps.

The EUTELSAT 3B satellite, which has been in operation since July 2014, includes a Ka-band HTS payload which allows for high speed satellite Internet to be delivered in Brazil. Future satellites of the Group will increase the capacity allotted to broadband satellite Internet and extend satellite broadband coverage to new countries: EUTELSAT 36C, which is due to be launched in the third quarter of 2015, will cover Russia while EUTELSAT 65 West A, which is due to be launched in the second half of 2016, will consolidate resources particularly in Brazil and extend Ka-band coverage to other Latin American countries.

Serving specific requirements by addressing the challenges of public policies with regard to digital inclusion

By enabling priority Internet access to some public interest sites, satellites meet the objectives of digital inclusion, an over-arching theme in several fields of public policy. Satellite technology is a particularly well-adapted response to their requirements as it is capable of delivering extremely cost-effective Internet connection within unequalled deployment timeframes across the territory and without the geographical constraints associated with mountainous areas.

In December 2014, the Chamber of Commerce and Industry of the *Drôme* Region *(Chambre de Commerce et d'Industrie de la Drôme)*, Eutelsat and the *Fédération des industriels des réseaux d'initiative publique (FIRIP)* signed an agreement aimed at offering satellite Internet training to professional antenna installers and job-seekers in the region and beyond.

Similarly, initiatives aimed at demonstrating and providing Tooway solutions free of charge have been organized, such as "ConnecTourisme" and *"Agriculture connectée"*. Jointly organised with Orange and its subsidiary "NordNet", and with the *Association nationale des élus de la montagne* (ANEM) and the *Fédération nationale des syndicats exploitants agricoles* (FNSEA), these operations are being deployed with the purpose of enabling certain types of communities to discover how satellite solutions can meet their connectivity requirements including the promotion of tourism, Common Agricultural Policy (CAP) declarations, etc.

Satellite Internet also proves useful in the health sector, allowing for teleconsultation, and therefore for the Internet connection of remote care centres to university hospital centres. This is one method for addressing "medical desertification" which was used, for example, by a group of players from the public sector in the *Champagne-Ardennes* Region in early 2015.

A particular effort has also been made to provide schools with equipment for accessing digital services in France as well as in other parts of the world.

The *"Connect' Écoles"* demonstration programme (2012-2014) which is conducted by Eutelsat with Orange, its subsidiary Nordnet, and the *Association des Maires Ruraux de France* to deliver broadband satellite Internet to primary schools, has inspired the *"Écoles Connectées"* governmental programme, which is aimed at facilitating the delivery of Internet to up to 9,000 schools with the extensive involvement of Internet providers partnering with Eutelsat.

Similarly, Eutelsat Americas provides capacity for a number of social connectivity programmes, particularly in Mexico and Colombia, acting as an industry leader for these types of programmes aimed at connecting rural communities and providing them with access to various services (schools, hospitals, libraries, etc.). Eutelsat Americas' fleet presently provides access for 8,500 sites to the "10K" network in Mexico and for 2,300 sites to "Vive Digital" in Colombia.

Furthermore, Eutelsat participates in programmes on communications recovery solutions in emergency situations. In particular, since 2007, the Group has been working hand in hand with *Télécoms Sans Frontières*, providing the Association with terminals that can connect a community or an emergency site for broadband transmission of data, images and voice communications. Similarly, the Group supports NetHope in the fight against the Ebola outbreak in West Africa with the supply of satellite connectivity solutions providing reliable communications resources to humanitarian organizations. The equipment provided and connected to the Eutelsat fleet is capable of delivering 1.2 terabytes of data over 6 months, providing physicians and health professionals with a reliable communications infrastructure that is fast and simple to set up.

Promoting access to free-to-air television channels for all homes

In Video Applications, its core business, Eutelsat promotes access to free-to-air television for all homes in France and abroad.

As of 30 June 2015, the Group was broadcasting more than 5,793 free-to-air channels available without subscription on its fleet of satellites (out of a total of 2,120 channels) to more than 200 million homes mainly in Europe, Africa and the Middle-East.

In France, the FRANSAT platform broadcasts the 25 free DTT channels on the EUTELSAT 5 West A satellite (together with a selection of local and thematic TV channels and radio stations) on a subscription-free and unlimited-time basis. This is the only free satellite TNT multi-channel offer referenced by the French Audiovisual Council *(Conseil Supérieur de l'Audiovisuel)*. It is especially suited for homes beyond the reach of terrestrial networks. More than two million homes are equipped to receive FRANSAT. For retirement homes and other communities, small communal cabled networks situated in DTT white areas and small and remote terrestrial transmitters, FRANSAT provides "FRANSAT PRO", a collective, satellite-delivered free-of-charge DTT solution. The FRANSAT service is regularly upgraded for an ever enhanced viewer experience: high definition, "FRANSAT Connect" portal for browsing the programme offering, interactive services accessible online, etc.

Against the backdrop of a worldwide switchover to digital television, the Group is developing free-to-air satellite TV offerings in several countries. It also contributes to paving the way for the end of analogue TV on the African continent, where already half the channels broadcast are transmitted *via* Eutelsat satellites.

BUILDING A MULTINATIONAL CORPORATE ENVIRONMENT THAT REFLECTS A DIVERSITY OF CULTURES AND IDEAS

The third priority identified by the Group consists in building a multinational corporate environment that reflects a diversity of cultures and ideas.

The activities of Eutelsat S.A. (Eutelsat Communications' main operating subsidiary) were originally carried out by the European Telecommunications Satellite Organisation, an intergovernmental organisation (IGO) founded by several countries in Western Europe. As a former IGO, Eutelsat's corporate culture is characterized by a strong international dimension.

As of end-2014, Eutelsat S.A. staff includes 30 nationalities from all five continents. In total, 30% of Eutelsat S.A.employees held a nationality other than French in 2014 (unchanged compared to 2014). In addition, as of 31 December 2014, the Group had 416 employees in total (43% of its total staff) outside France.

The same diversity exists:

- for Executive management: eight nationalities are represented at the Group Management Committee;
- for governance bodies: six nationalities are represented on the Board of Directors;
- for recruitment:
  - 26% of employees recruited in 2014 by Eutelsat S.A.held a nationality other than French (26% in 2013),
  - 20% of interns hired in 2014 by Eutelsat S.A.are of a nationality other than French (31% in 2013),
- In subsidiaries outside France, local recruitment is the standard practice.

The Group is committed to maintaining and encouraging this multinational diversity. Main initiatives include:

- common training courses for several countries, such as the "Eutelsat Sales Skills training" offered in 2014 in all entities of the Group;
- trade seminars organised abroad;
- mobility of French employees in the Group's international subsidiaries, Dubai, Singapore, Poland, Mexico or the U.S.;
- frequent use of English as a working language and for drafting internal documents, to facilitate sharing of information;
- specific initiatives designed to strengthen the multinational component of the Group, such as "Lunch & learn" sessions organised during the financial year in several sites to foster exchanges in English between Group employees in a relaxed atmosphere.

3.1 Social information

3.1.1 EMPLOYMENT

3.1.1.1 Information and distribution of employees by gender, age and geographic area

During the financial year 2014-2015, the Group had an average of 1,000 employees, including Satmex.

The following table illustrates the breakdown of the average number of Group employees in operations and in commercial and administrative activities:

	Average number of employees for the financial years ended 30 June		
	2013	2014	2015
Operations	359	399	438
Commercial and administrative activities	431	511	562
TOTAL	**790**	**910** (1)	**1,000**

(1) This figure includes Satmex for a duration of six months.

Each year, Eutelsat S.A., the Group's main operating subsidiary in Paris, France, prepares a social audit report summarising key data in a single document, enabling an assessment of the Company's labour profile. The social audit report is prepared with reference to the calendar year. Each year, the Company's Work Council issues an opinion on the social audit report. The social report and the opinion of the Work Council are made available to the Company's employees and to shareholders upon request, in accordance with Articles L. 225-108 and L. 225-115 of the French Commercial Code.

Eutelsat S.A. employees had an average length of service of 11.65 years for the 2014 calendar year (10.8 in 2013). Furthermore, managers and other staff, whose working time is determined by a fixed number of days per year, represented approximately 86% of the Eutelsat S.A.'s total workforce.

Considering the changes in the Group's scope of activity and its development strategy in Latin America, the breakdown of employees by geographic area is now presented in the following categories: France, Americas and Other. The Group's subsidiaries in France, Italy and Mexico account for nearly 90% of the Group's employees.

▸ Breakdown of employees by region (Group)

	31 December 2013	%	31 December 2014	%
France	564	69	548	57
Americas	22	3	184	19
Others	33	28	232	24
TOTAL	**819**	**100**	**964**	**100**

The increase in the number of employees primarily reflects the acquisition of Satmex in Mexico, which now operates under the commercial name Eutelsat Americas and which had 168 employees as of 31 December 2014.

Breakdown of employees *versus* managers by gender (Group)

This employees *versus* managers by gender indicator, which was previously published for Eutelsat S.A. only, is now fully consolidated at Group level. For easier comparison, the breakdown has also been provided for the financial year 2013 at Group level, on a pro-forma basis (including Eutelsat Americas).

As a % of the total employees as of	31 December 2013	31 December 2014
Men	70	70
Managers	44	43
Employees	26	27
Women	30	30
Managers	15	15
Employees	15	15

Breakdown of employees by age (Group)

The breakdown of employees by age is the following:

	31 December 2013	31 December 2014
<25	2%	2%
25-40	46%	44%
41-60	49%	51%
>60	3%	3%
TOTAL	**100%**	**100%**

3.1.1.2 Recruitments and departures (Group)

In 2014, at Group level, 79 people were hired (78 in 2013) and there were a total of 92 departures (49 in 2013).

As of 31 December 2014, at Group level:

12 months ended	31 December 2013	31 December 2014
Recruitments	78	79
Departures	49	92
TOTAL	**29**	**(13)**

During the calendar year 2014, Eutelsat S.A. recruited 34 people (42 during FY 2013), of which 35% were women (29% in 2013) and 65% were men (71% in 2013).

Details of recruitments by type of contract can be found in the table below:

Number of contracts for short-term and long-term assignments for Eutelsat S.A. for calendar year 2014		Women	Men	Total
Other employees	Fixed-term	2	1	3
	Permanent	0	3	3
Managers	Fixed-term	6	3	9
	Permanent	4	15	19
TOTAL		**12**	**22**	**34**
		35%	*65%*	

Number of contracts for short-term and long-term assignments for Eutelsat S.A. for calendar year 2013		Women	Men	Total
Other employees	Fixed-term	1	4	5
	Permanent	0	0	0
Managers	Fixed-term	5	1	6
	Permanent	6	25	31
TOTAL		**12**	**30**	**42**
		29%	*71%*	

3.1.1.3 Compensation

Long-term Incentive Programme

Eutelsat Communications seeks to enable all employees to benefit from the Group's overall success by awarding bonuses to employees based on the Group's performance.

A Long Term Incentive Program ("LTIP") for employees and managers (including Corporate Officers) of the Group has been put in place.

In the future, the Group intends to continue to allow employees to benefit from its success.

During financial year 2014, in the framework of its LTIP, Eutelsat opted to move from the allocation of free shares towards a profit-sharing plan in the form of a cash bonus for employees outside France ("Phantom Shares"), and of an additional incentive payment for employees in France. This new scheme remains based on a 3-year period. It is described in Section 9.9.6 of this document.

Incentives and employee profit sharing (Eutelsat S.A.)

A corporate savings plan was set up at Eutelsat S.A. in July 2000:

- the savings plan is a collective savings system that provides member employees with an opportunity to build up a portfolio of securities with the help of their employer. The money invested in a savings plan is blocked for five years, except in the cases of early release specified in the plan's rules;
- the corporate savings plan offers a number of different investment vehicles (corporate mutual funds governed by Article L. 214-39 of the French Monetary and Financial Code) allowing its members to choose the investment vehicle best suited to their savings strategy;
- a company investment fund (FCPE, corporate mutual fund), which allows investments in the securities of a Group company (FCPE governed by Article L. 214-40 of the French Monetary and Financial Code), is also offered within the savings plan. Through this FCPE, savings plan members can acquire securities of a Company within the Group under Article L. 3332-18 *et seq.* of the French Labour Code;
- the corporate savings plan also allows beneficiaries of stock subscription or purchase options to exercise, as the case may be, these options through their unavailable assets in the savings plan and to keep the shares they obtain by exercising their options in the savings plan. The shares are locked-up for five years in the savings plan with no possibility of taking advantage of an early release provision.

A new employee incentive agreement governed by Articles L. 3311-1 *et seq.* of the French Labour Code was entered into by Eutelsat S.A. on 23 December 2011 to allow Eutelsat S.A. employees to share in the performance of the Company. The size of the incentive payments to employees is determined using the performance criteria set out in the agreement, which take into account the improvement in the Company's financial performance (financial ratio and operating costs).

- Employees can pay all or part of their incentive payment into their corporate savings plan; the amounts paid in are locked-up for five years and may then qualify for the preferential tax treatment applicable to savings plans.

The following table shows the average amount of incentive payment per employee beneficiary:

(in euros)	2012-2013	2013-2014	2014-2015 [1]
Average amount of the incentive payment	1,155	1,461	

(1) For the financial year 2014-2015, the final amount is not available at the date of the document.

An employee profit-sharing agreement, governed by Articles L. 3322-1 *et seq.* of the French Labour Code, was entered into on 13 November 2002, and amended on 16 July 2009 and 18 September 2012, within Eutelsat S.A. The statutory employee profit-sharing plan gives employees access to a portion of the profits generated by the Company. The Eutelsat S.A. profit-sharing agreement uses the legally prescribed method of calculating the profit-share reserve set out in Article L. 3324-1 of the French Labour Code.

The Eutelsat S.A. profit-sharing agreement provided that the amounts allocated to employees should be invested in corporate mutual funds. Amounts paid into the savings plan under the profit-sharing agreement previously remained locked-up for five years unless early release of such sums became possible in accordance with the rules. The French law of 3 December 2008 on income from labour amended the legislative framework and Eutelsat S.A.'s labour partners signed an amendment to the profit-sharing agreement enabling employees who so desired to gain access immediately to all or part of their profit-sharing reserve. Furthermore, there are no plans to grant shares in the business in connection with the allocation of the profit-sharing reserve.

The following table shows the total amount of the special profit-sharing reserve determined in accordance with the profit-sharing agreement in force:

(in euros)	2012-2013	2013-2014	2014-2015 [1]
Amount of the special profit-sharing reserve	6,570,192	6,312,431	6,100,000

(1) For the financial year 2014-2015, the amount indicated is the amount provisioned at the date of the document.

Salaries

The average gross annual salary for the employees of Eutelsat S.A., Skylogic and and Eutelsat America (which in total account for more than 90% of the Group's workforce) was 64,000 euros in 2014 (62,000 euros in 2013 on a pro forma basis).

Total gross salaries were almost 100 million euros in 2014 using the same perimeter.

3.1.2 WORK ORGANISATION

3.1.2.1 Work time organisation

Eutelsat management ensures that all of its subsidiaries, both inside and outside of France, are in compliance with local labour laws including those relating to work time.

In France, which accounts for 57% of the total number of Group employees, Management adheres to the 35 hour statutory working week for other employees.

For other employees with a higher status, working time is based on the overall number of days worked, rather than hours, thus allowing a more flexible organisation of their schedules, based on the individual employees' responsibilities. Appropriate measures are taken to ensure that all employees have adequate time off. Employees have six weeks of paid leave.

A total of 86% of employees at Eutelsat S.A. are other employees and executives whose work time is determined by a number of days per year, with an average of 212 worked days a year. The remaining 14% are hourly workers who adhere to the French 35-hour work week.

The employees of the Group's other subsidiaries (outside of France), which represent 43% of the workforce, all adhere to a 40-hour work week, in accordance with labour laws and regulations in the jurisdictions where Eutelsat operates.

3.1.2.2 Absenteeism

The indicator described below has been consolidated for the first time for the four main entities (Eutelsat S.A., Eutelsat America Corp., Eutelsat Americas, Skylogic S.p.A), which in the aggregate account for more than 90% of the total workforce. The indicator is now presented in numbers of days. The information was previously provided at the level of Eutelsat S.A. only and was presented in number of employees. To allow for a comparison of the information, pro forma data is presented for 2013.

Type of absenteeism	Calendar year 2013	Calendar year 2014
Long-term absence (1)	1,728	2,170
Maternity	1,833	1,666
Paternity	184	170
Work-related accidents	61	64
TOTAL	**3,806**	**4,070**

(1) Temporary absence exceeding 30 days.

3.1.3 LABOUR RELATIONS

3.1.3.1 Organisation of social dialogue – in particular rules and procedures pertaining to staff communication on these topics

Eutelsat attaches great importance to social dialogue and to maintaining a good social climate, which promote an ongoing dialogue between management and staff representatives.

Through its principal subsidiary Eutelsat S.A., the Group fully respects freedom of association and promotes social dialogue through collective bargaining. Moreover, since 2001, Eutelsat S.A. has engaged with labour organisations supporting relations between the social partners. Meetings are organized on a regular basis with the employee representatives: health and safety committee (CHSCT – *Comité d'Hygiène, de sécurité et des conditions de travail*), works' council, staff or trade union representatives. The Intranet, where the company-level agreement is available for review, is also a communications tool on these matters. In addition, meetings are organized in connection with the annual and half-year results in order to describe the highlights for the year or half-year and present the results to employees.

Initiatives are also taken at the level of the other entities.

Skylogic respects the International Labour Organisation (ILO) conventions' measures of freedom of association and effective recognition of the right of collective bargaining, freedom and protection of trade unions. Skylogic also applies the Italian "Workers' Status" and the rules of the Italian collective bargaining agreement for the commercial and the tertiary sectors.

As of 31 December 2014, 16 Skylogic employees were registered with Filcams CGIL, the national Federation of Trade Unions for tertiary sector employees. Two trade union representatives are in charge of maintaining negotiations and creating a dialogue between trade unions, employees and the employer. In particular, the Italian collective bargaining agreement for the commercial and the tertiary sectors lays down that each employee is entitled to a 10-hour annual leave to participate in trade union assemblies and that the representative is entitled to 12 hours per month and 1.5 hours per employee per year to fulfil their obligations and address possible issues or difficulties affecting employees.

At Eutelsat Americas, meetings are organized on a quarterly basis to inform employees of business developments and objectives. In addition, each month, 15 employees are given the opportunity to meet and exchange views with the Managing Director of the entity.

3.1.3.2 Assessment of collective agreements

The social partners of Eutelsat have focused on a corporate responsibility discourse. During 2014, a number of agreements were signed at the level of Eutelsat S.A., including an amendment to the profit-sharing agreement, a framework agreement on mandatory annual negotiations in relation to performance bonus redistribution, a company-level agreement on the terms of office of union stewards and Works' Council representatives, a company-level agreement on electronic voting at staff representatives' elections and Works' Council representatives' elections, a memorandum of understanding on the renewal of the terms of office of union stewards and Works' Council representatives, as well as an incentive agreement for financial years 2014-2015, 2015-2016 and 2016-2017.

In addition, the vast majority of Group employees live and work in Europe where labour union discussions are common. As a result, human resource practices for the Group are held to high standards on a global scale.

Objective of continuous improvement

Management seeks to continue a productive dialogue for the well-being of its employees in all countries, and especially to always be in compliance with local practices of the country where there are concentrations of employees. Furthermore, the Group Human Resources Department makes every effort to harmonise the practices from one country to another in order to ensure proper treatment of all its employees, regardless of the country in which they work.

3.1.4 HEALTH AND SAFETY

3.1.4.1 Health and safety conditions

Health, safety and security of Eutelsat employees are high priorities throughout the organisation. As the majority of Eutelsat's activities are conducted in office settings in city-centres, workplace safety and security is assured by regulations related to building management.

In particular, Eutelsat S.A. guarantees health care and benefits for all employees, particularly through health insurance, retirement and supplementary pension.

In addition, employees of Eutelsat S.A. take a medical examination every two years. Special monitoring is offered to satellite controllers who undergo a medical examination every six months.

All employees over the age of 50 are offered a complete check-up paid by Eutelsat every three years.

Eutelsat's company headquarters, and its teleport in Rambouillet (France) meet the provisions outlined in the "protection of persons and property" issued by the French Labour Code. In addition, these two sites have uniform physical security equipment that contributes to the maintenance of security and safety, while allowing the work of all staff and services in the Company to continue. From a security standpoint, access management, video protection and security systems are an integral part of the protection policy and are managed by a dedicated security manager. Access to sites is regulated and all related procedures are described in various documents available to the staff.

A risk assessment is conducted by the security services in Paris and at the teleport outside of Paris annually.

Employee safety at Eutelsat teleports

To protect Eutelsat employees from potential unwanted exposure to electromagnetic waves, the Company takes certain precautions:

- periodic tests for radiation are conducted at the teleport in Rambouillet;
- all antennae at the Rambouillet teleport are tested in accordance with ESVA (Earth Station Verification and Assistance) to ensure the quality of the installation and to detect possible radiation outside of acceptable norms. As a standard part of every ESVA activity, the antennae radiation patterns are measured. This allows for taking corrective action in case of shortcomings (such as an excess to mechanical tolerance of required surface accuracy, etc.), which may occur during the installation process. A radiation diagram is the base for the determination of the maximum permissible spectral EIRP (Equivalent Isotropically Radiated Power) density, which must not be exceeded by any transmission originating from the station under test. Norms are established by Eutelsat to be in-line with national and international (*i.e.* ITU) radio frequency regulations;
- all staff working with antennae are informed about potential exposure risks;
- access to potential high-risk exposure installations (limited number of dishes close to the ground) is strictly controlled by fences or marked with signs on the ground;
- similarly, precautions have been taken at the Iztapalapa and Hermosillo teleports in Mexico: access to the facilities is strictly supervised with the use of access badges, 24/24 supervising staff and video surveillance systems. As an additional precautionary measure, employees are located at a safe distance from the antennas, which are placed behind fences.

3.1.4.2 Health and safety agreements signed with unions or workplace representatives, and how they are implemented

Eutelsat has always maintained a responsible approach to working conditions for its employees.

The powers and duties of the Health and Safety Committee (CHSCT) are accordingly complied with and several meetings with the CHSCT were organised in 2014. In addition, the premises are fitted-out so as to ensure quality of everyday life and improve working conditions.

Eutelsat regularly discusses "hardships" related to certain positions with staff representatives. In addition, as part of its agreement signed in October 2009 (relating to protection of senior employees), Eutelsat S.A. agreed to undertake a study relating to hardships for older employees. This study was conducted with the HSC (Health and Safety Committee) and occupational health services.

Since 2012, procedures intended to reduce exposure to occupational risk factors have replaced the previous document and have been developed further by the Company.

For medical matters, Eutelsat resorts to two inter-company medical service providers in charge of health at the workplace and which provide on-site services.

Certain employees are authorized to install antennas. In order to cover the risk of accidents, Eutelsat S.A. contributes to the *Unions de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales* (URSSAF) at a higher rate.

Specific measures are also in place in the other Group subsidiaries, in accordance with local regulations. For example, Skylogic has set up various measures in accordance with Italian law: employee election of a staff representative for matters relating to health at the workplace, systematic medical examination of new employees with regular follow-up medical visits, drawing-up of a risk assessment document.

3.1.4.3 Frequency and seriousness of accidents at work and occupational diseases

Some employees are expected to install antennae as part of their jobs. In order to fully cover potential risks to employees conducting this activity, Eutelsat S.A. contributes higher premiums to the URSAFF, an organisation for collection of social security and family benefit contributions.

With the exception of the activities at teleports, the Group's business is carried out in office buildings located mainly in city centres. As a result, the vast majority of employees are not exposed to particularly high security or health risks; therefore, potential work-related accidents are limited.

During calendar years 2013 and 2014, there were very few accidents reported.

This indicator is presented for the first time on a consolidated level for the four main entities (Eutelsat S.A., Eutelsat America Corp., Eutelsat Americas, Skylogic S.p.A), which in the aggregate account for more than 90% of the total workforce. Last year, it was presented for Eutelsat S.A. only. For comparison purposes, pro forma data have been produced for financial year 2013.

For Eutelsat S.A.(which accounts for 57% of the Group workforce), the frequency rate of accidents at work [(1)] stood at 5.093% in 2014. Accident Severity Rate [(2)] stood at 0.009% in 2014. No case of professional disease was reported.

(1) Number of work accidents with absence, per million hours worked.

(2) Number of working days lost to occupational accidents per thousand man-hours.

Workplace accidents in days lost	2013	2014
Number of accidents without work stoppage authorisation	12	3
Number of accidents with work stoppage authorisation	24	6
TOTAL NUMBER OF ACCIDENTS	**36**	**9**

3.1.5 TRAINING

3.1.5.1 Implementation of training policies

To remain competitive, the Group actively encourages its employees to take formal training programmes that allow employees to be more effective and productive in their daily work. To this end, the Group's employees have been trained in various disciplines over the past year.

Several types of training were provided at Eutelsat S.A. French offices during the year, in relation to the following topics:

- technical aspects of satellite communications or information systems;
- management, such as in relation to psychosocial risks;
- commercial performance;
- project management;
- modern languages;
- personal development;
- support functions; and
- health and safety.

Two types of training actions were undertaken: adaptation to individual positions and skills development. This training was also provided as part of the individual right to training.

For Skylogic employees, training sessions were organised on the following topics:

- Management: management skills, team and task management;
- General skills: communication, languages, team work;
- Specific skills: technical certification, accounting, logistics...

For Eutelsat Americas employees, in addition to the technical training sessions on satellites, training sessions were organised in the following areas: leadership, communication, customer service, corporate culture.

Lastly, all Eutelsat America Corp. employees attended a three-day training session in April 2014.

3.1.5.2 Total number of training hours

This indicator is presented for the first time on a consolidated level for the four main entities (Eutelsat S.A., Eutelsat America Corp., Eutelsat Americas, Skylogic S.p.A), which in the aggregate account for more than 90% of the total headcount. Last year it was presented for Eutelsat S.A. and Skylogic S.p.A only. For comparison purposes, pro forma data have been presented for financial year 2013.

▸ Details of training in the four most significant entities (91% of the Group's employees)

	2013			2014		
	Men	Women	Total	Men	Women	Total
Eutelsat S.A.	7,630	2,112	9,742	9,977	3,396	13,373
Skylogic S.P.A.	856	244	1,100	1,760	743	2,503
Eutelsat Americas (1)	450	285	735	690	360	1,050
Eutelsat America Corp.	208	96	204	208	48	256
TOTAL	**9,144**	**2,737**	**11,881**	**12,635**	**4,547**	**17,182**

(1) The acquisition of Satmex, which now operates under the name Eutelsat Americas, was finalized in January 2014.

For Eutelsat S.A., the amount dedicated to training, as a percent of total wages is at 3.4% in 2014 (3.2% in 2013).

3.1.6 EQUAL OPPORTUNITY AND NON-DISCRIMINATION

Eutelsat encourages internal mobility *via* the following actions:

- a job board has been created on the Company's intranet so that any vacant position is first posted on the Intranet, thereby allowing internal candidates to apply and to be called in for an interview;
- the annual performance evaluation process provides an opportunity for each employee to discuss career aspirations with his management. Evaluations are then sent to human resources to review the motivation and feasibility;
- interviews for the second stage of careers (age 45+ years) are conducted annually to assist employees in their desire for mobility;
- as part of the GPEC (Future Management of Jobs and Skills) business mapping, each employee can discover the different business areas within the Company as well as the skills needed to perform in each area *via* the company Intranet;
- mobility decisions are made with a view to being compatible with the school calendar.

3.1.6.1 Gender equality

An agreement addressing professional equality was signed in December 2011 between the social partners. As a socially responsible Company, Eutelsat seeks to uphold the principles of equal opportunity.

The main components of this agreement include:

- seeking a balance, depending on areas, in the recruitment of people with equivalent skills, education, experience and profiles;

- seeking to promote men and women in a balanced fashion;
- establishing specific measures concerning the principles of wage policy that apply equally to men and women. In this context, the Company once again undertook a review of compensation, which was done already in 2010-2011. Its aim is to analyze the situations within the entire Company in order to help correct any unexplained gaps in work situations of equal value. The procedures of the study were agreed upon in 2012, with the social partners and involving the commission on professional equality. The study began in 2013 and continued into 2014 in cooperation with the commission on professional equality; and
- encouraging a healthy balance between work and family life.

In 2014, Management established an action plan in favour of professional equality and relating to access to employment, career development, actual compensation, the reconciliation of work and family responsibilities. Objectives and indicated were determined for each of these items. This action plan was presented to the works' council in December 2014 and took effect on 1 January 2015. The professional equality commission will meet at least once a year to monitor this action plan.

In addition, Eut'Elles'Sat, a network designed to promote the career development of female employees within the Eutelsat Group, was created with the support of management. Its primary objective is to facilitate networking between the women of Eutelsat and to propose events and exchanges on the promotion of awareness-raising on the situation of women at the workplace.

Lastly, specific policies are rolled out at the level of the subsidiaries including Eutelsat Americas.

3.1.6.2 Employment and integration of disabled people

When possible, Eutelsat endeavours to outsource a number of jobs to service companies that employ disabled workers.

Eutelsat also seeks to reclassify Company employees who are deemed unfit for their existing positions. In addition, the company works with recruitment agencies that are sensitive to the issues relating to disabilities and, when possible, these agencies nominate candidates with disabilities for Eutelsat positions.

Eutelsat S.A. cooperates with ESATs (French organisations promoting work rehabilitation of the disabled) for specific services such as flower-planting or assistance in the management of expense reports.

3.1.6.3 Fighting discrimination and encouraging diversity

When recruiting, the Group is first and foremost in search of skills.

The diversity of nationalities is an asset for the Company that it seeks to maintain. In 2014, Group's employees represented over 30 different nationalities.

Eutelsat S.A. signed the French "Diversity Charter" in May 2008.

The "Diversity Charter" is a written commitment that any company, regardless of its size, may sign with a view to banning discrimination in the workplace and promoting diversity at work. It expresses a company's willingness to better reflect the diversity of the French population in its headcount.

The Diversity Charter's six articles guide companies through the process of implementing new practices by involving all of their employees and partners in these actions. It prompts them to implement a human resource policy focused on recognition and validation of individual competencies. In doing so, the company promotes cohesion and social equality while improving its performance.

The "Diversity Charter" is supported by the main employers' organisations, several corporate networks and public agencies.

Source: http://www.charte-diversite.com/charte-diversite-la-charte.php

3.1.7 PROMOTION AND ENFORCEMENT OF THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANISATION (ILO)

As of 31 December 2014, all Eutelsat subsidiaries were in compliance with the ILO in countries where these conventions are applicable.

3.1.7.1 The respect for freedom of association and the right to collective bargaining

All Eutelsat subsidiaries reported as being in compliance with all local labour laws with regard to the right to collective bargaining.

Regarding the observation of strict political, religious and philosophical neutrality, the Group makes no financial contribution to political candidates, elected political representatives or political parties. Staff may participate in political activities in their own right, outside company premises, and without using the Group's corporate image to support their personal convictions. These rules are applied with due regard to individual freedom of expression for employees and their representatives.

3.1.7.2 The elimination of discrimination in the employment policy

The Group respects the principles outlined in the ILO Conventions.

The Group further complies with the principles of professional equality between women and men. Furthermore, Eutelsat S.A. has set up an action plan aimed at promoting professional equality.

Regarding older employees, an agreement was signed in 2013 for application of the "generation contract" *(contrat de génération)* for Eutelsat S.A. employees. The generation contract is a mechanism that combines the sustainable integration of young people with specific measures in favour of the employment of older workers and the passing-on of know-how and skills.

In addition, under the three-year profit-sharing agreement signed in December 2011, the Company's labour partners addressed the issue of parental leave for part-time employees and decided not to take into account the reduced work time for employees on parental leave.

3.1.7.3 The elimination of obligatory or forced labour

All subsidiaries are in conformity with the principles outlined in the ILO Conventions (see Section 3.2.1.1).

3.1.7.4 The effective abolition of child labour

All subsidiaries are in conformity with the principles outlined in the ILO Conventions (see Section 3.2.1.1).

3.2 Environmental information

The Company's services cover transmission of radio signals from its fleet to earth for reception to antennae (dishes) for television, exchange of data services and inter-active services for access to broadband in areas unserved or under served by terrestrial networks.

As an operator of telecommunications satellites in geostationary orbit (approximately 36,000 kilometres from Earth), the Company has no factories or warehouses and its terrestrial or sea transport footprint is limited, these means of transportation being rarely used to deliver Eutelsat services.

3.2.1 GLOBAL ENVIRONMENTAL POLICY

3.2.1.1 Impact of satellites and launch services on the environment

Eutelsat actively manages its fleet in partnership with manufacturers and launchers of satellites..

Satellite Manufacturers

Eutelsat has contracts with four of the world's major satellite manufacturers: Airbus Defence and Space (Airbus DS), Boeing Satellite Systems (BSS), Space Systems Loral (SSL) and Thales Alenia Space (TAS). In addition to providing satellites to Eutelsat which are compliant with the French Government's Space Act, each of these manufacturers has policies on minimizing their environmental impact and ensuring sustainability.

Airbus Defence and Space is committed to minimising the environmental impact of its activities and to ensuring compliance with all applicable legal requirements. In addition to the ISO 14001 certification of its environmental management system, Airbus DS has recently obtained ISO 50001 certification for its energy management systems for its sites in the United Kingdom, Toulouse (France) and Germany. In addition, the "Eco-Space" project, whose aim is for all new products to be "eco-designed" by 2020 in order to minimise their environmental and health impacts, has been continued.

BSS, which is a subsidiary of Boeing, shares the Group's objective of stabilizing greenhouse gas emissions, water consumption and waste production between 2012 and 2107. One of its objectives is also to see to it that the hazardous waste production increase be lower than or equal to the Group's business growth.

SSL meet or exceeds the stringent U.S. Government and State of California environmental requirements and has on-going initiatives to reduce waste, conserve water and energy and implement recycling amongst other sustainability practices. In particular it has reduced hazardous wastes by 25% over the last seven years. As well as its stated commitment to protecting the environment on earth, it also ensures that its satellites comply with international regulations on space debris.

TAS is part of the Thales Group which has put in place a monitoring and reporting system of environmental indicators, in accordance with the "Grenelle II" environmental laws. Thales has conducted an environmental protection policy since 2007 and is working on taking into account environmental aspects in all of its business activities. Having once again obtained ISO 14001 certification for all of the Group's facilities, its Environmental Management System has achieved reductions in the use of natural resources, greenhouse gas emissions and the production of hazardous waste. The Group targets further reductions by end of 2015.

Launch Services

As an operator of satellites, Eutelsat does not launch satellites, but uses launch service providers such as Arianespace, International Launch Services (ILS), Sea Launch and Space Exploration Technologies (SpaceX). In recent years Eutelsat has launched on average two satellites per year.

Arianespace uses an Ariane 5 ECA rocket to launch Eutelsat's satellites. The main combustion products from this launcher are hydrochloric acid and aluminium oxide from the launcher's solid rockets and water vapour from the cryogenic (liquid oxygen and hydrogen) 1st and 2nd stages. The total CO/CO_2 emissions from an Ariane 5 ECA launch are estimated to be 200 tonnes. Environmental checks carried out after each launch show that the impact on the local environment is very limited. Arianespace continues its efforts to protect the environment in all aspects of the activities conducted in its launch site in Kourou, French Guiana. In 2014, the launch facility's environmental management system and energy management system obtained ISO 14001 and ISO 50001 certification respectively.

ILS utilises the Russian heavy lift Proton M/Breeze M rocket from the Baikonur Cosmodrome in Kazakhstan. The Russian Federal Meteorology and Environment Service, the Bauman Moscow Technical University and the Russian Academy of Science have performed a study of the contamination of the environment by the Proton M/Breeze M launcher both by the pre-lift off propellant emission and by the combustion product exhaust during the Proton M and Breeze M flights. The amount of CO_2 generated by the pre-lift-off exhaust is approximately 0.5 tonne whilst that during the Proton M flight could be up to 350 tonnes. For the Breeze M (upper stage) flight which occurs at altitudes from 160 kilometres up to 35,000 kilometres, the CO_2 emission from the propulsion system could be up to 7 tonnes.

Sea Launch uses the Ukrainian/Russian Zenith-3SL rocket and launches from a mobile floating platform in the Pacific Ocean. Before commencing its operations, Sea Launch submitted an environmental impact study to the U.S. Government on the effects of its pre-launch, launch & flight and post-launch operations. The report showed that the total amount of CO/CO_2 emissions from the kerosene/liquid oxygen fuelled Zenith-3SL launch vehicle was 295 tonnes.

SpaceX launches geostationary satellites using a Falcon 9 rocket from the Cape Canaveral air force base in the United States. A study of the environmental impact of the operations conducted from this launch facility has shown that the launch of the Falcon 9 rocket using kerosene/liquid oxygen had no material environmental impact. In addition, the environmental impact study conducted by the U.S. Federal Aviation Authority in respect of the new launch facility currently in the process of being developed by SpaceX in Texas shows that the CO_2 emissions generated by the launch of a Falcon 9 rocket are limited to 385 tonnes.

To put the above-mentioned emissions into perspective, a round trip transatlantic flight generates approximately 400 tonnes of CO_2, more than the launch on any of the rockets described as above.

Space debris

Today's telecommunications satellites have a useful life of approximately 15 years. Telecommunications satellites have applications in a number of areas.

With the proliferation of telecommunications satellites populating space around the earth, the issue concerning the management of satellites when they have come to the end of their useful lives has become increasingly important, especially as it relates to the substantially growing amount of space debris. This issue is particularly crucial in low orbits. Therefore, respecting a policy of responsible fleet management, one that, from the outset, addresses how to correctly manage the end of life of satellites constitutes an important aspect of the Group's environmental and societal obligations.

A responsible fleet management policy

Since the early 2000s, Eutelsat has addressed this issue by implementing a policy of responsible management of space debris, which combines both Eutelsat's extensive operational experience with recognised recommendations from the international community in this field.

Since 8 July 2005, Eutelsat has been an operator certified in satellite control and operations (ISO 9001).

Furthermore, Eutelsat set up the Space Debris Mitigation Plan in 2005 to cover station-keeping manoeuvres, the repositioning of satellites placed in geostationary orbit, colocation strategies, anomaly remedial measures, strategies for operations in inclined orbit and end-of-life operations.

Eutelsat's Space Debris Mitigation Plan draws on international and European guidelines (IADC Space Debris Mitigation Guidelines, European Code of Conduct for Space Debris Mitigation) and on the criteria defined by the French Space Operations Act. The requirements laid down by the plan for improving end-of-life operations and passivation and minimising collision risks during operations are more challenging than those contained in the rules governing the Company's activities.

The Plan is regularly updated to include new standards. More particularly, it was reviewed in 2010 to ensure that the Company's internal organisation aligns with the processes imposed by the French Act on space operations.

Thus far, Eutelsat's internal policies enabled reorbiting and passivation of 15 satellites that have reached their end of useful life. All 15 satellites were reorbited in compliance with international guidelines and the French Space Operations Act in order to prevent them from re-entering the protected zone (+/- 200 km from the geostationary orbit) in the long term (over 100 years). In the sector, the overall success rate for GEO satellite reorbiting has stood at 53% since the implementation of the IADC guidelines in 1997, reaching 72% in 2013.

Furthermore, 90 GEO satellite repositioning manoeuvres were performed by Eutelsat. All of them were successfully conducted in compliance with regulations governing collision risks and space debris generation. To mitigate collision risk to the maximum extent possible, Eutelsat moves its satellites out of the geostationary corridor (+/- 40 km above from the geostationary orbit) during the repositioning stage and assesses collision risks with the help of USSTRATCOM data and information contained in the Space Data Association database.

Compliance with the French Space Act

The French Space Operations Act, effective since 10 December 2010, underscored the need for a responsible approach to fleet management.

The Act establishes a regulatory framework within which Eutelsat works with the French Ministry of Research and CNES *(Centre National d'Études Spatiales)* to meet its obligations for controlling objects in space orbit.

Technical authorisations and licenses delivered by the Ministry of Research under this law are managed by CNES. Eutelsat cooperates with CNES during all stages of the life of a satellite. Prior to receiving authorisation for a satellite, CNES reviews all technical documentation along with Eutelsat. Subsequent to obtaining authorisation, Eutelsat invites CNES to its technical reviews, in order to ensure correct application of technical regulations. Finally, Eutelsat informs CNES of any incidents occurring on the satellite and/or any change of orbital position.

In the context of exchanges with CNES for obtaining authorisations, Eutelsat details its strategies to deplete the resources of the satellite in a way that limits the increase in space debris, or allows for permanent deactivation of any means of producing energy on board the satellite. Eutelsat also justifies the resources needed to conduct de-orbiting operations and the probability calculation to successfully carry out these procedures. Finally, Eutelsat obtains from CNES a study which encompasses potential risks or dangers to people, the environment, public health, and, in particular the dangers of space debris generation (in the case of a collision with another space object, for example), as well as a plan to address the potential risk of accidental collisions.

Best practices adopted by Eutelsat have allowed the Company to be compliant with French space Act since its implementation and the Group continues to be a responsible operator and involved player in the fight against space debris.

Sharing Eutelsat's policy and practices

In 2011, Eutelsat became an Executive Member of the Space Data Association (SDA). Bringing together satellite fleet operators, the SDA is tasked with assessing the risks of potential close approaches on the geostationary orbit and the LEO, and sharing information with a view to mitigating RF interference.

In addition, Eutelsat is actively involved in many events and workshops organized throughout Europe on space debris management. More specifically, the Company plays an active part in two key events organized by the CNES on a regular basis: the Workshop on End of Life Operations (biannual) and the annual Working Panel on outer space debris. It also keeps up on the work of the ESA and other relevant international institutions.

In 2013, Eutelsat introduced its internal policy and provided feedback on the French Space Operations Act during a workshop organized by the Long-term Sustainability of Outer Space Activities Working Group which is an initiative under the UNCOPUOS Scientific and Technical Sub-committee.

3.2.1.2 Employee information and training in regards to environmental protection

A formalised Group-wide Code of Business Practice and Ethics was finalised and issued during financial year 2013-2014 and a copy was made available to each Eutelsat employee. It is available externally as necessary, for example to customers, suppliers and shareholders.

It includes a definition of the Group's values and addresses notably its commitment to the environment in orbit and on the earth.

3.2.1.3 Means used for preventing environmental risks and pollution

Reception *via* satellite dishes

The World Health Organization (WHO) commented on exposure to electromagnetic radio waves:

"WHO, through the International EMF Project, has established a programme to monitor the EMF scientific literature, to evaluate the health effects from exposure to EMF in the range from 0 to 300 GHz, to provide advice about possible EMF hazards and to identify suitable mitigation measures. Following extensive international reviews, the International EMF Project has promoted research to fill gaps in knowledge. In response national governments and research institutes have funded over 250 million U.S. dollars on EMF research over the past 10 years.

While no health effects are expected from exposure to RF fields from base stations and wireless networks, research is still being promoted by WHO to determine whether there are any health consequences from the higher RF exposures from mobile phones."

There are no specific references to risks associated with satellite use (source: WHO website http://www.who.int/mediacentre/factsheets/fs322/en/index.html).

3.2.1.4 Provisions and/or guarantees for environmental risks provided that such information would not cause serious harm to the Company in an ongoing litigation

There are no provisions or guarantees for environmental risks, nor are there any ongoing litigation or potential risks concerning environmental issues within the Eutelsat Group.

3.2.2 POLLUTION AND WASTE MANAGEMENT

3.2.2.1 Measures taken to prevent, reduce or repair waste-releases into the atmosphere, water and soils that badly affect the environment

Eutelsat's fleet of telecommunications satellites operate in the geostationary orbit 35,786 kilometres (22,236 miles) above the earth along the equator, far beyond the earth's atmosphere. The satellites remain at this distance for their entire operational life. When they reach end of life, approximately 15 years after their entry into service, they are re-orbited using their remaining on-board propellant into a graveyard orbit, approximately 300 kilometres beyond the geostationary orbit. As a consequence, the satellites never return to earth, nor do they ever re-enter into the earth's atmosphere and so Eutelsat's satellites have no direct impact or cause any pollution to the earth or its atmosphere.

See previous Section 3.2.1.1 for information from satellite manufacturers and launch service suppliers regarding their environmental policies.

3.2.2.2 Measures taken to prevent, recycle and eliminate waste

Waste management

The Group has committed to observe "best practices" in terms of managing waste generated in its offices. Eutelsat continued to pursue a rigorous programme of recycling at its Paris offices in 2014 and takes measures to limit waste, including paper products: for example, newspapers are now distributed within the registered office in electronic format, rather than paper. In addition, the IT equipment which is still usable is either sold or donated to schools or associations.

Similarly, Eutelsat Americas recycles certain material, such as paper, cardboard, cans and plastic bottles. In addition, organic and inorganic waste is also sorted, electric batteries and medicine are collected separately, and obsolete computer equipment is given to associations or destroyed by specialist companies.

Paper consumption

Consumption – *tonnes of paper*	2013	2014
Eutelsat S.A. head office	17,397	24.89
Eutelsat Americas	2,386	2,346

Waste production and recycling

Waste – *in tonnes*	2013	% recycled	2014	% recycled
Eutelsat S.A.	44	89	57	51
Teleport Rambouillet			13	N/A
Eutelsat Americas	N/A	-	15	100

Eutelsat Americas monitors the quantity of recycled waste only, as opposed to all waste production. In particular, paper, newspapers, cans and plastic bottles, cardboard, whether at the head office or at its teleports. To the extent the Eutelsat Americas data is consolidated for the first time, comparable information for financial year 2013 is not yet available.

3.2.2.3 Management of noise pollution and of any other kind of pollution specific to an activity

Eutelsat's teleport in Rambouillet (France) is equipped with noise preventing systems in order to reduce noise produced by antennae and air-conditioning systems. Periodical checks are carried out to verify noise status and to implement solutions to reduce it.

The Turin (Italy) teleport is located in a semi-industrial area in close proximity to residential buildings. In order to reduce the impact of the teleport installation on the neighbourhood, some solutions and measures are implemented on an on-going basis, and include:

- noise preventing systems in order to reduce noise produced by antennas and air-conditioning systems. Periodical checks are performed once a year (the latest check was performed in June 2014) to verify noise status and to implement solutions to reduce it;
- planting trees along the teleport perimeter to reduce the visual impact of antennas on the neighbourhood;
- special barriers are maintained to reduce potential electromagnetic impact;
- the introduction of a system that identifies non-operating antennas;
- periodical checks of electromagnetic pollution are performed by ARPA (Regional Agency for Environment Protection) and Politecnico di Torino. The latest electromagnetic pollution check was performed in September 2012, the next check is scheduled for 2016;
- the continuous monitoring of antenna alignment by the ARPA and the City of Turin through online access to the teleport systems.

On the Mexican teleports, noise nuisances are limited by isolating all noisy equipment on the site. In addition, trees have been planted in order to contribute to the insulation and to reduce the visual impact of the antennas.

3.2.3 SUSTAINABLE USE OF RESOURCES

3.2.3.1 Water consumption and supply in relation to local constraints

For the calendar year 2014, the Company published its water consumption at its headquarters in Paris, its teleport in Rambouillet (France), in Turin (Italy) and at Satmex. There are no local constraints in terms of water supply.

Water consumption *(in cubic meters)*	Calendar year 2013	Calendar year 2014
Headquarters Paris (France)	8,978	5,395
Teleport Rambouillet (France)	577	1,093
Teleport Turin (Italy)	1,184	1,261
Eutelsat Americas	2,483	1,507

The headquarters in Paris use water for the air conditioning systems, which results in higher levels of water consumption during the summer months.

Between October and December 2013, some works were performed on the entire air conditioning systems, which had to be completely emptied and refilled, hence the higher consumption level in 2013.

At the teleport in Rambouillet, the increase in consumption is the result of a water leak in 2014 caused by the replacement of an electric cable.

For Eutelsat Americas, the stated consumption reflects consumption at the Iztapalapa and Hermosillo teleports: consumption at the head office is not monitored.

3.2.3.2 Raw material consumption and measures adopted to improve their use efficiency

The Group operates no factories and therefore does not consume raw materials for conducting its with the exception of paper (which is addressed in the Section 3.2.2.2 of this document).

3.2.3.3 Energy consumption, measures adopted to improve energy efficiency and usage of renewable energies

Much of the Group's energy consumption is the result of cooling and heating needs for the teleports used for establishing two-way connectivity between the earth and the fleet of satellites. During the summer months, electronic equipment must remain at constant temperatures, so, an air conditioning system is used. Furthermore, during the winter months when exterior temperatures can go below freezing, the antennae used to uplink signals to the satellites must be heated in order to ensure their proper functioning.

Efforts to reduce electrical consumption at the Group's teleports

Rambouillet, France: The teleport underwent an energy audit in 2012. Based on the recommendations of the audit, management implemented the following actions:

- concerning current energy consumption:
  - focus on de-icing including anticipation of weather conditions and implementation under way of systems for free cooling, based on fresh air from outside the building;
  - studies on the use of windmill power have continued. Neighbourhood consultations are under way to assess the potential impact of windmills; and
  - a prototype of a passive de-icing system for antennas up to 3.8 meters has been installed and the system will be progressively deployed. This avoids the use of energy (electricity or others) for heating the antennas in winter.

Turin, Italy: steps taken to reduce electrical consumption included Retro-fitting UPS (Uninterruptible Power Supply) using a modular approach.

Management is examining other means to reduce energy consumption:

- evaluation of alternative energy sources: the possible installation of solar panels has been assessed with the suppliers and ultimately abandoned for the time being as it requires too much space;
- possible use of energetic monitoring and diagnostic systems, which should be available at the end of the next financial year; and
- an energy audit was performed in February 2015 to assess the current situation and to allow for an improved optimization of electricity consumption.

Overall, at constant scope, the Group's consumption is practically stable in 2014 compared to 2013 (20.7 million kilowatts *versus* 20.4 million kilowatts in 2013, including Eutelsat Americas).

Electrical and fuel consumption at some of Eutelsat's installations

Electricity Consumption *(in kilowatts)*	12 months to 31 December 2013	12 months to 31 December 2014
Headquarters (Paris, France)	3,660,284	3,737,446
Teleport Rambouillet (France)	7,748,557	8,042,725
Turin offices (Italy)	55,300	46,624
Teleport Turin (Italy)	3,619,221	3,546,876
Turin back-up facility (Cebrosa, Italy)	364,056	419,380
Eutelsat Americas headquarters	547,000	536,000
Teleport Iztapalapa	3,220,000	3,033,000
Teleport Hermosillo	1,148,000	1,391,000

Purchases of diesel fuel *(in cubic metres)*	12 months to 31 December 2013	12 months to 31 December 2014
Teleport (Rambouillet, France)	26	26
Teleport Iztapalapa	5	1
Teleport Hermosillo	12	6
Teleport Turin	Not available	0.3

3.2.3.4 Land use

Given the Group's profile, this indicator has been deemed not applicable.

3.2.4 CLIMATE CHANGE

3.2.4.1 Greenhouse gas emissions

For the first time last year, the Group published its greenhouse gas assessment, which was performed by SGS.

The emissions taken into account are the direct emissions generated by stationary and mobile sources required for the Group's activities and the indirect emissions related to electricity, heat or steam consumption required for the Group's activities. The greenhouse gas assessment was performed for the three sites of the Group that are located in France (headquarters, "Cristal" tower and teleport in Rambouillet).

Greenhouse gas emissions were in total 1,144 teqCO_2 (and 6t CO_2 biomass) for direct and energy-related indirect emissions. More than 60% of the Group's emissions in France were generated by electricity consumption, the teleport being the main contributor.

A new greenhouse gas assessment will be performed by the end of calendar 2015 in order to measure the improvements made.

Actions taken to reduce electricity consumption for the teleport are described in Section 3.2.3.3 "Energy consumption, measures adopted to improve energy efficiency and usage of renewable energies" of this document.

3.2.4.2 Adaptation to the consequences of climate change

During 2012, the Group's Information Systems Department began a significant project to rationalize, on a Group-wide basis, its IT systems and processes. The main actions conducted or pursued in 2014 include:

- the creation of a product catalogue for servers and individual workstations, which promotes "low consumption" and eco-friendly computer equipment ("green-IT" philosophy). The creation of "Blade"-type machines that consume less energy and use unit electric systems;
- personal computers are set to enter into standby after 20 minutes of inactivity;
- a copier replacement project is under review with a view to reducing the number of printers and electricity and paper consumption;
- a proposal has been made to replace the workstations by a hybrid station that consumes less energy than a standard station; and
- Efforts to rationalize the engine rooms in order to reduce the volume of the servers and the number of machines.

In addition, at the Headquarters in Paris, actions were taken to improve the consumption of energy used for lighting the premises: several hundred light spots were replaced by lower energy-consumption led spots and lighting control devices were installed in offices.

Efforts have also been made to limit the impact of the company car fleet. The company car policy provides that the rate of CO_2 must be limited to 135g/m^3. The average emission rate for the holding's fleet is 133g/m^3. In addition, the Group now uses the services of Greentomatocars, a new eco-friendly private passenger car service, in addition to the services of a traditional taxi company for Eutelsat employees travelling in Paris and the Paris area. The CO_2 emissions of Greentomatocars are reduced thanks to an eco-friendly service using a fleet of hybrid sedans, a dispatch software that reduces distances travelled and a carbon compensation policy.

In addition, for several years now Eutelsat Americas has also put in place energy savings measures. The headquarters offices have been designed to take advantage of the sunlight. Light bulbs have gradually been replaced by low energy light bulbs and motion detection sensors are also used to reduce energy consumption. Generally, all non-critical equipment is turned off or put into standby mode when not in use.

For the teleport in Rambouillet, actions taken to reduce electricity consumption for the teleport are described in the Section 3.2.3.3 "Energy consumption, measures adopted to improve energy efficiency and usage of renewable energies" of this document. In addition, a fire extinguishing system that uses Argon and Nitrogen, instead of CO_2 and other gases used that have a more significant environmental footprint has been installed. Argon and Nitrogen are gases that are present in the atmosphere and not toxic either to humans or to the environment.

3.2.5 PROTECTION OF BIODIVERSITY

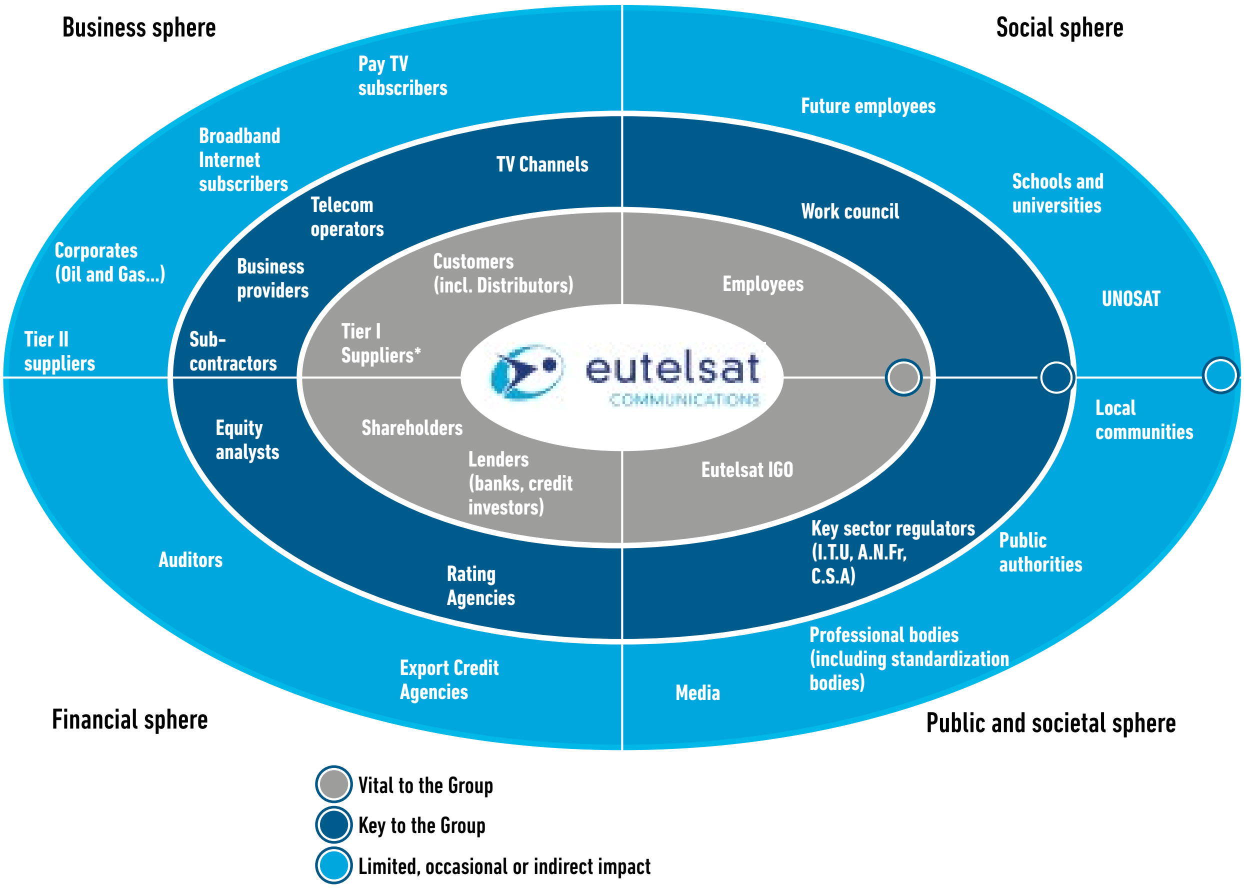
3.2.5.1 Measures taken to preserve or develop biodiversity

To avoid potential interference of the operations of the teleport in Rambouillet by bird populations, the teleport uses falconers to prohibit migratory bird populations from passing through the teleport space at certain times during the year. In addition, most of the land owned by Eutelsat on the Rambouillet teleport site is not used by the company and is rented out to farmers.

Lastly, on the Eutelsat Americas teleport sites, fumigation operations are undertaken on a regular basis using eco-friendly products for pest control purposes.

3.3 Information relative to societal commitments in favour of sustainable development

The main stakeholders of the Group are identified in the Matrix below:



(1) *Tier I suppliers mainly include satellite manufacturers, launchers, insurers, technology providers, suppliers of ground equipment.*

3.3.1 TERRITORIAL IMPACT OF THE GROUP'S ACTIVITIES ON EMPLOYMENT AND REGIONAL DEVELOPMENT

3.3.1.1 Impact on employment and regional development

The teleport in Rambouillet, France, offers some positive benefits to the local community in terms of employment and regional development, as the Company uses local service providers for some of the teleport's activity and upkeep:

- a local firm is used for the upkeep and maintenance of the grounds surrounding the teleport;
- the Company uses the services of a regional company for installation of antennae; and
- most technical products required for proper functioning of the teleport are purchased from a local company in Rambouillet.

Similarly, the Group's teleports in Mexico have a positive impact on local communities in that they promote local suppliers. Local businesses are called upon for gardening, maintenance, servicing or office supplied.

3.3.1.2 Impact on neighbouring populations

To reduce the impact of any increased traffic in the area due to the teleport's activity, the Company runs a shuttle bus between the teleport and the Rambouillet town centre. Car-pooling is also encouraged.

In addition, Eutelsat supports the digital development of rural areas (see Section 3.3.2.1).

3.3.2 RELATIONS WITH STAKEHOLDERS, IN PARTICULAR SOCIAL INTEGRATION ASSOCIATIONS, EDUCATIONAL INSTITUTIONS, ENVIRONMENTAL DEFENCE GROUPS, CONSUMER ASSOCIATIONS AND LOCAL POPULATIONS

3.3.2.1 Dialogue conditions with these stakeholders

Our satellite's broad worldwide coverage gives our Group many opportunities to promote solidarity through development initiatives. Our community involvement focuses on three main areas: participation in research and development programmes using satellite technology for the protection of citizens, support for humanitarian emergency relief efforts or digital development in vulnerable areas and the promotion of science and technology in schools.

Eutelsat IGO, in constant dialogue with the Space community

In addition to the actions undertaken by the operating company, Eutelsat S.A., a regular dialogue has been established between the European satellite telecommunications organization Eutelsat, an intergovernmental Organization (EUTELSAT IGO) and a range of stakeholders on environmental and social responsibility issues.

EUTELSAT IGO maintains the status of permanent observer on the United Nations Committee on the Peaceful Uses of Outer Space (UNCOPUOS). In this capacity, the Executive Secretary participates in the Working Group on the Long-term Sustainability of Space Activities, which is in the process of abridging the current 33 draft guidelines with a view to an in-depth review by the UNCOPUOS in June 2015. The problems of space debris and generally protecting the space environment are issues of importance to all players in the space industry. EUTELSAT IGO regularly informs its Member States and the operating company, Eutelsat S.A., of progress made in this area. The Executive Secretary participated in the 52nd meeting of the Scientific and Technical Subcommittee in February 2015, in the 54th Legal Subcommittee in March-April 2015 and in the annual UNCOPUOS meeting in June 2015.

The Executive Secretary of EUTELSAT IGO is also one of the founding members of the Broadband Commission for Digital Development. Created in 2010 by the Secretary General of the ITU (International Telecommunications Union) and the Director General of the UNESCO, this Commission aims to accelerate the achievement of the United Nations Millennium Development Goals (MDGs) and to identify broadband as potentially one of the most effective ways to achieve universal access to information and safeguard everyone's right to communicate.

The Executive Secretary attended the 10th meeting of the Broadband Commission in September 2014 in New York, during which the report to the UN Secretary General entitled "The State of Broadband 2014: Universalizing Broadband for all", containing a unique summary of broadband network access and its affordability, with country-by country data measuring broadband access against the 54 target objectives agreed by the members of the Commission.

This report also includes the key elements prepared by EUTELSAT IGO jointly with IMSO (International Mobile Satellite Organization) and ITSO (International Telecommunications Satellite Organization). At this meeting, a report entitled "Creating a favourable environment for attracting finance and investment in broadband infrastructures" was published in relation to the financial aspects of and investing in broadband infrastructures, as well as another report relating to post-2015 developments, entitled "Means of transformation: harnessing broadband for the post-2015 development agenda".

The 11th meeting of the Broadband Commission held in Paris in February 2015 emphasized the importance of broadband as a means of delivering basic education opportunities to the most disadvantaged populations.

EUTELSAT IGO participates in the Intelligent sustainable development model (*Modèle intelligent de développement durable* – MIDD) initiative established by the ITU (International Telecommunications Union) Head of Development, aimed at setting up a model for the mobilization of resources and key actors (national, local communities, civil society, businesses, academic actors) to incorporate new and existing infrastructures in order to prepare in the best possible way, mitigating and addressing unforeseen catastrophes. The MIDD advisory committee, joined by the executive Secretary, has published a comprehensive report covering policies, regulations, advocacy actions, infrastructures, technologies, financing, partnerships and business models and has set up three working groups in charge of undertaking an in-depth analysis of these matters. The Executive Secretary presides the working group in charge of advocacy and global dialogue.

Working in the field of humanitarian emergency relief efforts

Eutelsat has been working alongside *"Télécoms Sans Frontières"* (TSF) since 2007. The assistance provided by Eutelsat through this partnership enables this international NGO to equip a community or relief unit with a broadband link for the sending of data, images or voice communications in the space of a few hours. Syria, the Philippines, Iraq and the Malian borders have been areas of action of *Télécoms Sans Frontières* in 2014.

In Syria, 19 hospitals are now connected to the Internet thanks to TSF, allowing doctors to communicate with paramedics in the field, to exchange their expertise and diagnosis with their colleagues worldwide and to conduct remote consultations. More than 102,000 people are treated each month in each of the medical centres connected by TSF.

Similarly, the Group supports NetHope in the fight against the Ebola outbreak in West Africa with the supply of satellite connectivity solutions that provide reliable communications resources to the humanitarian organizations. The equipment provided and connected to the Eutelsat fleet has the capacity to deliver 1.2 terabytes of data over 6 months, thereby providing the doctors and health professionals with a reliable communications infrastructure that is simple and quick to set up.

Space technology for the protection of citizens

Eutelsat is working on a series of ongoing research and development programmes aimed at providing innovative satellite resources to civil defence organisations.

Partly funded by the European Union and boasting the involvement of seventeen research centres and companies in the telecom sector including Eutelsat, the ABSOLUTE programme launched in 2012 is now in its final phase. This programme aims to test the ability to deploy a hybrid system that combines a satellite in geostationary orbit with a constellation of balloons flying at low altitude. The balloons act as transmitters in the sky and relay communications to LTE mobile phones for fast communication network recovery in disaster areas. In this configuration, the EUTELSAT KA-SAT 9A satellite is used to connect each balloon to the Internet backbone. Studies on the scenarios and various system development and integration modules have continued over the 2014-2015 financial year. The official presentation of the technical solution for a set of scenarios is expected to take place at the end of 2015.

A second European programme was launched in December 2013, bringing together eight partner companies including Eutelsat to pool satellite-based observation, geolocation and communications technologies for risk prevention, focusing in particular on the forest fire scenario. Christened PHAROS, this programme involves interconnecting camera and sensor networks in orbit and on the ground in order to ensure constant monitoring of high-risk areas. It can be used, for example, to identify the start of fires at an early stage. The data collected by the ground cameras and sensors are transmitted by satellite to control centres through new-generation "Smart LNB" transmitter/receiver heads. These two-way feeds can be potentially used in other applications within the M2M or SCADA services, including those relating to safety, thereby allowing for cost reductions (in particular).

Supporting digital development in rural areas

Please refer to the beginning at the Section 3 of this report.

Support for teaching science, a major challenge for development

Eutelsat also actively supports the teaching of science at school. Our Group has been maintaining relationships between schools and companies for many years, forging close ties with students in the telecom or spatial sectors. Eutelsat implements educational partnerships for younger students aimed at promoting pupils' interest in science and technology.

Since 2013, Eutelsat has partnered with *"Planète Sciences"* to develop school activity modules aimed at explaining to French schoolchildren how satellites work. With a focus on experiments and the involvement of young people, this action was deployed across France in 2014 and 2015, visiting as a priority schools in rural areas.

In Africa, Eutelsat has been holding a competition since 2011 with broadcaster MultiChoice Africa, inviting young people aged between 14 and 19 and from 42 countries to demonstrate the connection between the science subjects taught at school and their applications for the development of their continent. Each year this competition revolves around a new theme and contestants are asked to write an essay or design a poster. The competition is accompanied by a set of resources made available to schools (educational booklets, films and websites) and is supported by 1000 MultiChoice resource centres equipped for recording distance learning programmes broadcast by satellite. The fourth DStv Eutelsat Star Awards received more than 1,000 essay and poster entries. Chaired by astronaut Paolo Nespoli from the European Space Agency, the international jury met in Livingstone (Zambia) to select this year's winners. Joseph Mahiya (Zambia), Best Essay, won a trip to Paris and to French Guiana where he will watch a live satellite launch. Hannah Kasule (Uganda), Best Poster, was also invited by Eutelsat to travel to France in April 2015 and visited the satellite control centre. She also visited the premises of an international television channel, a satellite construction plant in Toulouse and participated in the UNESCO's 70th anniversary ceremony.

L'Arrondi Solidaire – A gesture of solidarity for local employment and micro-credit

All these operations serve as powerful motivators for our employees. They show a caring and responsible entrepreneurship that is a source of pride and loyalty for our teams. They are accompanied by other personal initiatives such as *"l'Arrondi Solidaire"*, where Eutelsat S.A. was the first French company to offer this programme to its employees in 2010. It allows employees to donate the Euro cents from their salaries each month to charitable causes. The amount is matched by the Company and paid to charities working for local employment and microcredit such as *"ADIE"* and *"Planet Finance"*.

Teleport visits

In a spirit of openness and with the goal of increasing understanding of the satellite world, the teleport in Rambouillet regularly receives visitors of all types for tours of the site (schools, local elected representatives…).

3.3.3 OUTSOURCING AND RELATIONSHIPS WITH SUPPLIERS

3.3.3.1 How the Company's purchasing policy takes into account social and environmental issues

Given the highly technically nature of Eutelsat's business, it works with a limited number of major suppliers that manufacture and launch the Group's satellites. These main suppliers are principally located in Europe and the U.S. and therefore are held to high standards for social responsibility. The Section 3.2.1.1 of this report addresses Eutelsat's relationships with these main suppliers specifically as it relates to environmental implications.

As for the purchasing of goods and services for use in its offices, the Purchasing Department in the headquarters in Paris ensures that the main suppliers, such as the suppliers of computer equipment, have established a policy that takes account of environmental and social issues.

3.3.3.2 The importance of outsourcing and the Company's social and environmental responsibility in its relationship with suppliers and subcontractors

Eutelsat currently has contracts with four of the world's major satellite manufacturers, and four leading satellite launchers. In addition to providing Eutelsat with satellites that are compliant with the French Government's Space Act, each of these manufacturers has policies on minimizing their environmental impact and ensuring sustainability. See Section 3.2.1.1 "Impact of satellites and launch services on the environment".

3.3.4 FAIRNESS IN PRACTICES

3.3.4.1 Actions taken to prevent corruption

The fight against corruption is part of the Group's commitments to clients and business partners. The Group's Code of business practice and ethics states that "in conducting its business, Eutelsat does not allow any corrupt practices".

Over the past years, the Group made some progress in formalizing anti-corruption procedures in the framework of a continuous improvement process. Main steps taken under the leadership of the Corporate Secretary and of the Director of Internal Audit and Control include:

- the Group's "Ethics Code" was published, affirming the Group's commitments against corruption. It was distributed to all employees and made available on the Group's corporate website www.eutelsat.com;
- an audit has been performed by an external body to assess risk;
- a Handbook of Procedures was put together describing the procedures implemented in order to avoid corruption;
- guidelines have been established for selection and monitoring of sales agents and consultants, in particular in countries that are considered higher-risk;
- a committee to ensure respect existing anti-corruption rules, composed of the Group General Counsel, the Chief Commercial Officer, the Director of Commercial Development and Marketing and the Director of Human Resources, has been put in place.

During the financial year, the progress achieved in the field of anti-corruption procedures as well as potential improvements were presented to Executive Committee, the Audit Committee and the Board of Directors of Eutelsat Communications

During financial year 2014-2015, the Group pursued its improvement efforts with, *inter alia*:

- training sessions in order to increase employee awareness in relation to corruption risks, particularly the sales staff;
- the establishment of a professional whistleblowing system, under the responsibility of the General Secretary and of the General Counsel, aimed at encouraging employees to report any conduct or facts likely to constitute acts of corruption and which, as such, could have a significant impact on the business or reputation of the Group or expose it to liability. It supplements the other existing whistleblowing systems (to line management or the staff representatives). Staff members may report an alert by sending an e-mail.

In order to achieve further improvements, the Group will implement employee training in order to increase employees' awareness, particularly for those who are most directly exposed to potential corruption.

3.3.5 OTHER MEASURES TAKEN IN FAVOUR OF HUMAN RIGHTS

Since 2009, Eutelsat has seen a substantial increase in the number and duration of instances of these acts of intentional interference with satellite signals. Jamming is defined as interference to the satellite networks which is obvious and deliberate and with the intention of disrupting or even preventing the clear reception of certain TV channels.

Intentional interference – an attack on the free flow of information

By definition, deliberate interference is a violation of freedom of information cited in Article 19 of the Universal Declaration of Human Rights (1948) and by the International Covenant on Civil and Political Rights of the United Nations (1966). The latter is binding on signatory states, and declares in Article 19.1 that "everyone has the right to freedom of expression; this right includes freedom to seek, receive and impart information and ideas of all kinds, regardless of boarders, *via* either verbal, written, printed or artistic means, or through any other media of his choice." The European Convention to safeguard Human Rights (Article 10) and the Charter of Fundamental Rights of the European Union, covered by a European Treaty, adds that freedom of information should not be restricted by the interference of public authorities. Hence, the Charter of Fundamental Rights of the European Union provides in Article 11 that "everyone has the right to freedom of expression. This right includes freedom to hold opinions and freedom to receive and impart information and ideas without interference by public authority and regardless of boarders".

Furthermore, we have found that the channels suffering the most interference are those of international news channels (such as BBC, Voice of America, Deutsche Welle, Al Jazeera, etc.). A number of incidents of intentional interference have also occurred during major sporting events and on sports channels.

Eutelsat activities to combat intentional interference

To combat this situation, Eutelsat has taken the lead with several activities. The technical teams have developed devices to make future satellites more resilient to interference and ensure better protection for channel broadcasting, in accordance with the principle of continuity of service based business relationships with its customers.

In addition, Eutelsat conducts ongoing monitoring of intentional interference; especially tracking the origin of interference, when channel broadcast disruption can be identified.

These initiatives enable Eutelsat to contribute to the analysis of these activities that penalise its business. In a series of seminars in which the Company participated: notably, a BBC-sponsored conference in London in November 2012; "Naming and shaming the jammers", a seminar hosted by Eutelsat in January 2013; a seminar on Satellite Interference Reduction organized by the GVF Group for Cabsat in Dubai in March 2013, Eutelsat has stressed that the fight against deliberate interference should focus on better geo-localisation of the originating signal and the establishment of a framework for collecting all relevant data on this issue. Eutelsat also supported the IFRI *(Institut Français des Relations Internationales)* research program on the issue of harmful interferences which resulted in a report published in January 2014 (see www.ifri.org/?page=detail-contribution&id=7980&id_provenance=97).

Changes in the regulatory framework under the auspices of the International Telecommunications Union (ITU) and the ANFr (National Frequencies Agency)

Intentional interference is also considered illegal under Article 45 of the Constitution of the International Telecommunications Union (ITU) and Article 15 of the Radio Regulations. This is why the ANFr systematically files complaints with ITU authorities against territories from which the intentional interference activity are pinpointed.

Moreover, following the initiatives that Eutelsat has actively contributed to, the Radio-communication Bureau of the ITU recommended the implementation of a series of measures in order to strengthen the regulation on the issue of interference. Its key proposal was to be able to mobilize a network of independent stations to better monitor the phenomenon (ITU signature of a Memorandum of Cooperation), to increase and/or confirm efficiency in the geo-localisation of deliberate interference.

Faced with the hitherto limited tools and measures available to ITU to address and reduce deliberate jamming operations which have heavily targeted Eutelsat satellites in recent years, France had also initiated a draft resolution on the issue which was discussed at CEPT before being submitted as a Common European Proposal at the ITU's Plenipotentiary Conference held in October/November 2014.

With the help of several countries and the collective involvement of the satellite industry and its customer base, as well as international television channels (EBU, BBC, BBG, etc.), the Conference adopted the Resolution COM5/2 on transparency and confidence-building measures in outer space activities.

The resolution strengthens the resources used by ITU to avoid harmful interference, which include greater sharing of best practices, ITU's newly granted ability to draw on a network of independent monitoring stations to confirm cases of deliberate jamming including interference geolocation, and the setting up by ITU of a database for identifying such cases.

Lastly, Eutelsat has contributed and will continue to contribute to the development of regulations by supporting relevant international bodies including: ITU and COPUOS (United Nations Committee on the Peaceful Uses of Outer Space) and their national authority partners such as ANFR *(Agence nationale des fréquences)* as well as international organizations like Eutelsat IGO.

Furthermore, Eutelsat follows up on issues regarding the protection of intellectual property rights, in particular the broadcasting of content by "pirate" channels. Since March 2014, the Group has joined an Anti-Piracy Coalition that brings together key players in the industry (satellite operators, content providers, distributors, advertisers, etc.) in the Middle-East and North African Region to monitor satellite TV piracy, ensure sharing of all data and information on pirate channels and raise awareness of the consequences of piracy.

3.4 Methodology and scope

In compliance with Decree no. 2012-557 of 24 April 2012 relative to transparency obligations for companies relating to social, environmental and societal information associated with the application of Article 225 of Law no. 2010-788 dated 12 July 2010 and Article 12 of Law no. 2012-387 dated 22 March 2012 that amended Article L. 225-102-1 of the French Code of Commerce, the Group gathered information to address the elements that are relevant for its activity among the 42 items defined by the law.

3.4.1 METHODOLOGY

Each of the Eutelsat Communications Group operating subsidiaries provided certain information necessary to draft this report. The Section on "social aspects" has been consolidated by the Human Resources Department in the Group's largest subsidiary, Eutelsat S.A., located at the Group's Headquarters in Paris, France. Information regarding "environmental impacts" primarily reflects input from Eutelsat's suppliers (satellite manufacturers and satellite launch services). We have also included certain information from the Group's Italian and Mexican subsidiaries and teleports located in Rambouillet (France), Turin (Italy) and Mexico as they have a limited environmental impact. "Societal information" was gathered mainly from the operating Company, Eutelsat S.A. but reflect a Group-wide picture.

In addition, considering the Group's increased international footprint as a result of the acquisition of Satmex, a cross-reference table with items of the GRI (Global Reporting Initiative) is attached as a schedule to this report. The indicators have also been defined, whenever possible, in a manner consistent with the GRI standard.

The Group's Sustainability Committee meets at least twice per year, which serves as the conduit for feeding information used to prepare this report. This committee is made up of 15 members from several departments throughout the Group and includes members from subsidiaries situated outside of France. Two senior sponsors, the Group CFO and the Head of Human Resources, ensure that information on sustainability issues is communicated to the Group's Board of Directors.

3.4.2 SCOPE

As the Group's operating subsidiary, Eutelsat S.A. constitutes the vast majority of employees (circa 57%). Information from this subsidiary serves as an "internal benchmark" for the Group. Regarding the other subsidiaries taken into account in the perimeter, please refer to the Section 7.4 "Organizational chart" of this document. When information reported comes exclusively from a specific subsidiary, we have made this clear. The timeframe of quantitative information in this report reflects the calendar year 2014 (1 January 2014 to 31 December 2014), unless otherwise stated.

3.4.3 APPENDIX: LOCATION OF GRI-GA ELEMENTS

Location of GRI-G4 elements		Page	Section
1	Strategy et analysis		
1.1	Statement from the most senior decision-maker of the organization	-	-
1.2	Description of key impacts, risks and opportunities	6-13, 69-85	1.2, 4
2	Organizational profile	4-13	1.1, 1.2
2.1	Name of organization	163	7.1.1.1
2.2	Primary brands, products and/or services	6-13	1.2
2.3	Operational structure of the organization	174-177	7.4
2.4	Location of the organization's headquarters	163	7.1.1.4
2.5	Number of countries where the organization operates	76	4.2.3
2.6	Nature of ownership and legal form	163, 164	7.1.1.4, 2
2.7	Markets served	6-13	1, 2
2.8	Scale of the reporting organization	51, 52	3.1.1
2.9	Significant changes during the reporting period [...]	4, 5	1.1
2.10	Awards received during the reporting period		-
3	Report parameters		
3.1	Reporting period for the information provided	67	3.4.2
3.2	Date of the most recent previous report (if any)		-
3.3	Reporting cycle	67	3.4.2
3.4	Person to contact	181, 182	7.1.4.2
3.5	Process for defining report content	67	3.4.1
3.6	Report scope and boundary	67	3.4.2
3.7	State any specific limitations on the scope [...]	67	3.4.2
3.8	Basis for reporting on joint ventures		N/A
3.9	Data measurement techniques and the bases of calculations [...]	67	3.4
3.10	Explanation of the effects of any re-statements [...]	49	3
3.11	Significant changes	49	3
3.12	Table identifying the location of the GRI Standard Disclosures	68	3
3.13	Policy and current practice with regard to seeking external assurance for the report	185, 186	Appendix 2
4	Governance, commitments and engagement	23-48	2
4.1	Governance structure of the organization	20, 23-30	1.4, 2.1, 2.2
4.2	Indicate if the Chairman of the Board of Directors is also an executive officer	43	2.4.1.14
4.3	[...] indicate the number of independent and/or Non-Executive Board members	41	2.4.1.5
4.4	Mechanisms [...] recommendations or direction to the Board of Directors	40-48	2.4
4.5	Linkage between compensation [...] and the organization's performance	31-40	2.3
4.6	Processes in place for the Board of Directors to ensure conflicts of interest are avoided	42	2.4.1.10
4.7	Process for determining the [...] qualifications and expertise [...]		-
4.8	[...] statements of mission or values, Codes of Conduct and principles [...]	66	3.3.4
4.9	Procedures of the Board of Directors for overseeing [...]	40-48	2.4
4.10	Processes for evaluating the Board of Directors' own performance [...]	42	2.4.1.11
4.11	How the precautionary approach is addressed by the organization		N/A
4.12	Externally developed [...] charters, principles or other initiatives [...]	49	3
4.13	Memberships in associations [...]	-	-
4.14	List of stakeholder groups engaged by the organization	63-67	3.3
4.15	Basis for identification and selection of stakeholders with whom to engage	63-67	3.3
4.16	Approaches to stakeholder engagement, including frequency of engagement [...]	63-67	3.3
4.17	Key topics and concerns that have been raised through stakeholder engagement [...]	63-67	3.3

04

RISK FACTORS

Before making an investment decision, investors and shareholders are advised to read all the information contained in this Reference Document, including the risks described below.

At the filing date of this Reference Document, the risks described are those whose occurrence is likely to have a material adverse impact on the Group, its business, financial situation and/or results, and which are important when making an investment decision.

Group risks may be divided into five categories:

- operational risks;
- risk relating to changes in the satellite communications market;
- regulatory risks;
- liquidity risks;
- market risks.

This section briefly outlines the main risks that the Group might face in the course of its business. They are mentioned purely for illustrative purposes and are not exhaustive in nature. These risks, or any other non-identified risks at the date this Reference Document was filed, or those considered as without significance by the Group at the filing date of this Reference Document, might have an adverse effect on the Group's business, financial situation, results or future development. Furthermore, it should be borne in mind that some risks, irrespective of whether or not they are mentioned in this Reference Document, may result or arise from external factors, such risks being beyond the Group's control.

The main legal proceedings and associated risks are described in Section 7.5 of the Reference Document as well as in Note 27.4 of the Notes to the Consolidated Financial Statements in Section 6.2.

4.1 Operational risks

4.1.1 THE GROUP MIGHT NOT BE ABLE TO MEET ITS LAUNCH OR ACTIVATION TIMEFRAMES FOR NEW SATELLITES

The Group plans to launch four new satellites (EUTELSAT 9B, EUTELSAT 117 West B, EUTELSAT 65 West A and EUTELSAT 172B) before the end of calendar year 2017. Furthermore, in the framework of a long-term lease agreement, the Group will lease capacity on EUTELSAT 36C satellite, which should be launched in the fourth quarter of calendar year 2015. The purpose of these satellites is to ensure the continuity of service provided by some existing satellites, increase resources in certain orbital positions, consolidate the Group's service offering and step up the level of security at certain orbital positions.

The Group may not be able to keep to the scheduled timetable for launching these new satellites.

A significant delay in satellite construction, or a delay or failure in the launch of one of these satellites, would impair the Group's ability to generate new sales opportunities, implement its development strategy, meet its contractual service continuity commitments to customers and end users, or meet its growth objectives. Any significant delay or failure in the launch of any of its satellites could thus have a significant negative impact on the Group's business, financial situation, results and objectives.

"Non-recurring revenues" included, notably but not exclusively, indemnities for the late delivery of satellites amounting to 0.5 million euros as of 30 June 2014. There were no non-recurring revenues as of 30 June 2015.

4.1.2 ACCESS TO SPACE ACCORDING TO THE GROUP'S TIMETABLE IS A CRUCIAL PART OF ITS SATELLITE DEPLOYMENT PLAN AND GROWTH STRATEGY

Given the small number of launch service providers with the technical ability to launch the satellites already ordered, as well as future satellites that have not yet been ordered, the Group considers that this small number constrains its operating flexibility and could increase the cost of its launch programme within the timeframe set out by the Group.

Should one of the launch service providers prove incapable of meeting its contractual commitments towards the Group within the specified deadline due to operating (*e.g.* following a failed launch) or financial difficulties, the Group could re-allocate the relevant satellite to another launch service provider or even, in some cases, sign new launch service contracts that could prove more costly than the current contracts. Such events could have a significant detrimental impact on the Group's business (*e.g.* delayed satellite activation) and financial position.

In order to keep as close as possible to the nominal timetable for its deployment plan, the Group has diversified its launch service providers. The Group thus currently intends to use three different launch service providers: Arianespace, International Launch Services and Space X Exploration Technologies Corp.

4.1.3 THE GROUP'S SATELLITE DEPLOYMENT PLAN IS DEPENDENT ON A FEW MAJOR SUPPLIERS

The number of satellite manufacturers capable of designing and building satellites in compliance with the technical specifications and quality required by the Group is limited, as is the number of suppliers capable of launching these satellites. The limited number of suppliers could reduce the Group's bargaining power and increase the cost of implementing its programme within the scheduled timeframe.

The satellites under procurement as of 30 June 2015 were procured from the following manufacturers: Airbus Defence and Space, Thales Alenia Space, Space Systems Loral Inc. and Boeing.

As of 30 June 2015, future payments on satellite construction, launch and financing contracts amounted to 777 million euros. These future payments are spread over 16 years.

The Group has also made commitments with other suppliers for the provision of services and acquisitions of fixed assets relating to the monitoring and control of satellites.

The following table lists the payments for these services and acquisitions as of 30 June 2014 and 30 June 2015:

(in millions of euros)	As of 30 June 2014	As of 30 June 2015
2015	51	-
2016	25	75
2017	22	38
2018	19	27
2019 and beyond [(1)]	75	19
2020 and beyond	-	80
TOTAL	**192**	**239**

(1) For the period presented as of the financial year closed on 30 June 2014.

The Group considers that it is not dependent on suppliers other than satellite manufacturers and launch operators.

The limited number of suppliers could therefore have a significant negative impact on the Group's business, financial situation and results.

4.1.4 THE GROUP IS EXPOSED TO THE RISK THAT ITS SUPPLIERS MAY EXPERIENCE OPERATIONAL OR FINANCIAL DIFFICULTIES

In the event of a Group supplier being unable to fulfil its contractual commitments towards the Group within the agreed timeframe, the Group would be forced to reallocate the satellites concerned to other service providers and, in some cases, enter into new launch service contracts which might prove more costly. Such events could have a significant negative impact on the Group's business, financial situation and results.

4.1.5 THE SATELLITES OPERATED BY THE GROUP MAY EXPERIENCE FAILURES OR MALFUNCTIONS IN-ORBIT

Satellites are sensitive to the external environment. Once they are in orbit, malfunctions may occur for various reasons and reduce their remaining operating life and/or permanently or intermittently reduce their transmission capacity, which could have a considerable adverse impact on the Group's business, financial situation and results.

In the event of a satellite failure or in-orbit malfunction, the Group may not be able to guarantee continuity of service for all its clients by using redundant equipment or back-up capacity on another satellite, particularly if there is a lack of available satellite capacity suitable for the needs of the customers concerned. Similarly, the Group may not be able to guarantee continuity of service for all customers at that orbital position by successfully launching a replacement satellite or one capable of carrying out the tasks of the defective satellite.

In the event of a satellite failure or in-orbit malfunction, the Group may have difficulty in retaining its customers (who could terminate or renegotiate their capacity allotment agreements) and might not be able to enter into new capacity allotment agreements on satisfactory terms.

Until 30 June 2015, the Group currently has an In-Orbit Life Insurance programme covering its satellites on the basis of their net book value.

From 1 July 2015, the Group adapted its policy to take into account not only the net book value of the satellites but also the revenues generated by those with the highest contribution. The policies cover the partial losses and/or deemed total losses of the insured satellites under certain conditions. In spite of total or partial insurance coverage, a failure or loss of one or more of the Group's satellites could have a significant negative impact on its business, financial situation and results.

Furthermore, this insurance programme does not protect the Group against losses such as opportunity cost, interruption of business, delayed activations, image losses or, to a certain extent, losses of revenues.

Finally, insurance companies could challenge the causes of the failure or malfunction or the amount of the indemnity. The Group cannot guarantee that, in the event of a proven failure or malfunction on any of its satellites covered under insurance programmes insurers would compensate the Group within a reasonable timeframe or for the amount claimed by the Group. A lack of compensation, late compensation or partial compensation of losses sustained could have a significant adverse impact on the Group's business, financial situation and results.

4.1.6 IN THE FUTURE, INSURANCE POLICY PREMIUMS FOR SATELLITES IN-ORBIT AND SATELLITE LAUNCHES COULD INCREASE AND INSURANCE COVER COULD BE MORE DIFFICULT TO OBTAIN OR RENEW

Numerous factors, some of which are outside the Group's control, may affect the cost of insurance premiums; these mainly include statistics on satellite failures or launch failures across the sector as a whole.

The Group might not be able to renew its In-Orbit Life Insurance plan on comparable terms. A deterioration in the In-Orbit Life Insurance market or an increase in insurance premiums could prompt the Group to reduce its coverage of partial losses or losses deemed total, which itself could lead to an increase in the Group's exposure to the consequences of a failure or malfunction in-orbit.

In addition, the Group covers the launch of its satellites through a "Launch-plus-one-year" insurance.

The Group might not be able to obtain this additional cover or launch insurance for the other satellites currently under construction, or for future satellites, on satisfactory terms. This situation could result from a reduction in the supply of insurance products and services or a substantial increase in launch insurance premiums due, in particular, to launch failure statistics across the whole industry. This could have a significant negative impact on the Group's business, financial situation and results.

4.1.7 THE GROUP IS EXPOSED TO SPECIFIC RISKS ARISING FROM THE CAPACITY IT USES ON SATELLITES IN STABLE ORBIT BELONGING TO THIRD PARTIES

As of the date of this Reference Document, the Group uses capacity on five satellites (Telstar 12, Express-AM6 [(1)], Express-AT1, Express-AT2 and ASTRA 2G [(2)]) belonging to third parties, and which are or will be recognised as assets in its consolidated balance sheet (Express-AT2 started operations in July 2014). Telstar 12 is owned by Telesat, Express-AM6, Express-AT1 and Express-AT2 by RSCC and ASTRA 2G by SES.

In the event of failure or malfunction affecting these satellites, the Group cannot guarantee that it would be in a position to obtain compensation and equivalent available capacity under the same conditions. The Group cannot guarantee that a dispute resulting from such failures or malfunctions would be settled in its favour.

The Group may also be exposed to the risk of bankruptcy of the owners of such satellites, which could result in the termination or interruption of its capacity leases.

Such situations could lead to a write-down of these assets in the Group's consolidated financial statements and might adversely affect its business, financial situation and results.

4.1.8 THE GROUP'S OPERATIONS ARE EXPOSED TO THE RISK OF SABOTAGE, INCLUDING TERRORIST ACTS AND PIRACY

The Group's operations are exposed to the risk of sabotage, including terrorist acts and intrusions into its satellite control systems. If the Group's facilities and equipment were disabled, the Group might not be able to prevent a temporary or permanent interruption in service. Such disturbances in the satellite network could result in the loss of customers.

Furthermore, the Group's insurance policies, as is customary in the space industry, automatically provide for exclusions in the event of damage caused by acts of sabotage, piracy or terrorism.

Any act of terrorism, sabotage or piracy could thus have a significant negative impact on the Group's business, financial situation and results.

4.1.9 RISK MANAGEMENT PROCEDURES REGARDING THE SATELLITE FLEET AND ITS OPERATION

Protecting and ensuring the integrity of the satellite fleet

The Group has set up procedures aimed at ensuring continuity of telecommunications services provided to customers and end-users.

The Operations Department is responsible for the administration and control of the satellite system and for checking the quality of signals received or broadcast by satellites.

These activities are carried out from Eutelsat S.A.'s two control centres which have back-up systems and redundant equipment to guard against operational unavailability or interruptions. Exercises are carried out regularly at the major control centres, involving evacuation of the premises and system recovery by the back-up facilities.

These control centres are in charge of satellite protection, and continuity of signal production to meet the needs of the Group's customers, in accordance with the technical recommendations and procedures for each satellite.

Operational procedures for the control centres, especially those responsible for the satellite fleet, exist in written form and cover the manoeuvres and configuration changes that are required in reference conditions, as well as in the event of a technical incident or crisis. These procedures are periodically reviewed and tested and activated to ensure, *inter alia*, the continuing professional development of control staff.

(1) Capacity operated by Eutelsat on Express-AM6 is operated under the name EUTELSAT 53A.

(2) Capacity operated by Eutelsat on ASTRA 2G is operated under the name EUTELSAT 28G.

An incident of any nature affecting one of the satellites or the signal transmitted (*e.g.* a technical failure or interruption of the signal) is dealt with internally by the Operations Department under "escalation" procedures. These procedures provide for internal expertise to be available immediately as well as the expertise of the satellite manufacturer where necessary. All incidents affecting either a satellite or the control system are properly logged and followed up under the authority of the person responsible for operating satellites, with the aim of identifying the causes of the incident and proposing and implementing the necessary corrective measures.

Any significant incident likely to affect the quality or continuity of telecoms services is:

- reported to the Group's Executive Management;
- reviewed internally within Eutelsat S.A. by its Technical Departments;
- as necessary, reviewed by an independent team of experts, depending on the type of incident; and
- as necessary, reported *via* a press release.

Back-up capacity and redundancy

As part of the Group's risk management strategy, it has developed a back-up and redundancy policy designed to reduce the risk of service interruptions, outages or failure to meet its contractual commitments.

The Group's satellites are designed with adequate redundancy to contend with potential equipment failures and to meet or exceed their theoretical operational life in-orbit. Significant on-board redundancy of equipment allows the Group to quickly replace any equipment damaged during the operational life of the satellite with minimal or no interruption of service, depending on the nature of the incident. Some of the satellites in the fleet are currently using this redundancy equipment.

Furthermore, the Group offers significant back-up capacity in certain key orbital locations. Back-up capacity is used to replace leased capacity in the event of an on-board fault or equipment failure on a satellite. It is often obtained by pooling capacity on several satellites located at nearby orbital positions and offering similar coverage and technical specifications. This enables the Group to provide continuity of service to customers, depending on the fill factors of the satellites concerned.

The Group has also signed leases guaranteeing continuity of service to some of its customers, by offering them capacity with guaranteed restoration of service using pre-defined capacity (generally on a neighbouring satellite). These leases generally attract a higher price. In the absence of an emergency or malfunction that requires back-up capacity, the Group is able to market this capacity subject to a claw back clause.

IT security and certification of satellite control systems

The introduction of measures designed to strengthen IT security for the information systems used for satellite control continued during the year. The work is supervised and coordinated by the person with specific responsibility for IT security in the Operations Department.

In 2011, the satellite control team obtained a certification of systems of information security management (ISO 27001:2005) for a period of three years, which was renewed in June 2014. A surveillance audit was carried out in June 2015, and no item of non-compliance with the new ISO standard 27001:2013 was identified.

The certification covers:

- satellite on-station control and operations, Launch and Early Orbit Phase Operations (LEOP);
- satellite ground control systems: definition, procurement, deployment, operations and maintenance of the associated software, computer systems and networks, human resources;
- security of all ground stations for geostationary satellite operations.

In June 2013, the teleport teams in Rambouillet obtained a certification of their systems of information security management (ISO 27001:2005) for a three-year period. A surveillance audit was carried out in June 2015, and no item of non-compliance with the new ISO 27001:2013 standard was identified.

The certification covers:

- the provision of customer support for the use of satellite capacity;
- Rambouillet teleport management;
- the implementation and operations of managed satellite commercial services;
- security of all remote payload monitoring sites, points of presence and teleports.

Certification of satellite control activities under ISO 9001 was obtained in 2005 and was renewed three times: in June 2008, April 2011 and in May 2014. A surveillance audit was carried out in April 2015, and no item of non-compliance was identified.

The certification covers:

- control and operation of the satellites;
- satellite launch and orbit operations; and
- the satellite ground control system.

Further to the implementation of a quality control system based on ISO 9001 for the activities at the Rambouillet teleport, certification for these activities was achieved in 2011 and renewed in May 2014 including the Cagliari teleport. A surveillance audit was carried out in April 2015, and no item of non-compliance was identified.

The certification covers:

- Communication control centre;
- Commercial services (management of data and television signals through teleports ground equipments);
- radio frequency systems and technical infrastructure.

In 2014, the technical activities of the teleport of Skylogic S.p.A. (Turin, Italy) obtained the ISO 9001 certification which covers the design, implementation, provision and technical assistance on behalf of Eutelsat Group for Video and Data connectivity services. A surveillance audit was carried out in 2015, and no item of non-compliance was identified.

In addition, Eutelsat Americas is certified ISO 9001 for all of its satellite control operations.

Insurance

Launch-plus-one-year and In-Orbit Life Insurance

The Group has an insurance programme covering the phases of a satellite's lifespan, *i.e.* launch (the launch insurance policy also covers in-orbit acceptance testing and In-Orbit Life of the satellite until the anniversary date of the launch) and in-orbit (In-Orbit Life Insurance policy).

The Group's Launch-plus-one-year and In-Orbit Life Insurance policies include exclusions that are customary in space insurance.

During the financial year ended 30 June 2015 Insurance premiums represented circa 13% of capital expenditures and circa 2% of operational expenditures.

As indicated in Section 4.1.6 of this Reference Document, insurance policy premiums for launches and for satellites in-orbit may increase in the future and it could become more difficult to obtain or renew insurance policies.

4.1.10 PREVENTION AND MANAGEMENT OF OTHER GROUP OPERATING RISKS

Due to the highly complex nature of activities involved in operating its satellite fleet and developing its business, the Group created the position of risk management Officer, reflecting the emphasis placed on risk management. The risk management Officer reports directly to the Group's Executive Committee.

The Risk Management Department's major responsibilities are as follows:

- identify major risks likely to affect the Group's operations and activities and work with the departments concerned to define policies and processes to reduce these risks;
- assist Group Management and the Audit Committee in implementing a risk management policy that includes measures aimed at preventing and reducing risks, improving their control and organising contingency plans;
- monitor staff compliance with the risk management policy and carry out the appropriate communication initiatives in this area;
- promote the Group's interests by ensuring that risks which have a potential impact on the Group are properly defined and that the operations and activities, along with the Company's internal control procedures, are performed in such a way as to minimise risks to the Group; and
- ensure that risk management policies are effectively implemented and taken into account in the Company's activities.

Since its creation, the Risk Management Department has developed a methodological approach which is cross-disciplinary and is applied to the Group's various business activities.

During the financial year 2014-2015, the risk mapping for the Group was updated, the purpose being to identify and measure the magnitude of risks likely to affect the performance of the Group's operations and activities. More specifically, during the 2014-2015 financial year, the Risk Management Department continued to focus on a systematic evaluation of the risks of in-orbit failure or delay when launching satellites, in conjunction with the technical, commercial and finance departments, as well as on investment projects. One of the results of this work was a series of recommendations aimed at mitigating the impact such incidents could have on the Company's ordinary business. This analysis has also led to the adaptation of in-orbit insurance policy to take into account not only the net asset value of the satellites but also revenues generated by the satellites with the highest contribution.

The importance ascribed to risk management within the Group reflects the emphasis by Management and the Board of Directors on a pro-active risk management policy aimed at protecting the Company's assets, activities and interests to the maximum extent possible. To manage the risks arising from its business and operating environment to the maximum extent possible, the Group has set up internal control procedures. During the financial year, new commercial projects and investments in new satellites, together with the updated Strategic Plan and budget for the year 2015-2016, were thoroughly analysed in respect of the risks implied.

Supervised and conducted independently of the concept of risk management, an internal control procedure was implemented under the responsibility of the Internal Audit Department, with the purpose of ensuring:

- compliance with statutory and regulatory provisions;
- application of the Executive Management's instructions and guidelines;
- proper functioning of internal corporate processes, particularly those contributing to the protection of corporate assets;
- reliable financial information; and
- more generally, ensuring that business activities are effectively controlled, that operations are efficient, and that resources are used effectively.

The Company has undertaken to align its internal control procedures with the AMF (French financial regulator) reference framework. This work is ongoing.

It should be noted that internal controls and procedures relating to the security of Group operations (*i.e.* procedures regarding the management of satellite risks and other Group risks) are to be distinguished from internal control procedures relating to the treatment of accounting and financial information on the business of the Company and its subsidiaries, in compliance with applicable regulations.

It should also be noted that, as Eutelsat Communications is charged with the financial and strategic management of the Eutelsat Group, the Group's operational activities, in particular its satellite-related activities are performed by Eutelsat S.A.

The business continuity plan for the Company's operations

The business continuity plan includes:

- the mapping of critical processes and resumption objectives. The mapping is the result of an analysis of business-line impacts arising from incident scenarios;
- crisis management procedures (logistics, external and internal communication, decision-making processes);
- business-line procedures describing the tasks to be performed at the back-up site;
- the back-up IT systems (applications, systems and network infrastructure, telecoms);
- procedures describing urgent action to be taken in the event of an incident;
- the logistics required when the plan is triggered (back-up user locations, plant rooms containing back-up infrastructure).

Eutelsat S.A. operates a business continuity plan ("BCP") aimed at reducing strategic, economic and financial risks in the event of the prolonged unavailability of its registered office located at 70, rue Balard, 75015 Paris, France.

Placed under the responsibility of the IT Systems management, the project aims at determining the conditions for continuing commercial, financial, administrative and legal activities, corporate communications, and IT and Human Resources (HR) Systems management.

Activities directly linked to management of the satellite fleet (and, specifically, satellite and communications control centre activities) currently lie outside the scope of the BCP since they are already covered by specific security procedures described above in the Section "Protecting and Ensuring the Integrity of the Satellite Fleet".

The latest full-scale test of the continuity plan was carried out in March 2012. The corporate job/task processes are currently being modified as part of the setting up of a new ERP. The next business continuity plan test will thus be performed during the next financial year. The business continuity plan will be updated shortly and will be tested during the second half of 2014 on the new perimeter. Furthermore, the latest test of the IT backup plan was performed in December 2013 and did not reveal any serious malfunctioning. At this stage, all business continuity plan procedures remain operational on the current perimeter, before the implementation of the new software package.

Security of IT Systems

Within the framework of its activities, the Group is exposed to a certain number of operational risks and, more specifically, risks likely to affect its activity.

The commitment to taking into account operating risks arising from IT Systems security within the Company led to the creation of an IT Systems Security Manager position. This transversal function applies to the various IT Systems at Eutelsat S.A., for the operation of the corporate business and for satellite control.

The objectives of this Management function at Eutelsat are as follows:

- mapping of risk arising from IT Systems security and assessment of the impact on corporate operations;
- establishing a policy and standards meeting Eutelsat's security requirements;
- drawing up an action plan and setting up a cross-sectional security committee to oversee its implementation;
- assessing the protective measures in place in the organisational and technical domains.

An annual audit completed by spot checks allows to assess the efficiency of security measures in place and to correct any identified weakness. During the financial year 2013-2014, an information security management system was implemented to adapt to the evolution of financial, commercial and legal information systems and to the improved procedure of response to IT security incidents.

Insurance

In-orbit third-party liability insurance – Spacecraft third-party liability policy

The Group subscribes to an insurance policy covering civil responsibility for spacecraft, renewed on an annual basis, and which covers potential damaged caused to third parties by the Company in its capacity as a satellite operator.

Credit insurance

The Group has taken out an insurance policy covering the risk of non-payment by some of its customers. This policy has been renewed from 1 July 2014 for a period of 24 months.

Other insurance policies

The Group has taken out third-party liability insurance covering its Corporate Officers *(mandataires sociaux)*, Directors and senior managers, as well as the senior managers of its subsidiaries, in the performance of their duties. The Group has also taken out standard third-party liability insurance covering its ground operations.

In addition, the Group has standard comprehensive insurance for its on-ground equipment and various assistance policies for its employees and visitors.

Management and monitoring of the Group's supplier contracts

The Group has set up procedures to manage and monitor supplier contracts.

As with other contracts signed by the Group, supplier contracts and those financing the Company are prepared, negotiated and monitored by Eutelsat S.A. pursuant to the service agreements between the Company and Eutelsat S.A. Thus, prior to their signature, supplier contracts receive endorsement from the Directors concerned and formal approval by the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer or the Directors to whom the Chairman and Chief Executive Officer has delegated a proxy signature.

Furthermore, financial contracts are approved by the Board of Directors in accordance with the provisions of the Board's internal rules.

Purchasing procedures

Procedures have been established to guarantee that all commitments to order goods or services are preceded by a duly authorised purchase request.

The authorisation procedure that should precede all purchases is as follows:

- validation by Management of a budget per project/activity as part of the annual budget approved by the Board of Directors; and
- validation by the Director of the department from which the purchase request originates.

Invoices received are compared with the appropriate items delivered and/or the appropriate services provided subsequent to submission of the relevant contract or order form.

Settlement of invoices is subject to the agreement of the departments involved in the purchasing process, in compliance with the internal control policy regarding the rules governing the separation of the positions involved.

All payments require two signatures. If certain pre-determined amounts are exceeded, the signature of the Chairman and Chief Executive Officer or of the Deputy Chief Executive Officer is also required.

As for procurement contracts for satellites and launchers, these are subject to prior approval by the Board of Directors as part of its review of the Group's activities and investment decisions. Contracts for such programmes are governed by a specific procedure (technical, legal and financial) before being signed by the Chairman and Chief Executive Officer or the Deputy Chief Executive Officer of Eutelsat S.A.

4.2 Risks relating to changes in the satellite telecommunications market

4.2.1 THE GROUP MIGHT NOT BE ABLE TO MEET DEMAND FOR SATELLITE CAPACITY AT CERTAIN ORBITAL POSITIONS

Available satellite capacity is currently lower than demand in some frequency bands at certain orbital positions. This situation, which could persist, results from a mismatch between the long-term investment and operation cycles of satellites and cyclical variations in demand.

The Group might not be able to meet additional demand for satellite capacity from existing customers at certain orbital positions. These customers could then lease additional satellite capacity from other operators and/or decide to terminate their allotment agreements with the Group and to transfer a part of or all the capacity they lease from the Group to other satellite operators that have capacity available, which could have a significant negative impact on the Group's business, financial position and results.

Furthermore, due to occasionally high satellite capacity utilisation rates, and given the limited number of customers and/or end-users of satellite capacity, the Group might not be in a position to satisfy demand from new customers should a situation of limited capacity last, especially if the Group were to experience delays or failures with upcoming satellite launches. This could have a significant negative impact on the Group's business, financial situation and results.

4.2.2 THE GROUP'S DEVELOPMENT IS CLOSELY TIED TO FUTURE DEMAND FOR SATELLITE SERVICES WHICH MIGHT NOT MATERIALISE OR WHICH THE GROUP MIGHT NOT BE ABLE TO MEET

The Group's development notably depends on future demand for Video Applications, which is partly linked to the expected development of DTH (Direct-to-Home) broadcasting in emerging countries, high-definition television (HDTV) and satellite-based Internet access. This growth in demand may not materialise. Moreover, the Group might not be in a position to make the investments necessary at the appropriate time to meet this demand. In particular, with HDTV consuming more satellite capacity than is the case with the current satellite TV broadcasting standard, the Group might not be in a position to invest in additional satellites at the appropriate time or in proportions enabling it to meet market demand. If demand for video services does not increase or the Group is not in a position to meet this demand, this could have a significant negative impact on its business, financial position and results.

The audiovisual industry is sensitive to variations in advertising budgets and consumer spending, which are in turn affected by the economic environment as a whole. In recent years, many television channels, broadcasting platform operators and cable TV operators have experienced financial difficulties as a result of declining advertising revenue and global economic slowdown. The Group cannot guarantee that the audiovisual industry, which is an important part of its end-user base, will not be similarly affected by a sluggish world economy, resulting in weaker demand or additional pressure on prices. Such a downturn could have a significant negative impact on the Group's business, financial position and results.

The ongoing consolidation among satellite TV broadcast platform operators and/or cable operators that has already taken place in Spain, Poland, Italy and France could also give TV broadcast platform operators or cable operators greater bargaining power with satellite operators or their distributors, thereby causing increased pressure on prices. Such consolidation could have a significant negative impact on the Group's business, financial position and results.

The adoption of new technical broadcasting standards, which has resulted in and could continue to result in a higher signal compression rate, has reduced and could further reduce the demand for transponders for a given number of television channels. If the decline is not offset by an increase in the number of channels transmitted, the overall demand for transponders could decrease, which could have a significant negative impact on the Group's business, financial position and results.

Another key component of the Group's strategy is developing Value-Added Services (especially IP access solutions). This will depend, in part, on continued growth in demand for broadband Internet services which is not guaranteed and is not easily predictable. Demand for broadband Internet services could decrease or experience slower growth than in the past few years. Even if this demand does continue to grow, the Group cannot guarantee that such growth will generate increased demand for satellite services due to the cost of access to satellite capacity. Furthermore, the Group might not be able to provide broadband Internet services that correspond to market demand or offer competitive prices, especially in the event of any failure involving its KA-SAT programme.

If the demand for satellite broadband Internet services does not develop as predicted or the Group is not able to meet it adequately, this could have a significant negative impact on its business, financial position and results.

Development of the Group's business also depends on its available capacity in the various frequency bands requested by customers. Availability is insufficient in some frequency bands, and this could have a significant negative impact on the Group's ability to meet its customers' needs in these bands.

4.2.3 THE GROUP IS EXPOSED TO RISKS INHERENT IN THE INTERNATIONAL NATURE OF ITS CUSTOMER BASE AND BUSINESS

The Group provides satellite telecommunications services to customers in more than 100 countries and could develop its activities in other countries. Consequently, the Group is exposed to geopolitical, economic or other risks inherent in the international nature of its commercial activities. Pricing, tax, regulatory and customs policies pertaining to the services provided by the Group, business practices in certain countries and their political or economic instability could prevent the Group from implementing its development strategy and thereby have a significant negative impact on its business, financial position and results.

Additionally, if the Group had to bring legal action against its customers or commercial partners located outside the European Union, it could prove difficult to assert its rights, which could have a significant negative impact on its business, financial position and results.

Furthermore, in the normal course of its business, the Group occasionally encounters difficulty in recovering payment for clients' use of satellite capacity. In this respect, the standard contracts entered into with customers provide for suspension or interruption of services in the event of payment default.

The in-house Credit Management team of the Financial Department has exclusive responsibility for monitoring payments. In the event of a dispute, it contacts the Legal Department which handles any litigation with the support of specialised law firms.

In fiscal year 2014-2015, the Group continued to be impacted by the economic environment in certain areas for certain applications. As a consequence, customers located in geographical areas deemed to be potentially the most exposed to the impact of the financial crisis are monitored closely.

As of 30 June 2015, the net book value of provisions for bad debt was 60.1 million euros (46.1 million euros as of 30 June 2014). Unrecoverable losses stood respectively at 4.7 million euros and 0.3 million euros as of 30 June 2015 and 30 June 2014.

Moreover, the Group considers that healthy receivables are not really a risk, apart from the possibility of customers located in geographical areas deemed to be potentially the most exposed to the impact of the economic crisis.

4.2.4 A SUBSTANTIAL PERCENTAGE OF THE GROUP'S REVENUE IS GENERATED BY GOVERNMENT SERVICES, WHICH DEPEND HEAVILY ON THE GLOBAL POLITICAL AND ECONOMIC CONTEXT

Over the last few years, the Group has generated some of its revenues (14% of the Group's revenues for the financial year ended 30 June 2015) in the Government Services market segment. This segment includes the direct or indirect supply of services to governments, especially in the United States, on the basis of one-year capacity allotment agreements. Obtaining and/or renewing capacity allotment agreements for this segment depends to a great extent on the international political and economic context. As a result, the Group cannot be certain that it will be capable of continuing to generate a comparable level of revenues from the Government Services segment.

Any failure to obtain new contracts or any termination, non-renewal or renewal under less favourable terms of such contracts could have a significant negative impact on the Group's business, financial position and results.

4.2.5 THE GROUP IS DEPENDENT ON SEVERAL MAJOR CUSTOMERS

The Group generates a significant portion of its business from a limited number of customers including distributors, most of which are telecommunications operators. As of 30 June 2015, the Group's 10 largest customers represented 43% of its revenues. Some of the Group's major customers could decide to terminate their contracts, not to renew them, or to renew them on terms, particularly price terms, that are less favourable to the Group. This could have a significant negative impact on its business, financial position and results.

Moreover, some of the Group's major customers in terms of capacity and revenues, particularly those located in emerging markets, could encounter or are encountering financial difficulties that are likely to result in late payments, unpaid debts, or bankruptcy, which could lead to termination of the relevant capacity agreements without the Group being able to replace the defaulting customers with new customers, which could also have a significant negative impact on the Group's business, financial position and results.

4.2.6 A GROWING PORTION OF THE GROUP'S CUSTOMERS ARE END-USERS AND DEMAND FOR CAPACITY IS BECOMING INCREASINGLY FRAGMENTED

For several years now, end-users have made up a growing percentage of the Group's customers. Furthermore, some distributors could ask the Group to take over end-user contracts. These customers could have less extensive financial resources than traditional distributor-customers, which could increase the risk of outstanding debts and thereby have a significant adverse impact on the Group's business, financial situation and results.

Moreover, the satellite capacity needs of end-user customers may be lower than the capacity requested by distributor-customers. Thus, a larger proportion of the Group's new capacity allotment agreements may involve the use of only a fraction of a transponder and not an entire transponder. If an end-user customer using a fraction of a transponder were not to pay their invoices or were not to comply with any other contractual commitment vis-à-vis the Group, the Group might not be able to discontinue the services provided to that customer without interrupting service for all customers using that same transponder. This fragmented capacity demand could have a significant negative impact on the Group's business, financial situation and results.

In addition, the Group's new consumer broadband activity includes building a base of individual subscribers to Internet services *via* a network of distributors and re-sellers, thus using a business-to-business-to-consumer model. This business model is new to Eutelsat and does not rely on a backlog as other applications do. As of 30 June 2015, around 185,000 terminals were activated on KA-SAT, including terminals for small and medium-size companies.

4.2.7 THE GROUP IS FACED WITH CONSIDERABLE COMPETITION FROM SATELLITE AND TERRESTRIAL NETWORK OPERATORS

The Group is faced with considerable competition from international, national and regional satellite operators. The Group's main competitors are other major international satellite operators, such as SES and Intelsat. These competitors offer greater satellite capacity and geographical coverage than the Group, and more financial resources are available to them. The Group is also in competition with regional and national satellite operators, some of which enjoy advantages (*e.g.* tax or regulatory advantages) in their domestic markets. Increased competition between satellite operators could lead to greater pressure on prices, which could have a significant negative impact on the Group's business, financial position and results.

The Group is also in competition with terrestrial network operators (cable, fibre optic, DSL, radio multiplex transmission and VHF/UHF transmission, especially digital) for many transmission services and Value-Added Services, particularly for broadband IP access but also for TV broadcasting services (ADSL TV, DTT). Heightened competition could result in greater pressure on prices for satellite broadcasting and telecommunications services. Furthermore, any improvement or increase in the geographical reach of the terrestrial network operators could prompt the Group's customers to opt for the telecommunications solutions offered by these operators, thereby making it more difficult for the Group to keep or develop its customer portfolio. Stiffer competition with terrestrial network operators could thus have a significant negative impact on the Group's business, financial position and results.

4.2.8 TECHNOLOGICAL CHANGES COULD MAKE THE GROUP'S SATELLITE TELECOMMUNICATIONS SYSTEM OBSOLETE

Some technological innovations that could be developed in the future with alternatives to satellites could render satellite technology obsolete.

The telecommunications industry is subject to rapid technological change. Should the Group not be in a position to adapt to these changes quickly and efficiently, its satellite telecommunications system could become obsolete. As such, the Group's competitive position could be weakened, especially if its competitors were capable of incorporating these new technologies into their own systems. If the Group's satellite telecommunications system were to become obsolete, demand for its services could decrease, which would have a significant negative impact on its business, financial situation and results.

4.2.9 THE GROUP'S DEVELOPMENT STRATEGY DEPENDS PARTLY ON EXPANDING INTO GEOGRAPHICAL AREAS IN WHICH IT HAS LITTLE OR NO EXPERIENCE AND WHERE PRICES COULD COME UNDER PRESSURE

The Group's future development depends, in part, on its ability to develop in geographical areas in which it has little or no experience and where there could be substantial competitive and price pressure. This could result in prices that are often lower than those seen in Europe. This competitive context could limit the Group's ability to penetrate these markets or be competitive within them.

The acquisition of Satmex and the integration of its employees allowed the Group to strengthen its competencies, notably in terms of experience and knowledge of American markets. These skills will be relevant for the future development projects of the Group in the area, particularly for the sale of capacity on the future satellites covering the Americas.

Furthermore, in order to facilitate distribution and marketing of its services in those areas, the Group could seek to enter into agreements with other companies, such as joint ventures or partnerships. However, it might not be able to identify or enter into agreements with appropriate partners. Furthermore, these agreements could involve a number of risks arising, for example, from a lack of control over projects, conflicts of interest between the partners, the possibility that any one of them might not meet one of its obligations (particularly those regarding its equity investments) and the difficulty faced by the Group in maintaining uniform standards, control procedures and policies.

If the Group is unable to penetrate these markets in satisfactory economic conditions or, as the case may be, with appropriate partners, this could prevent the Group from implementing its development strategy. This could have a significant adverse impact on its business, financial situation, results and growth objectives.

4.2.10 THE GROUP HAS UNDERTAKEN NEW AND INNOVATIVE PROJECTS, THE PROFITABILITY OF WHICH IS NOT GUARANTEED

The Group has made major investments in new infrastructure including KA-SAT, launched in December 2010 and a complex network of terrestrial stations used for marketing different types of services and, particularly, satellite broadband Internet access solutions to consumers across Europe. In FY 2014-2015, the Group developed the innovative software-defined "Eutelsat Quantum" class of satellites and ordered the first satellite in July 2015.

The development of these new activities depends greatly on the prospects for growth in demand for satellite services. This demand may not materialise, or the Group may be unable to respond to it.

Furthermore, the Group's failure to develop, operate or sell these innovative projects, especially the KA-SAT project, would have a detrimental effect on the Group's prospects and growth targets and accordingly, a significant negative effect on its business, financial situation and results.

4.2.11 THE GROUP MAY BE AFFECTED BY THE DEPARTURE OF KEY EMPLOYEES OR BE UNABLE TO HIRE THE STAFF NEEDED FOR ITS OPERATIONS

For management and operational purposes, the Group relies on a number of key employees who have very specialised skills and extensive experience in their respective fields. If these employees were to leave, particularly those occupying commercial, technical and regulatory positions, the Group might have difficulty in replacing them. Moreover, the Group's business, characterised by continuously-evolving technology, requires the ability to constantly attract new, highly qualified employees. In the future, if the Group is unable to retain or replace these employees, or is unable to attract new, highly-qualified employees, this could have a significant negative impact on its business, financial situation and results.

4.2.12 PREVENTION AND MANAGEMENT OF THE GROUP'S COMMERCIAL RISKS

Management and follow-up of contracts with customers

The Group's contracts with customers are entered into by Eutelsat S.A. or its subsidiaries on the basis of standard models prepared by the Legal and Commercial Departments of Eutelsat S.A.

Any change to the standard format is examined by Eutelsat S.A.'s Legal Department before the contracts are signed by those with the appropriate level of authority.

The signature of sales contracts is subject to a number of approvals which vary according to the annual value of each commitment. Depending on the amounts and the nature of services involved, the signature of Eutelsat S.A.'s Commercial Director, Multimedia Department Director, General Counsel or Chief Executive Officer (or Deputy CEO) may be required.

The drawing up of capacity allotment agreements is based on complex procedures aimed at ensuring that contracts have been duly signed and customers are billed in accordance with the terms of contracts. During each financial year, the sales cycle, which the Management of the Group deems to be one of the key processes, is the subject of an in-depth audit. The aim of these recurring annual audits is to evaluate the suitability of the internal procedures in place and, on the basis of the findings, ensure that appropriate modifications are made to increase the reliability of these internal procedures contributing to the recognition of revenue.

Allotment agreements are the subject of monthly and quarterly reports prepared jointly by the Commercial and Finance Departments.

Customer contract risk

All new customers are systematically assessed by the Finance Department's Credit Management team to determine the level of financial guarantees required. All late payments are the subject of in-depth analysis with the relevant client-managers within the Sales and Legal Departments followed, as required, by appropriate measures.

The Group has also taken out a credit insurance policy to improve coverage of customers default risks (see Section 4.1.10, "Insurance").

4.3 Liquidity risks

4.3.1 THE GROUP HAS A HIGH LEVEL OF DEBT

As of 30 June 2015, the Group's consolidated net debt was 3,841million euros and mainly comprised: (i) 600 million euros of borrowings under Eutelsat Communications Refinancing Loan, (ii) 2,880 million euros of bonds issued by Eutelsat S.A., (iii) 667 million euros of debt related to satellite and launch services financing agreements, (iv) 115 million euros for the Foreign exchange portion of the cross-currency swap; and (v) 420 million euros in cash and marketable securities (net of bank credit balances).

The Group's high leverage could:

- make it difficult for the Group to meet commitments regarding its debt;
- limit the Group's ability to obtain loans or raise additional equity capital;
- increase the Group's vulnerability in an unfavourable economic or industry environment;
- limit the Group's ability to make certain types of investments.

All of the consequences relating to the Group's high debt level, including those mentioned above, could affect the Group's ability to meet its debt-related commitments, which could result in a significant negative impact on the Group's business, financial situation and results.

Since 30 June 2014, the Group has concluded the early refinancing of the 800 million euro bank term loan of the holding company, Eutelsat Communications S.A, expiring in December 2016.

The refinancing, arranged by a pool of nine banks, was undertaken *via* the following operations:

- A new term loan of 600 million euros expiring in March 2020 (with two possible extension facilities of one year each subject to lender agreement) remunerated at a EURIBOR rate plus a margin linked to the long term rating attributed to Eutelsat Communications S.A. by Standard & Poor's (S&P);
- The early reimbursement of 200 million euros, using the Group's cash reserves which amounted to 469 million euros at 31 December 2014.

These operations enable Eutelsat to extend its debt maturity profile and will reduce financial charges by circa 15 million euros before tax on an annualized basis (excluding arrangement fees and hedging instruments).

At the same time, the Group renegotiated a revolving credit facility of 200 million euros for a duration of five years with two possible extension facilities of one year each subject to lender agreement, replacing the previous facility of the same amount, expiring in December 2016.

As of 30 June 2015, the breakdown of Group's financing sources was the following: 16% bank debt, 78% bonds and 6% export-credit agencies (excluding financial leases).

The following table sets out the financial liability repayments:

Total flows	30 June 2015		30 June 2016		30 June 2017		30 June 2018		30 June 2019		30 June 2020		Beyond 5 years		Total	
(in millions of euros)	Balance Sheet value	Contractual flows	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Bank loan Eutelsat Communications S.A.	(597.1)	(625.7)	0.0	(5.4)	0.0	(5.4)	0.0	(5.4)	0.0	(5.4)	(600.0)	(4.1)	0.0	0.0	(600.0)	(25.7)
Eutelsat S.A. bonds	(2,860.1)	(3,307.2)	0.0	(108.9)	(850.0)	(108.9)	0.0	(73.8)	(800.0)	(73.8)	(930.0)	(33.8)	(300.0)	(28.1)	(2,880.0)	(427.2)
US Ex-Im export credit financing	(44.2)	(48.5)	(7.0)	(0.8)	(7.0)	(0.6)	(7.0)	(0.5)	(7.0)	(0.4)	(7.0)	(0.3)	(10.6)	(0.2)	(45.7)	(2.7)
ONDD export credit financings	(179.8)	(202.5)	(11.0)	(3.1)	(22.0)	(2.8)	(22.0)	(2.5)	(22.0)	(2.1)	(22.0)	(1.7)	(88.0)	(3.3)	(187.0)	(15.5)
Finance leases	(433.9)	(553.8)	(20.5)	(2.6)	(20.2)	(10.7)	(23.9)	(12.2)	(26.8)	(10.8)	(27.7)	(10.1)	(314.8)	(73.5)	(433.9)	(119.9)
Interest-rate derivatives	(108.4)	(108.4)	(4.0)	0.0	-	0.0	0.0	0.0	0.0	0.0	(104.4)	0.0	0.0	0.0	(108.4)	0.0
TOTAL FINANCIAL DEBT	**(4,223.5)**	**(4,846.2)**	**(42.5)**	**(120.7)**	**(899.2)**	**(128.4)**	**(53.0)**	**(94.4)**	**(855.8)**	**(92.5)**	**(1,691.1)**	**(50.0)**	**(713.4)**	**(105.1)**	**(4,255.1)**	**(591.0)**
Other financial liabilities	(86.8)	(86.8)	(56.5)	0.0	(8.1)	0.0	(22.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(86.8)	0.0
TOTAL FINANCIAL LIABILITIES	**(4,310.3)**	**(4,933.0)**	**(99.0)**	**(120.7)**	**(907.3)**	**(128.4)**	**(75.2)**	**(94.4)**	**(855.8)**	**(92.5)**	**(1, 691.1)**	**(50.0)**	**(713.4)**	**(105.1)**	**(4,341.9)**	**(591.0)**

The following table presents credit line maturities:

(in millions of euros)	30 June 2015	June 2016	June 2017	June 2018	June 2019	June 2020
Maturity of available unused credit facilities	(650.0)	-	-	-	(450.0)	(200.0)

The following table presents the maturity schedule for financial assets:

	Total flows	June 2016	June 2017	June 2018	June 2019	June 2020	Beyond 5 years
(in millions of euros)	30 June 2015	Principal	Principal	Principal	Principal	Principal	Principal
Interest-rate derivatives	2.4	2.4	-	-	-	-	-
Financial assets	39.0	27.1	-	-	-	-	11.9
Cash	204.9	204.9	-	-	-	-	-
Cash equivalents	215.4	215.4	-	-	-	-	-
TOTAL FINANCIAL ASSETS	**461.7**	**449.8**	**-**	**-**	**-**	**-**	**11.9**

4.3.2 IN ORDER TO SERVICE ITS DEBT, THE GROUP WILL REQUIRE SUBSTANTIAL CAPITAL RESOURCES WHICH IT MIGHT NOT BE IN A POSITION TO RAISE. THE GROUP'S ABILITY TO ACCESS THE CAPITAL REQUIRED DEPENDS ON MANY FACTORS, SOME OF WHICH ARE BEYOND ITS CONTROL

If the Group were not able to meet its debt-related obligations, it could be forced to refinance or restructure its debt. The Group's ability to restructure or refinance its debt would depend on different factors, some of which are beyond its control. Any refinancing of its debt could be done under less favourable terms, which could restrict the Group's operational and financial flexibility. If the Group is unable to service its debt or refinance under financially-acceptable terms, this could have a significant adverse impact on its business, financial situation and results.

Moreover, the Group's ability to implement its strategy and generate cash flow depends on economic, financial, competitive, legal, regulatory, commercial and other factors, which are outside its control and which will determine its future performance. If the Group's operating cash flow is not sufficient to cover its investment expenditure and debt servicing, it could be forced to:

- postpone or reduce investments;
- sell assets;
- relinquish commercial opportunities or opportunities for external growth (including acquisitions);
- obtain loans or additional equity; or
- restructure or refinance all or part of its debt.

The Group might not be in a position to perform any of these transactions or succeed in performing them in the time required or on satisfactory economic terms, which could have a significant negative impact on its business, financial situation and results.

4.3.3 A CHANGE IN THE GROUP'S DEBT RATING COULD AFFECT THE COST AND TERMS OF ITS DEBT AS WELL AS ITS ABILITY TO RAISE FINANCING

The Group's debt instruments are rated by independent rating agencies, namely (i) Moody's Investor Service (with the Eutelsat Communications S.A.'s debt rated Ba1/Stable Outlook and Eutelsat S.A.'s debt rated Baa3/ Stable Outlook) and (ii) Standard & Poor's (with Eutelsat Communications S.A.'s debt rated BBB-/ Stable Outlook and Eutelsat S.A.'s debt rated BBB/ Stable Outlook). These ratings affect the cost and terms of the Group's credit facilities. Any future rating downgrades, should they occur, could affect the Group's ability to obtain financing and the terms associated with that financing. On 1 August 2013, following the announcement by the Group of the acquisition of Satmex, Standard & Poor's and Moody's Investors Service put the Group's credit ratings under watch with negative implications. They indicated that this could result in a downgrade of the Group's credit ratings by a maximum of one notch, depending on the final structure of the acquisition financing. In October 2013, Standard & Poor's removed the watch and confirmed the BBB- rating of Eutelsat Communications S.A.'s debt and the BBB rating of Eutelsat S.A.'s debt, albeit with a Negative Outlook (Stable Outlook previously). On 28 November 2013, Moody's lowered the rating of Eutelsat S.A.'s debt from Baa2 to Baa3 (with Stable Outlook) and the rating of Eutelsat Communications S.A.'s debt from Baa3 to Ba1 (with Stable Outlook). On 23 September 2015, Standard & Poor's raised its outlook from Negative to Stable.

Ratings are unchanged since the events mentioned above.

The Group cannot guarantee that it will be able to take measures enabling it to improve or maintain its ratings, nor that agencies will regard such measures as sufficient. Additionally, factors beyond the Group's control, such as those related to its industry segment or the geographical areas in which it operates, may affect its credit ratings.

Consequently, the Group cannot guarantee that its debt rating will not be downgraded in the future, which could have a significant negative impact on its business, financial situation and results.

4.3.4 THE COMPANY IS A HOLDING COMPANY THAT DEPENDS ON ITS SUBSIDIARIES FOR THE RESOURCES REQUIRED TO PAY DIVIDENDS. THE ABILITY OF ITS SUBSIDIARIES TO MAKE DISTRIBUTIONS MAY BE SUBJECT TO CERTAIN CONSTRAINTS

The Company is a holding company that has only limited capacity to generate revenues. The Company therefore depends on its subsidiaries for the resources required for any payment of dividends or any other form of distribution to its shareholders.

As of 30 June 2015, the Company had a high level of debt with 600 million euros in bank borrowings drawn under the Refinancing Agreement. These borrowings do not carry guarantees from Eutelsat Communications subsidiaries, nor any pledge of assets to the lenders.

The distributable funds of its principal operating subsidiary, Eutelsat S.A., could be seriously affected by its costs, whether or not they result in any disbursement and, in particular, by any impairment of assets recorded in Eutelsat S.A.'s financial statements. In the past, Eutelsat S.A. recorded substantial asset write-downs and may record such write-downs in the future, thereby reducing its distributable net income. Any decline in its subsidiaries' distribution capacity could have a significant negative impact on the Company's financial situation and results.

4.3.5 EUTELSAT S.A., THE GROUP'S MAIN OPERATING SUBSIDIARY, COULD BE SUBJECT TO NEW FINANCING REQUESTS REGARDING THE FINANCIAL GUARANTEE IT PROVIDES TO THE IGO'S CLOSED PENSION FUND

Before Eutelsat S.A. was set up and prior to the transfer by IGO of its operating activities, the IGO managed a pension fund (the "Closed Pension Fund") for its staff members. The rights of the Closed Pension Fund's beneficiaries were fixed, and management of the fund and the corresponding assets were assigned to a Trust, which was also charged with managing the associated pension liabilities.

As of 30 June 2015, the discounted value of the Trust's pension liabilities amounted to 231.8 million euros in Eutelsat Communications' consolidated financial statements, and the fair value of its assets was 153.6 million euros. The calculation of total pension liabilities is based on actuarial assumptions including the discount rate, the long-term yield on assets invested, and the estimated life expectancy of the Closed Pension Fund's beneficiaries. Estimated total pension liabilities may be higher or lower depending on the scenario applied. Pursuant to the transfer agreement dated 2 July 2001, Eutelsat S.A. took over the unlimited financial guarantee given by the IGO to cover any financing shortfall in the Closed Pension Fund. Any shortfall in the amount needed to finance the Closed Pension Fund could involve the Group in new obligations as regards the financial guarantee, which could have a significant negative impact on the Group's business, financial position and results. The unlimited financial guarantee taken over by Eutelsat S.A. may be activated under certain conditions so as to make up for any such future funding shortfall. During the year ended 30 June 2014, the amount of guarantee being called upon was 2.5 million euros. This amount was measured on the basis of the Trust's projections, taking into account future market developments and will be paid in three settlements during the financial year ending 30 June 2014, 2015 and 2016.

Furthermore, in accordance with the agreements governing the Closed Pension Fund, the Trust's administrators have the power to liquidate the Closed Pension Fund if certain events should occur, including if they deem that the Closed Pension Fund cannot continue to be managed effectively. In the event that administrators of the Trust liquidate the Closed Pension Fund, they would appoint an actuary to determine any shortfall between the value of the Closed Pension Fund's assets compared to its liabilities, and the Group would be compelled to pay the difference, which could be substantial.

The Group cannot predict with great certainty the amount it might have to pay if the guarantee were enforced. Any financing shortfall in the Closed Pension Fund could generate new obligations for the Group pursuant to the financial guarantee. This could have a significant negative impact on the Group's business, financial situation and results.

4.3.6 THE GROUP MANAGES LIQUIDITY RISK

As of 30 June 2015, available cash assets amounted to 420 million euros, in addition to 650 million euros of bank credit facilities which had not been drawn as of that date. The Group believes that it is not exposed to any significant liquidity risk.

As of 30 June 2015, the Group complied with all of the covenants on its various credit facilities as described in Section 6.1.3.3 "Changes in debt and the Group's financing structure" of this Reference Document. In particular, the net debt to EBITDA ratio has changed in recent financial years from 3.5 as of 30 June 2014 on a pro-forma basis (including July to December 2014 Satmex EBITDA) to 3.4 as of 30 June 2015.

The Group manages liquidity risk by using a tool enabling it to monitor and manage its recurrent cash flow needs. This tool takes account of the maturity of financial investments, financial assets and estimated future cash flows arising from operations.

The Group's goal is to maintain a balance between continuous funding and flexibility by use of overdrafts, short-term bank loans, bond issues, revolving credit lines and satellite lease contracts.

The Group's main maturities are December 2016 (800 million euros), March 2017 (850 million euros), January 2019 (800 million euros), January 2020 (930 million euros) and October 2022 (300 million euros).

4.4 Regulatory risks

4.4.1 EUTELSAT S.A., THE GROUP'S MAIN OPERATING SUBSIDIARY, IS SUBJECT TO THE AMENDED CONVENTION OF EUTELSAT IGO, AND EUTELSAT COMMUNICATIONS IS SUBJECT TO THE LETTER-AGREEMENT

Eutelsat S.A. by-laws provide that the international treaty establishing the Eutelsat IGO, dated 15 July 1982 and amended on 20 May 1999 (hereinafter the "Amended Convention"), is a "Reference Document" for the conduct of Eutelsat S.A.'s business activities.

Furthermore, the reciprocal rights and obligations of Eutelsat S.A. and Eutelsat IGO are defined in an agreement pursuant to the Amended Convention (the "Arrangement") dated 2 July 2001.

The rights of Eutelsat IGO under the Arrangement allow Eutelsat IGO to ensure that Eutelsat S.A. abides by the "Basic Principles" defined in the Amended Convention, namely: the public service/universal service obligation for telephony services connected to the international public switched network; the provision of audiovisual services in compliance with relevant international agreements, including the European Convention on transfrontier television and national regulations; the pan-European coverage of the satellite system and compliance with the principles of non-discrimination and fair competition in defining its strategy and conducting its business.

For a complete description of Eutelsat S.A.'s obligations under the Arrangement, see Section 5.6 "Other provisions applicable to the Group".

With a view to allowing the Company to carry out an initial public offering of its shares, Eutelsat Communications and Eutelsat IGO signed a Letter-Agreement dated 2 September 2005 (the "Letter-Agreement") by which the Company made certain commitments to Eutelsat IGO.

Moreover, to facilitate reporting to Eutelsat IGO on the Company's operations, the Executive Secretary of Eutelsat IGO attends meetings of the Eutelsat S.A. Board of Directors and, since the IPO of Eutelsat Communications, has attended meetings of the latter's Board of Directors as an Observer.

Eutelsat IGO's assessment of Eutelsat S.A.'s operations and strategy, in terms of the obligation to observe the "Basic Principles", and the Group's financial policy, could be different from that of the Group. As a result, taking into account Eutelsat IGO's recommendations or requests could reduce the Group's responsiveness and flexibility in conducting its business, managing its debt and equity and defining its distribution policy, and could have a significant negative impact on the Group's business, financial situation and results.

4.4.2 THE APPLICATION OF INTERNATIONAL REGULATIONS ON CO-ORDINATING FREQUENCY ASSIGNMENTS COULD MAKE IT MORE DIFFICULT FOR THE GROUP TO IMPLEMENT ITS DEPLOYMENT PLAN

Frequency assignments are co-ordinated internationally according to the International Telecommunication Union's (ITU) "Radio Regulations". The purpose of this coordination is to limit the risks of interference between broadcasts (see Section 5.1 "Regulations governing frequency assignments and international coordination" for a description of the frequency assignment coordination procedure).

Eutelsat S.A. has a number of frequency assignments for which the international coordination procedure, in accordance with the general regime defined by the ITU's Radio Regulations (see Section 5.1 "Regulations governing frequency assignment and international coordination") is not yet complete and/or is not yet in operation with any of the Group's satellites. As regards assignments for which the coordination procedure is not yet complete, priorities for these assignments and for third parties involved in the coordination could mean that coordination restricts the Group's ability to fully operate some of these assignments. As regards assignments for which the coordination procedure is not yet in operation, the Group might not be in a position to activate them within the timeframes set by the Radio Regulations, which would result in a loss of their current priorities. Both situations could have a significant adverse impact on the Group's activities, financial situation and results.

The Group also has certain frequency assignments governed by one of two special regulations (see Section 5.1.1 "International coordination of frequency assignments under the Radio Regulations"). If any State decides to exercise their rights under these systems, or if these special regimes are amended, the Group could be forced to change or discontinue the current use of its assignments, which could have a significant negative impact on its business, financial situation and results.

Finally, the ITU's Radio Regulations provide only for voluntary resolution of disputes in the event of disagreements between the ITU's Member States over non-compliance with international regulations governing coordination of their frequency assignments. The Group could be forced to accept the result of an unfavourable agreement between ITU Member States relating to frequency assignments it uses. This could have a significant negative impact on the Group's business, financial situation and results.

4.4.3 THE GROUP'S PROVISION OF SATELLITE TELECOMMUNICATIONS SERVICES IS SUBJECT TO CERTAIN SPECIFIC STATUTORY AND REGULATORY PROVISIONS

The satellite telecommunications industry in which the Group operates is governed by extensive regulation (see Section 5 "Regulations"). Changes in policy or regulation on a global level within the framework of the ITU or within the European Union, France or other countries in which the Group does business could have a significant negative impact on the Group's activities, financial situation and results, particularly if such changes increase costs and regulatory restrictions relating to the Group's services.

The Group must be able to maintain its existing frequency assignments at the orbital positions at which it operates its satellites or where it might need to redeploy some of its satellites. It must also be able to obtain new frequency assignments, at the same or new orbital positions, for the future expansion of its business.

In France, regulations on obtaining and using assigned frequencies relating to a satellite system have been in force since the "Confidence in the Digital Economy Act" (No. 2004-575 of 21 June 2004) and the Decree of 11 August 2006 (see Section 5.1.3 "French regulations relating to satellite frequency assignments and their operation"). Being strictly applied, this regulation has already to some extent, and could in future, limit the Group's ability to obtain new assigned frequencies from the French authorities or to use them as it would like. Such a situation could have a significant negative impact on the Group's business, financial situation and results.

Currently, the cost of requests for frequency assignments from the ITU and those of requests for frequency usage authorisations consists solely of the handling costs of the *Agence nationale des fréquences.* A change in the pricing policy could prompt the authorities to charge operators for part of the economic value of the orbital positions they operate. This could have a significant adverse effect on the Group's business, financial situation or results.

Furthermore, the use of radio frequencies by RF earth stations is covered by authorisations issued by ARCEP ("frequency assignments", see Section 5.2.1 "Regulations in France"). Changes in global, European or national regulatory policies could mean that certain frequency bands previously open to satellites could no longer be accessed through future authorisation requests in France. This is the case with the 3.4-3.8 GHz band, which cannot be used at present for Fixed Satellite Services. Such a situation could have a significant negative impact on the Group's business, financial situation and results.

When developing new businesses, the Group could be subject to regulatory requirements including those relating to broadcasting (content broadcast) and earth stations. Compliance with these new regulatory requirements could involve considerable investment of time and resources. Furthermore, the Group cannot guarantee that it will be able to obtain or maintain the necessary authorisations, which could delay or interfere with the provision of services to clients in the affected countries or the implementation of its development strategy, thereby having a significant negative impact on its business, financial situation and results.

The amendment of applicable regulations could also limit or prevent the obtaining or retaining of the requisite authorisations regarding the Group's current business or its development strategy, which could have a significant negative impact on the Group's business, financial position and earnings.

Furthermore, some States could decide to impose a system of taxation on satellite operators for satellite broadcast reception in their territory. Such a development could have a significant negative impact on the Group's business, financial situation and results.

4.4.4 SINCE 10 DECEMBER 2010, THE GROUP HAS BEEN SUBJECT TO NEW REGULATIONS UNDER THE FRENCH SPACE OPERATIONS ACT

The Space Operations Act was published in France's *Journal officiel* on 4 June 2008, and its application decrees were published on 10 June 2009. The Group is mainly affected by Decree No. 2009-643 on authorisations. The Act has been in force since 10 December 2010 and is described in Section 5.4 "Regulations governing Space Operations".

The application of the Space Operations Act could therefore have a significant negative impact on the Group's business, financial situation and results.

4.4.5 THE GROUP IS SUBJECT TO STRICT REGULATION GOVERNING THE CONTENT OF PROGRAMMES BROADCAST *VIA* ITS SATELLITES

Regulations on the broadcasting of television programmes in the European Union provide that each Member State must ensure that the programmes transmitted comply with applicable laws on broadcasts to the general public, especially for the purpose of the protection of minors and the avoidance of incitement to hatred or violence on grounds of race, sex, religion, habits or nationality.

As a French satellite operator, the Group could be given formal notice to cease broadcasting of a television channel from outside the European Union if the channel's content does not comply with French laws and regulations or if it is likely to damage public order (see Section 5.3 "Regulations governing content"). However, the Group might not be technically able to cease the broadcast without being forced to interrupt the transmission of other television channels that are part of the same multiplex on the same transponder. These television channels might then terminate contracts for that capacity and apply for compensation, which could have a significant negative impact on the Group's business, financial situation and results.

Any competent regulatory authority in Europe (see Section 5.3.1 "Audiovisual media services directive") could issue an order to interrupt broadcasting of new non-European channels. As a result, if at any time, governmental or judicial decisions prevent the Group from delivering its transmission services, it could find it more and more difficult to pursue its policy of long-term contracts for the transmission of television channels with non-French customers, thereby encouraging some of its customers to use the services of competing operators, which would have a negative impact on the Group's business, financial situation and results.

This risk can vary from one member state to another, with certain legislations adopting more flexible policies within the limits authorised by the community framework, and each regulator adopting its own interpretation of adherence to the principles.

Certain steps relating to channels that may create compliance problems under French law and the European directive (which is merely transposed by national legislation) are initiated by the Commission itself. Such steps may therefore have repercussions, regardless of the designated national regulator within the European Union. The position of one or another of the appropriate European regulators may, moreover, change and become entrenched over time, and this can neither be predicted nor prevented.

Finally the "Audiovisual Media Services" directive is due to be revised in 2016. Any changes, subsequently implemented within national legislations, could relate to the subsidiary criteria of determination of competence for non-European channels broadcast *via* satellite, as well as revisiting the principle of the country of origin. Should these revisions lead to the adoption of non-operational criteria to determine the competent regulator, or to a more fragmented regulatory environment, they could have an adverse effect on the financial condition and the results of the Group. Nevertheless, Eutelsat is consulted on such matters by the group of European regulators (ERGA), and has already had the opportunity to formulate propositions aimed at clarifying and simplifying the application of subsidiary principles, while at the same time protecting its activities from a for adverse future regulatory environment.

4.4.6 THE GROUP IS SUBJECT TO OTHER REGULATIONS APPLYING TO THE CHANNELS IT BROADCASTS

Some channels broadcast by the Group could be explicitly addressed by United Nations resolutions transposed *via* European Union regulations, introducing restrictive measures against some entities, or citing them directly in European regulations. These European regulations are directly applicable to the Group, which must ensure that none of the listed channels are broadcast using its satellites (see Section 5.3.2. "1986 French law on freedom of communication").

Considering the number of channels broadcast by the Group, and the absence of direct contractual links with television channels, the risk of transmitting channels covered by such regulations is real, representing a potentially significant negative impact on the Group's business, financial situation, and results.

4.5 Market risks

The Group is exposed to market risks, principally in terms of currency and interest rates, and the Executive Board actively manages this risk exposure using various derivative instruments. The goal is, where appropriate, to reduce revenue and cash flow fluctuations arising from interest-rate and foreign exchange rate variations.

The Group's policy is to use financial derivative instruments to manage such exposure. These instruments are traded over-the-counter with first-rate banking counterparts. The Group does not engage in financial transactions whose associated risk cannot be quantified at their outset, *i.e.* the Group never sells assets it does not possess or does not know it will subsequently possess.

4.5.1 FOREIGN EXCHANGE RISK

The euro is the currency used by the Group to draw up its financial statements. However, since a portion of the Group's activities is carried out outside the eurozone and as some of its principal suppliers are located outside the eurozone, the Group must contend with the risk of fluctuations in foreign exchange rates when conducting its business.

Some of the Group's revenue, costs and investments are denominated in other currencies, mainly the U.S. dollar, which represented 31% of revenues in FY 2014-2015. As a result, fluctuations in exchange rates may have an impact on the Group's results.

Moreover, considering that the development of the Group's business outside the eurozone is a key component of its business strategy, its exposure to exchange rate fluctuations could increase in the future. This geographical expansion could notably result in an increase in EUR/USD exchange rate risks.

The Group is also exposed to EUR/USD exchange rate risks because some purchases of satellites and launch services are denominated in U.S. dollars. These contracts involve significant amounts, generally in excess of 50 million U.S. dollars, whose payment may be phased over time. As of 30 June 2015, the Group owed phased payments totalling 132 million U.S. dollars during the financial year 2015-2016, mainly regarding five contracts in U.S. dollars.

Fluctuating exchange rates could lead to an increase in the price of the Group's capacity and services when paid in currencies other than the euro. These fluctuations could then reduce demand from customers paying in currencies other than the euro. Even if there is no change in demand, fluctuations in the exchange rate could have an impact on the Group's revenues because a portion of its revenues is in currencies other than the euro.

In order to hedge the risks of fluctuating foreign exchange rates, the Group carries out synthetic forward sales of U.S. dollars and euros with knock-in options which are exercised or not, depending on the exchange rates on their expiry date. The Group does not automatically hedge all of its contracts denominated in U.S. dollars.

Moreover, the Group's clients located in emerging countries may encounter difficulties in obtaining euros or U.S. dollars, especially because of currency controls or may face a strong decrease of the euro-equivalent of revenues generated in local currency. This could significantly affect their ability to pay in euros or in U.S. dollars, thereby exposing the Group to additional exchange rate risks.

In fiscal year 2014-2015, the general economic environment in Russia, and in particular the sharp fall in the value of the rouble has put pressure on Eutelsat's Russian customers with euro-denominated contracts. For these reasons Eutelsat accepted to renegociate with its Russian clients with the aim of alleviating some contract term. For fiscal year 2014-2015, the impact on revenues was circa 2 million euros.

Finally, during the last financial year the Group acquired Satélites Mexicanos, whose accounts are expressed in U.S. dollars. EUR/USD exchange-rate variations could therefore generate a translation risk when the Group consolidates the accounts of this subsidiary.

In order to hedge the translation risk, the hedging policy of the Group consists in creating liabilities denominated in the currency of the cash-flows generated by these assets. Among the hedging instruments used, The Group also uses currency derivatives (cross-currency swaps), documented as hedges of net investments in foreign operations.

The Group put in place foreign exchange rate swaps for a notional amount of 500 million euros in order to hedge its net investment in Satmex.

Considering its exposure to foreign-currency risk, the Group believes that a 15-cent increase in the euro/U.S. dollar exchange rate would have no significant impact on Group income and would result in a negative change in Group OCI (operating companies income) amounting to (265.3) million euros and a change of 100.0 million euros in Group translation reserve related to cross-currency swap.

Please refer to the Note 26.1 of the notes to the consolidated financial accounts for more information.

The following table shows the situation (in millions of euros) for all existing foreign currency hedging instruments as of 30 June:

	Notional amounts		
	2013	2014	2015
Synthetic forward transaction with knock-in option	68.7	-	121.3
Cross-currency swap (Eutelsat S.A.)	-	500	500

4.5.2 INTEREST RATE RISK

The Group manages its exposure to interest rate volatility by maintaining a portion of its debt at fixed rates (Eutelsat S.A. bond issues) and by hedging most of its floating-rate credit lines.

The following table shows the situation for all existing interest-rate hedging instruments as of 30 June 2015:

(in millions of euros)	Contractual/ notional values at 30 June 2015	Fair value at 30 June 2015	Change in fair value over the period	Impact on income	Impact on equity
Swaps (Eutelsat Communications S.A.)	350.0	(2.30)	3.50	(1.30)	4.80
Tunnels (Eutelsat Communications S.A.)	350.0	(1.70)	2.30	-	2.30
Caps (Eutelsat Communications S.A.)	100.0	-	-	-	-
TOTAL	**800.0**	**(4.00)**	**5.80**	**(1.30)**	**7.10**

The net interest-rate position as of 30 June 2015 was as follows:

(in millions of euros)	Financial assets (a)		Liabilities (b)		Net position before hedging (c)=(a)-(b)		Off balance-sheet (fixed rate swaps, caps, collars) (d)		Net position after hedging (e)=(c)+(d)	
Maturity	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate
Less than 1 year	0.0	420.3	88.0	11.0	(88.0)	409.3	0.0	800.0	(88.0)	1,209.3
From 1 to 5 years	0.0	0.0	3,441.4	88.0	(3,441.4)	(88.0)	0.0	0.0	(3,441.4)	(88.0)
More than 5 years	0.0	0.0	625.4	88.0	(625.4)	(88.0)	0.0	0.0	(625.4)	(88.0)
TOTAL	**-**	**420.3**	**4,154.8**	**187.0**	**(4,154.8)**	**233.3**	**0.0**	**800.0**	**(4,154.8)**	**(1,033.3)**

Please refer to the Note 26.2 of the notes to the consolidated financial accounts for more information.

Although the Group has a pro-active interest-rate risk management policy, a substantial increase in interest rates could have a negative impact on its business, financial situation and results.

4.5.3 COUNTERPARTY RISK

Counterparty risk includes issuer risk, execution risk in connection with derivatives or monetary instruments, and credit risk regarding liquidity and forward investments. The Group minimises its exposure to issuer risk and its exposure to execution and credit risk by acquiring financial products from first-rate financial institutions or banks. Exposure to these risks is closely monitored and maintained within predetermined limits. As of 30 June 2015, the Eutelsat Communications banking syndicate comprised eight lenders with Eutelsat S.A.'s banking syndicate comprising six banks.

If any of the lenders default on the term loan portion of the credit facilities, the Group retains the amounts initially allocated in full. If any counterparty defaults on the revolving part of a credit facility, the amount obtained may be less than the total amount requested. In this case, the Group has the possibility of drawing one or more additional amounts from the other counterparties in order to obtain the extra sums needed to make up the total amount required.

The Group does not expect any losses resulting from a failure by its counterparts to respect their commitments under the agreements it has concluded. As of 30 June 2015, the counterparty risk is not significant.

Risks linked to the Group's clients and suppliers are outlined, respectively, in Sections 4.1.3 "The Group's satellite deployment plan is dependent on a few major suppliers" and 4.2.5 "The Group is dependent on several major customers" of this Reference Document. The analysis of accounts receivable (matured and unmatured) can be found in Note 10.2 to the consolidated financial statements under Section 6.2 of this Reference Document.

05

REGULATION

The provision of satellite capacity and services is highly regulated. As a satellite operator providing satellite capacity and services in a number of countries, the Group must comply with national regulations in countries in which it provides or seeks to provide capacity and services, and its operations are also governed indirectly by international regulations with which these countries themselves must comply. These various regulations fall into six categories:

- national regulations governing access to the radio frequency spectrum and their coordination at international level;
- national regulations governing the deployment and operation of telecommunications networks, the supply of telecommunications services and the operation of RF facilities on the ground ("earth stations");
- regulations governing content;
- French regulations governing space operations for which France could potentially bear international liability;
- control requirements relating to exports (regulations governing the activities of the Group's suppliers); and
- other requirements applicable to the Group, such as relations with Eutelsat IGO.

5.1 Regulations governing frequency assignments and international coordination

All radiocommunication involves the transmission of radio waves which are characterised, inter alia, by their frequencies. Transmissions on identical frequencies or on frequencies that are insufficiently differentiated run the risk of creating a disturbance between these transmissions, which can result in radio interference. This interference affects the quality of the communications to some degree and, depending on the level of severity, is deemed "permissible" or "acceptable" or, if it affects the communications to the point of making them unusable, "harmful". It is because of such risks of interference and the effect on the quality of radiocommunications services that, the International Telecommunication Union (ITU), which is a specialised United Nations agency, has a body of rules regarding "frequency assignments" and their coordination at international level to limit the risks of interference. These rules are contained in the ITU's "Radio Regulations".

The World Radiocommunication Conference (WRC) is held in Geneva every three or four years to agree on amendments to the Radio Regulations and their Appendices. The last WRC took place from 23 January to 17 February 2012 and the next one will take place from 2 to 27 November 2015.

5.1.1 INTERNATIONAL COORDINATION OF FREQUENCY ASSIGNMENTS UNDER THE RADIO REGULATIONS

The co-ordination of frequency assignments at international level aims to ensure the co-existence of satellite operations authorised by countries in the exercise of their sovereign rights (or groups of countries in their capacity as Parties to an intergovernmental organisation, which is the case of the assignments the Group inherited from the IGO when the Transformation to privatise the Company took place in 2001).

The rules governing coordination make it possible to determine whether satellite operations that have not yet commenced can begin as defined by the corresponding assignments or, if not, whether they have to be adjusted due to the risks of interference with other satellite operations. Similarly, when satellite operations have already started, and are proven to cause harmful interference to other operations, the rules define to what extent such operations can continue, with or without adjustments, or whether they must be terminated to avoid interference.

The Radio Regulations define three separate systems for frequency assignments to be used for space radiocommunications using geostationary satellites. The applicable system is determined by the frequency bands in which the frequencies to be assigned are located:

- a general system governs assignments in all frequency bands assigned to space radiocommunications services in the parts of the spectrum known as "C-band", "Ku-band", "S-band" and "Ka-band" with the exception of those explicitly governed by one of the two special systems described below;
- the first special system (referred to below as the "BSS System") governs assignments in the Ku-band spectrum assigned to the Broadcasting Satellite Service (BSS) and the corresponding resources to be used for the uplinks to the broadcasting satellites; and
- the second special system (referred to below as the "FSS System") governs assignments in specific sections of the spectrum in the C-and Ku-bands, assigned to the Fixed Satellite Service (FSS).

Under these three systems, the countries that have international responsibility for the given assignments, either individually or jointly, must submit through their competent regulatory authority (the "Administration" which, for France, is the ANFR) certain items of information about the assignments to the ITU Radiocommunication Bureau (RB). The RB then publishes this information in circulars sent out periodically to the administrations of all ITU Member States.

General system

Under the general system, an initial submission ("Advance Publication") giving only limited general information about the assignments (orbital position, frequency bands) determines the start of the regulatory seven-year period during which operation of the assignments has to begin.

A second submission, known as the "Request for Coordination", which provides very detailed information on the assignments, marks the beginning of the actual coordination process. From the date it is received by the Radiocommunication Bureau, this Request for Coordination takes priority over all assignments covered by a subsequent Request for Coordination. By virtue of this priority, when coordination between assignments covered by a subsequent Request for Coordination proves problematic or impossible, the Administration that submitted its Request for Coordination first is not required to make adjustments to its frequency assignments in order to facilitate coordination with assignments covered by a subsequent Request or Requests for Coordination.

The general system does not prohibit the implementation or operation of frequency assignments for which the coordination process has not been completed. However, in such a case, operation of these frequency assignments may have to be interrupted or adjusted if such operation causes harmful interference to operations covered by assignments with a higher priority.

Priority continues to apply for the seven -year period during which assignments can be brought into operation. If the assignments have not been brought into operation when this time limit expires, the Advance Publication and Request for Coordination are both deemed to have never existed and the Administration responsible must then restart the process and re-submit the two submissions. The new Request for Coordination then gives these assignments a lower priority than the first, placing them behind all assignments for which a Request for Coordination has been submitted in the meantime.

Assignments that are brought into use before the deadline expires continue to enjoy the priority conferred by the Request for Coordination during the full term of validity of the assignments as declared by the relevant Administration in its Request for Coordination (30-40 years for the Group's frequency assignments). There are, however, provisions in the Radio Regulations enabling an extension in the period of validity for the assignments in operation.

The special BSS and FSS systems

With these two special systems, the international community adopted a priori plans at the ITU's World Radiocommunication Conferences (WRCs). These plans guarantee all ITU Member States identical rights, irrespective of the size of their populations and territories, to make predefined use of specified amounts of radio spectrum resources in the frequency bands governed by these two systems. These predefined uses have priority over any other use of these resources. Furthermore, in contrast to the general method of coordination in which administrations that are parties to coordination can freely agree on the measures and technical conditions to be used for coordination, these special systems define highly detailed rules and technical conditions to be used for coordination.

Apart from these pre-defined frequency assignments for national coverage, public authorities may submit requests for additional frequency assignments as in the case of the general system. In this case, these two systems do not involve an initial submission (whose date, in the case of the general coordination system, determines the deadline for bringing the assignments into use), but instead call for a single detailed submission (request for registration of "additional assignments"), which, as in the general method of coordination, gives priority over subsequent submissions from the date it is received by the RB.

Under the BSS method, the submission date is the start of an eight-year period during which the assignments have to be brought into use, otherwise the entire process must be restarted with a new submission and a lower priority. Once operation has begun, it can continue for 15 years and is renewable, without loss of rights, as long as the technical specifications of these rights remain the same. As under the general system of coordination, operation may begin before the end of the coordination process with priority uses that are predefined as being additional. In situations where there is harmful interference, the priority ranking will determine the uses that can be continued without adjustments and those which will have to be interrupted or adjusted, with pre-defined uses having the highest priority.

Under the FSS system, a submission does not grant priority over assignments covered by subsequent submissions. This right is acquired only if the RB finds, after reviewing the submission, that:

- the assignments do not affect the rights of any Member State, as predetermined by the plan, or the rights acquired by a Member State for assignments covered by a submission on which the RB has previously reached a favourable finding; or, if the opposite is the case;
- the administrations whose rights would have been affected have explicitly accepted that their rights can be affected.

If the RB reaches a negative conclusion, the submission is deemed null and void. In that case, the administration concerned has to make a new submission, which will be examined by the RB after all the other submissions that have been received by the RB in the meantime.

Most of the frequency assignments the Group uses for its activities, present and future, have been granted under the general system and have either been successfully co-ordinated or benefit from a high priority.

Nevertheless, at a number of orbital positions, the Group operates under frequency assignments governed by the special BSS and FSS systems. Most of these assignments have been the subject of a successful coordination procedure. In a small number of cases, however, the Group began operation under such assignments without having yet completed the coordination process.

Resolution of disputes

The legal certainty obtained by satellite operators from the application of the Radio Regulations governing international coordination of frequency assignments depends on strict compliance with these procedures by all ITU Member States.

As a general rule, verified situations of harmful interference are handled through informal contacts at an operational level (control centres) between the operators concerned. In the majority of cases, the operators resolve the problem. Rare cases that cannot be resolved by such means are handled through exchanges between the relevant administrations ("interference claims").The administrations can also request the assistance of the RB to establish contacts or, in very rare cases, conduct an investigation into the failure by an ITU Member State to comply with its obligations under the Radio Regulations.

However, the Radio Regulations do not contain any mechanism for mandatory resolution of disputes or compulsory enforcement. The ITU's arbitration procedure assumes the consent of the parties. Similarly, no provision of the Radio Regulations or of international law in general offers a solution in cases when this spontaneous and voluntary arbitration process does not succeed in resolving the dispute.

5.1.2 FREQUENCY ASSIGNMENTS UNDER JOINT RESPONSIBILITY AND/OR GRANTED BY FRANCE

Frequency assignments used by the Group in its business activities, both present and future, involve joint responsibility, and were, for the most part, issued to the IGO by the Member States collectively (the "Parties") prior to the Transformation. For all these frequency assignments, the Parties collectively discharged their joint obligations under the Radio Regulations through the Party of France, which was designated by them to act in their name and on their behalf.

The *Agence nationale des fréquences* (ANFR) is the French authority responsible for ensuring that France complies with its obligations under the Radio Regulations. Prior to the Transformation, the ANFR was the entity responsible for applying the international rules governing the coordination of frequency assignments on behalf of all the Parties.

Following the Transformation, all frequency assignments remained under the joint responsibility of the Parties.

France is the main authority required by the Group for all new French frequency assignments (see the description of applicable French regulations under "Access to frequencies" as below). Eutelsat S.A. has already requested and obtained new frequency assignments, both to supplement the collective frequency assignments that were transferred to it on 2 July 2001 and to plan for the future development of its activities.

5.1.3 FRENCH REGULATIONS RELATING TO SATELLITE FREQUENCY ASSIGNMENTS AND THEIR OPERATION

Prior to the adoption of French Law No. 2004-575 of 21 June 2004, satellite frequency assignments were under the sole control of the ANFR. They depended on the ANFR submitting to the ITU's Radiocommunication Bureau information required under the Radio Regulations governing international coordination of frequency assignments. Relations between the operators and the ANFR for the operation of frequency assignments were not legally formalised.

Law No. 2004-575 of 21 June 2004 concerning confidence in the digital economy (known as LCEN) contains a section on "satellite frequency assignments" and was transposed into the *Code des postes et des communications électroniques* (Postal and Electronic Communications Code, hereinafter "CPCE") in Articles L. 97.2 and subsequent Articles. This law, together with decree No. 2006-1015 of 11 August 2006, transposed into the CPCE in Articles R. 52-3-1 and subsequent Articles, establishes a new two-stage process:

- the assignment request is sent to the ANFR, which, after verifying that it complies with the national Table of Frequency Band Allocations, declares it to the ITU on behalf of France. A fee, equal to the amount invoiced by ITU to ANFR for processing the request submitted to ITU, is payable by the operator (Article R. 52-3-1 of the CPCE);
- operation of the assignment is subject to authorisation by the minister responsible for electronic communications, after obtaining the opinion of the authorities involved in assigning the frequencies concerned (*Conseil supérieur de l'audiovisuel* (CSA), the *Autorité de régulation des communications électroniques et des postes* (ARCEP), the French Ministry of Defence, etc.). This authorisation is granted on condition that the entity requesting the capacity provides proof of its ability to control the emissions of all RF stations, including earth stations, using the frequency assignment, and pays a fee to the ANFR for services rendered corresponding to the cost to the government of processing the request. The amount of this fee is established jointly by the minister in charge of the budget and the minister in charge of electronic communications. The decree of 11 August 2006 set this amount at 20,000 euros. Authorisation can be refused, for example "for the protection of public order, defence or public safety".

Entities applying to the French government or the ANFR to declare to the ITU a frequency assignment prior to the publication of the LCEN *(Loi pour la confiance dans l'économie numérique)* had to request, if they wanted to retain the rights to use the frequency assignment, the authorisation provided for in Article L. 97-2 of the CPCE within a period of one year from 12 August 2006, which was the publication date of decree No. 2006-1015 of 11 August 2007 on frequency assignments to satellite systems, which amended the CPCE. This was done by the Group on 10 August 2006, and a summary of the requests submitted on that occasion was published by the ANFR.

Currently, Eutelsat S.A. is authorised to operate frequency assignments at the orbital positions 12,5° West, 8° West, 7° West, 5° West, 1° East, 3° East, 4° East, 7° East, 9° East, 10° East, 13° East, 14,5° East, 16° East, 21,5° East, 25,5° East, 28,5° East, 33° Est, 36° Est, 70,5° East and 76° Est.

5.1.4 FREQUENCY ASSIGNMENTS GRANTED BY MEXICO

Providers of satellite services to or within Mexico and the use of orbital slots licensed by the Mexican government are subject to the requirements of the Federal Telecommunications and Broadcasting Law. Under the Telecommunications Law, a provider of satellite services must operate under a concession granted by the SCT. Such a concession may only be granted to a Mexican corporation and may not be transferred or assigned without the approval of the SCT. Pursuant to a recent amendment to the Mexican Constitution, foreign investors are permitted by law to hold up to 100% of the full-voting stock of such a corporation.

In addition, Eutelsat America's (previously Satmex) operations are subject to the regulations of the Mexican (a) *Ley General de Bienes Nacionales* (the "General Law on National Assets"), which regulates all assets that fall within the public domain, as well as the safeguarding clauses contained in our Concession; (b) *Ley General del Equilibrio Ecológico y Protección al Ambiente* (the "General Law on Ecology and Protection of the Environment") together with other Mexican environmental laws; (c) *Ley Federal de Competencia Económica* (the "Federal Economic Competition Law"); (d) *Ley de Vías Generales de Comunicación* (the "Law of General Means of Communication") and (e) other international treaties, laws, rules, regulations and decrees.

Under the Federal Telecommunications and Broadcasting Law, the SCT is, among other things, responsible for issuing concessions and permits related to telecommunications and for formulating policies in the telecommunications area and otherwise taking all other actions on behalf of the Mexican government in connection with telecommunications. The *Instituto Federal de Telecomunicaciones* ("IFT") is the telecommunications regulator responsible for, among other things, most day-to-day regulation of satellite communications services in Mexico.

The rules promulgated pursuant to the Federal Telecommunications and Broadcasting Law require licensees of satellites intending to provide telecommunications services through one or more transmitting earth stations of their own to obtain a separate license to construct and operate a public telecommunications network. Where the satellite operator intends to provide telecommunication services to any person not holding a public telecommunications network concession or permit, it must provide such services only through an affiliate or subsidiary that holds a separate concession or permit.

Mexican laws currently allow competition in the provision of (a) any Mexican satellite operators holding a concession and (b) any foreign satellite operators holding an authorisation to provide international FSS, DTH FSS and broadcast satellite services. The Mexican government has liberalized its regulatory environment to allow non-Mexican satellite companies to provide satellite services in Mexico.

The Orbital Concessions awarded by the Mexican government to Eutelsat Americas currently include the right to use the 113.0° W.L., 114.9° W.L. and 116.8° W.L. orbital slots and associated C- and Ku-radio-frequency bands, and the right to use a Ka-band upon fulfilment of certain requirements before the SCT and the IFT.

As part of the three Orbital Concessions, Eutelsat Americas is required by the SCT to allocate 362.88 MHz (156.11 MHz in C-band and 206.77 MHz in Ku-band) of capacity to the Mexican government, free of charge, for national security and certain social services (State Reserve). In the case of future satellites, the capacity reserved to the Mexican government will be defined by the SCT according to applicable law and regulations.

5.1.5 FREQUENCY ASSIGNMENTS GRANTED BY AUTHORITIES OTHER THAN FRANCE OR MEXICO

On an increasing number of orbital positions, the Group operates satellites with frequency assignments granted by authorities other than France (or Mexico). The Group may be the direct beneficiary of the corresponding rights, or these frequency assignments may be operated by the Group under agreements entered into with entities having the right to use these assignments.

The EUTELSAT 36A satellite operated at 36° East under Russian frequency assignments, granted by the Russian Authority and held directly by RSCC.

In the case of the EUTELSAT 172A satellite, operated at 172° East, the Group is the direct beneficiary of the frequency assignments granted by the U.S. Authority. The satellite also operates its assignments under U.S. regulations and authority.

For the future EUTELSAT 65 West A satellite – to be operated at orbital position 65° West – frequency assignments have been granted by the Brazilian Authority. They have been obtained, together with associated authorisations, in an auction process in Brazil and the Group became its direct beneficiary. The satellite will operate these assignments under the Brazilian Authority and regulations and under other administrations, namely for the protection of services outside of the Brazilian territory from the 65° West orbital position. In this regard, the Group also intends to obtain rights on further assignments for additional frequencies and/or coverage.

Following a further phase of public auctions in Brazil, the Group has also obtained frequencies at the 69.45° West orbital position, which it intends to use for the development of new projects.

5.2 Regulations governing the operation of earth stations, the deployment of networks, the operation of electronic communications networks and the provision of electronic communications services

As a satellite operator offering its services in approximately 150 countries, the Group is subject to national laws and regulations on communications and broadcasting in a large number of different countries.

Most of these countries do not require satellite operators to obtain a licence or other authorisation if their role is limited to providing satellite capacity to other entities that are themselves authorised to operate networks and/or communications services. In these countries, the Group only needs a licence or other authorisation if it intends to deploy and operate its own communications networks or install and operate earth stations. Most European countries and many of the Member States of the World Trade Organisation (WTO) have been included in this category of countries since the liberalisation of their regulations, by virtue of the commitments made under the WTO Agreement on basic telecommunications services, which came into force in February 1998.

5.2.1 REGULATIONS IN FRANCE

The *Autorité de régulation des communications électroniques et des postes* (ARCEP) is the French authority responsible for ensuring that operators comply with the obligations contained in the applicable legislation and regulation.

Operation of telecommunications networks

In France, the installation and operation of telecommunications networks open to the general public and the provision of telecommunications services used to require prior authorisation from the Minister of Telecommunications while independent networks reserved for a closed group of users to exchange internal communications required prior authorisation by ARCEP. Under French Law No. 2004-669 of 9 July 2004 on electronic communications and audiovisual communications services, the installation and operation of networks open to the general public are now unrestricted, provided a prior declaration is made to ARCEP. This formality does not apply to independent networks.

On 16 July 2001, the Minister of Telecommunications granted authorisation, under the previous system, for Eutelsat S.A. to establish and operate a telecommunications satellite network open to the general public in France for services other than public telephony for a period of 15 years. This authorisation also allows Eutelsat S.A. to operate and provide VSAT satellite networks and services in France. Eutelsat S.A. has deployed a certain number of bi-directional VSAT terminals on French territory. However, these activities still require payment of an administrative tax of 20,000 euros under Article L. 33-1 of the CPCE.

Under a declaration registered by the ARCEP on 21 December 2012, Eutelsat has amended the previous declaration to add the supply of electronic communications services to the operating electronic telecommunications networks opened to the public.

Access to frequencies

Moreover, the use of radio frequencies by RF earth stations is covered by authorisations issued by ARCEP ("frequency assignments"). Under the terms of Article L. 42-1 of the CPCE, these authorisations cannot exceed 20 years. ARCEP also imposes a certain number of technical requirements that must be respected by the operators to which the frequencies have been assigned. In addition, operators are required to pay an annual fee to the government for the provision of frequencies and an annual fee for their management, under decree No. 2007-1532 and the order of 24 October 2007, as amended by decree No. 2008-656 and the order of 2 July 2008. They also have to take the necessary measures to protect the secrecy of private communications as well as the confidentiality of their customers' personal data. ARCEP has assigned to Eutelsat S.A. a certain number of frequencies for the operation of earth stations.

Non-compliance with the applicable telecommunication laws and regulations could result in administrative or criminal fines, as well as sanctions imposed by ARCEP or other public authorities, including the suspension or withdrawal of the frequency assignment.

5.2.2 REGULATIONS IN OTHER COUNTRIES

Many countries, including most European states, have liberalised their regulatory frameworks relating to the provision of voice, data and video services. They have also increased the scope for granting authorisations to own and operate earth station equipment and to select a provider of satellite capacity. Most countries allow authorised providers of communications services to have their own transmission equipment and to purchase satellite capacity without restriction. This facilitates end-user access to the Group's services.

The Group filed licensing applications to act as a network and earth station operator in Italy, Germany, Austria, the United Kingdom, Switzerland and Spain. The Group notably obtained a network operator licence and two general authorisations to provide interactive satellite services in Italy.

For the operation of its satellite EUTELSAT KA-SAT 9A, the Group has obtained licences for the 10 gateways installed in France, Italy, Germany, Ireland, Spain, Finland, Cyprus and Greece. Furthermore the Group has obtained authorisations to operate fixed terminals using the system KA-SAT in all European Union Member States. Licences were also obtained in Turkey, Ukraine, Russia and Serbia. The applications for the required licences in all the other countries covered by the EUTELSAT KA-SAT 9A satellite are in progress. Recently, a licence was notably obtained in Qatar and proceedings are in progress in Egypt, Algeria and United Arab Emirates. In addition, the Group has initiated the process to obtain licences required for mobile applications in Ka-band, when necessary. The process has been completed for France, Spain, Germany, Italy and Greece.

Some countries, generally in emerging markets, have maintained strict or de facto monopolies. In these countries, a single State entity (generally the public postal, telephone and telegraph authority) often has a monopoly on the ownership and operation of communications equipment or on the provision of communications or broadcasting services to/from that country, including *via* satellite. To offer services in these countries, the Group may have to negotiate an operating agreement with the State entity, which defines the services to be offered by each party, the contractual terms of the service and tariffs. Depending on national regulatory requirements, operating agreements between the Group and the service provider may require end-user clients to obtain the Group's services through the State entity, with all associated ground services provided by that entity. These operating agreements also allow customers to possess and use their own equipment, while requiring them to purchase the Group's services through the State entity.

Landing rights

Despite the liberalisation of national regulations following adoption of the WTO Agreement on Basic Telecommunications Services, some countries require authorisations to operate satellites in-orbit. In these countries, the Group has to obtain authorisation to provide (i) downlink services from the satellite to the earth station terminals located in these countries ("landing rights") or (ii) uplink services from the earth station terminals to the satellite ("take-off rights").

Prior to becoming a part of the Group, Satmex (which now operates under the name Eutelsat Americas) secured landing rights to provide satellite services to more than 45 nations and territories in the western hemisphere.

Eutelsat Americas maintains an authorization by the FCC to access the U.S. market with respect to Satmex 5 (renamed EUTELSAT 115 West A), Satmex 6 (renamed EUTELSAT 113 West A), Satmex 7 (renamed EUTELSAT 115 West B), Satmex 8 (renamed EUTELSAT 117 West A) and Satmex 9 (renamed EUTELSAT 117 West B). Theses satellites, excepting EUTELSAT 117 West B have also been added to the list of foreign satellites approved to provide FSS in Canada The update of the landing rights granted by Brazil to deliver services by EUTELSAT 113 West A is in process. A request for landing rights for EUTELSAT 115 West A and EUTELSAT 113 West A in Argentina has been issued, but the landing rights have not yet been granted.

The Group has also obtained these authorisations for some of its satellites in Brazil, Pakistan and a number of other South American countries. The Brazilian regulatory authority granted Eutelsat S.A. landing rights in April 2002 for EUTELSAT 8 West A (at 8° West), EUTELSAT 10A (at 10° East) and EUTELSAT 12 West A (12.5° West) and, in June 2003, for EUTELSAT 5 West A (at 5° West).

Within the framework of the acquisition of orbital rights at the orbital position 65° West, *via* the auction process in Brazil, the Group has also automatically obtained the Brazilian landing rights for this orbital position, and the obtention of landing rights for other countries in the region covered by the EUTELSAT 65 West A satellite (which is expected to be launched in 2016) is under way.

Access to the Group's satellites from the USA

The Federal Communications Commission, or FCC, is the governmental agency in the USA responsible for regulating satellite communications. In 1997, the FCC enacted regulations permitting non-U.S. satellite operators to request access to the U.S. market using non-U.S. satellites, for the provision of both international and domestic services. In 1999, the FCC streamlined the process by creating the "Permitted Space Station List".

Where a non-U.S. satellite is added to the FCC's Permitted Space Station List, earth station operators in the USA licensed to operate with U.S. satellites are able to access that non-U.S. satellite without additional authorisation from the FCC. These streamlined procedures are applicable only to frequency bands that the FCC considers as being "conventional". These do not include the full spectrum of Ku-band or C-band frequencies used for transmissions to and from the Group's satellites. Earth station operators in the USA must therefore still apply for FCC authorisations to transmit to or receive from the Group's satellites in certain frequency bands even though these satellites are on the FCC's "Permitted Space Station List".

Currently four of the Group's satellites are included on the "Permitted Space Station List".

Name of satellite	Orbital position	Date of inclusion on the Permitted Space Station List
EUTELSAT 8 West A	8° West	30 August 2001
EUTELSAT 12 West A	12.5° West	30 August 2001
Satmex 5 (renamed EUTELSAT 115 West A)	114.9° West	3 October 2000
Satmex 8 (renamed EUTELSAT 117 West A)	116.8° West	7 December 2012

On top of the framework of the "Permitted Space Station List", the Group also obtained from FCC licences authorizing access to the North-American market for Satmex 6 (renamed EUTELSAT 113 West A), Satmex 7 (renamed EUTELSAT 115 West B) and Satmex 9 (renamed EUTELSAT 117 West B):

Name of satellite	Orbital position	Date of licence agreement	FCC "call sign"
Satmex 6 (renamed EUTELSAT 113 West A)	113.0° West	4 August 2006	S2695
Satmex 7 (renamed EUTELSAT 115 West B)	114.9° West	11 June 2015	S2938
Satmex 9 (renamed EUTELSAT 117 West B)	117.0° West	20 August 2015	S2926

5.2.3 EUROPEAN UNION REGULATIONS

Current regulatory framework

Over the last decade, the regulatory environment for satellite communications in the European Union (EU) has seen considerable change. Gradual liberalisation in this sector, as well as the Transformation of the IGO and the privatisation of international satellite organisations such as Intelsat and Inmarsat have created a more open and competitive market. This trend towards liberalisation has also occurred in a number of other European countries. In particular, countries seeking admission to the EU are adapting their national legislation so as to align it with EU regulations.

EU Member States were required to adapt their national regulations by July 2003 to incorporate the provisions of five new EU directives and one EU decision, all adopted in 2002, which make up the "Telecom Package":

- European Directive 2002/19/EC of 7 March 2002 concerning access to, and interconnection of, electronic communications networks and associated facilities (the "Access" Directive);
- European Directive 2002/20/EC of 7 March 2002 on the authorisation of electronic communications networks and services (the "Authorisation" Directive);
- European Directive 2002/21/EC of 7 March 2002 on a common regulatory framework for electronic communications networks and services (the "Framework" Directive);
- European Directive 2002/22/EC of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (the "Universal Service" Directive);
- European Directive 2002/58/EC of 12 July 2002 concerning the handling of personal data and protection of privacy in the electronic communications sector (the "Privacy and Electronic Communications" Directive);
- Decision No. 676/2002/EC of 7 March 2002 on a regulatory framework for radio spectrum policy in the European Union (the "Radio Spectrum" Decision).

These new regulations apply to electronic communications networks and services and generally reduce regulatory requirements in these areas. These directives were transposed into France's national law by the adoption of Act No. 2004-669 of 9 July 2004, which amended the CPCE.

Regulatory reform

Further reforms to the framework applicable to the telecoms sector were adopted by the European Parliament on 24 November 2009.

One of the principles of this reform provides for the rationalisation and harmonisation of frequency management in Europe.

Furthermore, authorisation to use frequencies should in theory be neutral in terms of technology and services. As a result, any administrative decision as to the choice of technologies and services will be exceptional.

Mechanisms guaranteeing free competition will be put into place. More specifically, operators identified as exercising significant influence in a given market will be subject to more stringent obligations. As a last resort to end anti-competitive conduct, they may be ordered by the national regulator, subject to the Commission's control, to separate their businesses. This means that network operations and the provision of services could be separated into two autonomous entities.

To date, Eutelsat has not been identified as exercising significant influence in a given market. According to ARCEP, the European institutions (the Commission or the new European regulator where applicable) are responsible for determining whether the Group exercises a significant degree of influence, since the Group operates in a transnational market. To our knowledge, no consultation is currently pending at European level on this issue. In the future, the question of whether the Group exercises significant influence could be investigated, for example with respect to the satellite TV broadcasting market.

5.3 Regulations governing content

5.3.1 "AUDIOVISUAL MEDIA SERVICES" DIRECTIVE

TV broadcasting in the European Union was first regulated by Directive 89/552/EEC of 3 October 1989, also known as the "Television without Frontiers" Directive. This Directive has been substantially changed through two amendments:

- European Directive 97/36/EEC of 30 June 1997, on the coordination of certain legislative, regulatory or administrative provisions in Member States relating to the performance of television broadcasting activities; and
- European Directive 2007/65/EC of 11 December 2007 known as the "Audiovisual Media Services" (AVMS) Directive. This Directive (i) extends the scope of the "Television Without Frontiers" Directive to on-demand audiovisual media services, (ii) promotes the production of and access to European works and (iii) relaxes the rules governing audiovisual advertising. The Directive was required to be transposed into the national laws of Member States by 19 December 2009; it has direct and simultaneous application throughout the European Union since this date, hence preventing any dispute over jurisdiction liable to arise from any gap in transposition between Members States and was transposed into French law by the Act of 5 March 2009 relating to audiovisual communication and the new public television service.

Following these different modifications, the Directive was codified by means of the 2010/13/EU Directive of 10 March 2010.

In accordance with this regulation, each EU Member State has to ensure that programmes transmitted by TV broadcasters under its jurisdiction comply with laws applicable to broadcasts intended for the general public.

Channels established in an EU Member State

If the television channel is established in an EU Member State, that Member State is automatically the competent regulatory authority. Under the regulations of most EU Member States, producers of television programmes that can be viewed by the general public must be authorised by the regulatory body. After being approved by the regulator in its home country, a channel can then broadcast its content freely in other EU States, provided that it continues to comply with its home country's laws. These laws include the provisions of Directives in force, including those covering the protection of minors and banning the promotion of hatred and racial discrimination.

Channels not established in an EU Member State

In the case of channels outside the EU that are broadcast *via* satellite to all or part of the EU and, by definition, are established in a country that is not an EU Member, the "Audiovisual Media Services" Directive provides for the determination of an EU Member State to regulate these channels on behalf of the other Member States.

Since the "Audiovisual Media Services" directive came into force on 19 December 2009, the responsible EU Member State has been the one from which the uplink is made towards the satellite (criterion No. 1) or, failing this, the one with authority over the satellite capacity used (criterion No. 2).

The AVMS Directive has established a Contact Committee under the aegis of the European Commission. The Committee brings together representatives of the regulatory authorities of EU Member States. Its objective is (i) to facilitate effective implementation of the Directive through regular consultation on any practical problems arising from its application (particularly from application of Article 2), (ii) to deliver opinions, and (iii) (c) to be a forum for an exchange of views.

At its 26th meeting held on 19 February 2008, during the transposition period of the AVMS Directive, the Commission established an anteriority rule to ensure that channels are subject only to a single jurisdiction: "The Member State where the uplink is used first keeps jurisdiction, even if the same signal is also uplinked later – for other bouquets – from another Member State". Accordingly, the uplink prevails to identify the Member State having jurisdiction.

On 3 November 2009, during its 31st meeting, the Commission proposed to improve the anteriority criterion of the uplink: "If the oldest uplink concerns a satellite whose footprint is not focussed on Europe, while the more recent one concerns a satellite whose footprint is focussed on Europe, the more recent uplink should be taken into consideration for determining the jurisdiction. The focus of a footprint is the region where the signal strength is the highest."

In practice, these principles are implemented by the CSA as follows:

- When two or more uplinks concern satellites with non-equivalent coverages of Europe (EU), the Member State having jurisdiction is the one where the uplink targets the satellite offering the best coverage of Europe (footprint criterion).
- When two or more uplinks concern satellites with equivalent coverages of Europe (or the same satellite), the Member State having jurisdiction is the one with the oldest uplink (anteriority criterion).

The directive was transposed in France by the law of 5 March 2009. Since 2009, most of the non-European channels broadcast by the Group in Europe use an uplink coming from an EU country which is now covered by other European regulators. The French CSA is no longer systematically the competent regulatory authority.

The directive should be revised in 2016. Criteria for determining the competency in the case of non-European channels could be modified on this occasion.

5.3.2 FRANCE'S FREEDOM OF COMMUNICATION ACT 1986

In accordance with Law No. 86-1067 of 30 September 1986 on the freedom of communication, as amended, French TV channels broadcast by the Group were subject to a convention with the CSA until the Antiterrorism Act No. 2006-64 of 23 January 2006, introducing various provisions concerning security and border controls, which terminated all prior formalities (*i.e.* all authorisation procedures) regarding the broadcasting of non-EU channels for which France has authority, and those that come under the authority of other European Member States or parties to the European Economic Area Agreement. Nevertheless, like French channels, they remain subject to French law and all restrictions on content imposed by the 1986 Act, particularly regarding human dignity, protection of minors and the safeguarding of public order, as defined in Article 1, and non-incitement to hatred and violence for reasons of race, sex, culture, religion or nationality, as established in Article 15.

As a satellite operator, the Group is not a provider of television programmes and does not therefore have to obtain authorisation from the CSA.

However, it is subject to certain obligations under the Act of 30 September 1986:

- it is required under Article 19 to provide the CSA with all information needed to identify the producers of the channels it broadcasts; and
- it is required under Article 33-1-III to inform channel producers of the regime applicable to them, including the aforementioned restrictions on the freedom of communication. Since Eutelsat S.A. has no direct contractual link with most of the channels it broadcasts, it fulfils its obligation by including in its contracts a clause stating that content broadcast on leased capacity must comply with the law in force in the country of reception.

The CSA's powers of sanction are defined in Article 42: it can serve a notice directly on Eutelsat to comply with its legal obligations. The CSA can serve a notice on Eutelsat not only to fulfil its obligations as defined in Articles 19 and 33-1, but also to cease broadcasting any non-EU TV channel that does not comply with the principles set out in the law. In practice, this provision has so far been used only to address threats against public order, incitement to racial hatred as well as offence to human dignity.

If Eutelsat S.A. were to fail to cease such transmissions by the specified deadline, the CSA would have the right to sanction the Company by imposing a fine of up to 3% of its annual revenues and 5% in the event of a further violation of the same obligation (Articles 42-1 and 42-2).

The CSA has another legal method of ensuring compliance with a notice, *i.e.* a summary application *(référé)* to the *Conseil d'État* for an interim order requiring Eutelsat to fulfil its legal obligations. However, since this method is more cumbersome than the service of a notice and direct penalties, it has rarely been used.

These specific powers, which enable the CSA to bring pressure to bear on the satellite operator, are not expressly provided for in the Directive. The Directive does accept, however, that Member States can take this type of action.

Finally, with the framework of sanctions imposed on some States by the European Union and/or the Security Council of United Nations, Eutelsat might have to request the termination of a service if a channel broadcast by its satellites were to figure amongst the sanctioned organisations.

In technical terms, were the channel in question to refuse to stop broadcasting, to cease transmission of an uplinked signal on a given transponder, the Group has to switch off the corresponding transponder on-board the satellite even if this transponder is carrying other, authorised television channels (a 36 MHz transponder can broadcast up to 10 television channels in digital mode). For this reason, it could prove difficult to comply with any CSA injunctions without being forced to terminate contracts with other distributors that lease capacity to duly-authorised channels in the event that the channel in question does not stop broadcasting on its own initiative (see Section 4.4.5 "The Group is subject to strict regulations on the content of the programmes broadcast *via* its satellites").

5.4 Regulations governing space operations

The French Space Operations Act governing space operations was published in France's *Journal officiel* on 4 June 2008. This legislation is the direct result of France's international obligations, imposed by various UN treaties including:

- the 1967 Treaty on principles governing the activities of States in the exploration and use of outer space, including the moon and other celestial bodies; and
- the 1972 Convention on international liability for damage caused by space objects.

Two application decrees were published on 10 June 2009. Of the two, the Group is mainly affected by Decree No. 2009-643 relating to authorisations. This decree stipulates that the system will come into force one year after the publication of the relevant technical regulations and, at the latest, 18 months after publication of the decrees. The technical regulations were published by decree on 31 May 2011 and the system has thus been in force since 10 December 2010.

5.4.1 PRINCIPLES SET OUT IN THE ACT

The Act creates an authorisation regime for space operations that may incur France's international liability, namely the launch of a space object from France and, for a French operator, the launch of a space object from France or abroad, the control of a space object in outer space or the transfer of control of a space object that has already been authorised. These authorisations are granted by the Minister for Space within a period of four months, which may be extended by two months if there is a valid reason.

The Act also creates a licensing regime for operators involving certain guarantees. There are three levels of licence: licences attesting only the respect of moral, financial and professional guarantees; licences that, in addition, require that systems and procedures comply with the technical regulations, and licences that grant authorisation for certain operations, in which case there is only a case-by-case reporting requirement. In the first and second levels, case-by-case authorisation remains necessary for each operation, but will take less time to obtain than with the old procedure. The third level of licences only exists for in-orbit control operations, and will not cover launch operations, which remain subject to a system of case-by-case authorisations.

The Act also requires insurance (or equivalent financial guarantee) throughout the space operation. Nevertheless, the decree relating to authorisations states that the Minister for Space may waive this obligation for an operator during the station-keeping phase of a geostationary satellite if it can produce a document confirming its solvency.

If, as a result of an operation authorised under this Act, any operator is required to compensate a third party for damage caused by a space object during and/or after launch, the operator may benefit from a State guarantee for amounts exceeding the ceiling set out in the authorisation and enshrined by the applicable finance law. As things currently stand, the ceiling is between 50 million euros and 70 million euros as laid down by Article 119 of Law No. 2008-1443 of 30 December 2008 rectifying finances for 2008. However, the operator will not be able to claim in the event of intentional fault, and will only be able to claim if the operation is conducted from France or any EU or EEA (European economic area) country or using resources or facilities under the jurisdiction of any such country. Furthermore, during the orbital control phase, the guarantee will only apply if the damage is caused on the ground or in the airspace.

5.4.2 THE AUTHORISATION PROCESS

Decree No. 2009-643 stipulates the authorisation process, providing for delivery of authorisations by the Minister for Space no later than four months following the filing of a completed application, which can be extended by two months if the decision is justified. The process and timeframe are the same for licence applications. If the applicant already has a level 1 or 2 licence, the authorisations are delivered within one month, which may be extended by two months.

Authorisation or licence applications include two elements:

- an administrative element, which attests to the existence of sufficient moral, professional and financial guarantees;
- a technical element, which demonstrates that the systems and procedures the applicant intends to use comply with the technical regulations.

These technical regulations were published by decree on 31 May 2011. Within the framework of the authorisation process, they require the availability of various studies on orbital control (studies on danger and environmental impact), risk control measures (plan for limitation of debris in space, plan for preventing collision risk, etc.), documents on quality and proof of the implementation of an organisation to deal with all the technical and organisational facts, as the case may be, potentially affecting space operations as authorised. The regulations also require the CNES *(Centre national d'études spatiales)* to be informed of the co-contractors' and subcontractors' undertaking to comply with the technical regulations.

They also establish a number of requirements linked to the limitation of debris in space, in the form of information on the likelihood of accidental disintegration, passivation at the end of useful life, the probability of being able to dispose of the energy resources needed for end of operational life manoeuvres, etc.

The regulations provide for temporary measures and progressive entry into force (best efforts) for the various requirements, to take the current design of satellites into account and to give manufacturers the time needed to apply the new requirements to future satellites. All the legal provisions will be applicable as of 1 January 2021.

The technical part of the applications is dealt with by the CNES, which transmits its decision to the Ministry responsible for space. Before handing down a decision, the Ministry informs the applicant of its draft decision, and the latter has a fortnight in which to make comments.

5.4.3 LICENCES AND AUTHORISATIONS OBTAINED BY THE GROUP

Within the framework of this process, on 24 December 2010, the Group obtained by decree a licence equivalent to authorisation for the control of space devices for its entire fleet. This licence was granted for a one-year period from the effective date of the decree insofar as the technical regulations associated with the Act had not yet been published. On 11 October 2011, the Group obtained a new licence serving as authorisation and valid until 31 December 2020.

The licence provides for requirements in addition to those in the technical regulations. In particular, the Group will have to provide, for any new satellite to be launched within the framework of this licence, specific information such as the mission analysis and danger study, the revision dates prior to launch and the launch date, and propellant emissions before and after the launch. The Group will also have to send regular declarations to the CNES proving the ability of satellites covered by the licence to perform service withdrawal manoeuvres. The Group is also required to notify the Minister and the CNES of any changes in orbital position other than an avoidance manoeuvre one month before the start of its implementation, except in the event of an emergency.

On 29 July 2013, the Group also obtained the authorisation to operate EUTELSAT 25B, which was not covered by the licence obtained on 11 October 2011.

Any satellite launches undertaken by the Group from France or abroad remain subject to a case-by-case authorisation regime. However, on 23 December 2010, the Group obtained a licence certifying that Eutelsat has moral, financial and professional/business guarantees granting it an exemption from the administrative part of such subsequent requests and reducing the authorisation timeframe from four months to one month.

To date, the Group has obtained authorisations to launch EUTELSAT KA-SAT 9A, EUTELSAT 7 West A, EUTELSAT 16A, EUTELSAT 21B, EUTELSAT 70B, EUTELSAT 3D, EUTELSAT 25B, EUTELSAT 3B and EUTELSAT 9B.

Within the framework of its authorisations to proceed with satellite launches, one month before launch the Group has to provide the launch authorisation obtained by Arianespace in the case of a launch by Ariane 5, or, in the case of a launch by other launchers, the launch authorisation granted by the relevant government to its launch operator or, failing this, a "certificate" for authorisation to launch from the relevant government or its launch operator.

5.5 U.S. export control requirements (regulations governing the activities of the Group's suppliers)

U.S. companies and companies located in the USA must comply with U.S. export control laws and regulations, specifically the Arms Export Control Act, the International Traffic in Arms Regulations, the Export Administration Act and the trade sanction laws and regulations administered by the U.S. Treasury's Office of Foreign Asset Control in connection with any information, products and equipment that is regulated by U.S. law and supplied to non-U.S. companies. The export of satellites, satellite hardware, defence services and technical information relating to satellites to non-U.S. satellite manufacturers, launch services providers, insurers, customers, non-U.S. employees and other persons who do not have U.S. nationality is regulated by the Office of Defence Trade Controls under the International Traffic in Arms Regulations of the U.S. Department of State. Since the Group and its service providers, distributors, suppliers and sub-contractors using U.S. technologies (including for communications) export U.S. components for the construction of the Group's satellites and provide launch services outside the USA, they are required to obtain permits for the export of technical data and material (under technical assistance agreements) for any material they purchase for the construction of satellites or for satellite launches outside the USA.

5.6 Other provisions applicable to the Group

Eutelsat S.A.'s activities were originally carried out by an intergovernmental organisation, the European Telecommunications Satellite Organisation (the "IGO"). The IGO was founded by certain countries in Western Europe (the "Signatories") on 1 September 1985 (under the "Convention") to develop and operate a telecommunications satellite system for trans-European telecommunications purposes. On 2 July 2001, all the IGO's operating activities were transferred to Eutelsat S.A. (the "Transformation"). As a result of the Transformation, the Convention was amended to adjust the IGO's missions (the "Amended Convention").

Eutelsat IGO has been maintained as an intergovernmental organisation and currently covers 49 European countries.

5.6.1 ROLE OF EUTELSAT IGO

The main purpose of Eutelsat IGO is to ensure that Eutelsat S.A. complies with the following principles ("Basic Principles"):

- public service/universal service obligations: these obligations apply to the space segment and to its use to provide services connected to the public switched telephone network. Audiovisual services and future services will be provided in compliance with the relevant national regulations and international agreements, in particular the provisions of the European Convention on Transfrontier Television, taking account of those applying to the universal service concept and the information society;
- pan-European coverage by the satellite system: Eutelsat S.A. shall, on an economic basis, seek through the pan-European coverage of its satellite system to serve all areas where there is a need for communications services in Member States;
- non-discrimination: services shall be provided to users on an equitable basis, subject to commercial flexibility and consistent with applicable laws and regulations; and
- fair competition: Eutelsat S.A. must comply with all applicable laws and regulations relating to competition.

5.6.2 CURRENT RELATIONSHIP BETWEEN EUTELSAT S.A. AND EUTELSAT IGO

The relationship between Eutelsat S.A. and Eutelsat IGO is governed by an agreement that came into force on 2 July 2001 and was amended on 10 December 2004 (the "Arrangement"). The Arrangement states that, on the understanding that the management of Eutelsat S.A. is carried out on a sound economic and financial basis, Eutelsat S.A.'s principal obligation under the Arrangement shall be to observe the "Basic Principles". The main provisions of the Arrangement are as follows:

Eutelsat S.A.'s obligations

- Eutelsat IGO shall be given 60 days' notice of any proposal to change its By-laws which would materially affect the observance of the "Basic Principles".
- Eutelsat S.A. shall inform Eutelsat IGO, and take into account any recommendation made by Eutelsat IGO, in the event of any major changes to its operating, technical, marketing or financial policies that might materially affect the observance of the "Basic Principles".
- Eutelsat S.A. shall obtain written prior approval from Eutelsat IGO if it intends to go into voluntary liquidation, or if it intends to merge or combine with another entity.
- Eutelsat IGO's Executive Secretary shall be named as an Observer on Eutelsat S.A.'s Board of Directors, subject to certain conditions.
- Eutelsat S.A. shall finance Eutelsat IGO's annual operating costs.

Eutelsat IGO's obligations

- Eutelsat IGO shall make every effort to ensure that Eutelsat S.A. can make use of all frequency assignments acquired or filed with the ITU Radiocommunication Bureau as of 2 July 2001.
- Any proposed amendment to the Amended Convention that is liable to affect Eutelsat IGO's performance of its activities shall be submitted to Eutelsat S.A., which shall have six weeks in which to communicate its observations to Eutelsat IGO.

Liaison and information

- A joint committee made up of representatives of Eutelsat IGO and Eutelsat S.A. shall meet at least once per quarter to ensure that Eutelsat S.A. is observing the "Basic Principles". In this regard, Eutelsat S.A. shall send Eutelsat IGO extracts from its Five-Year Strategic Plan and its certified annual accounts and shall examine with Eutelsat IGO the impact on its activity or on its observance of the "Basic Principles" caused by any changes in regulations, particularly European or French, applicable to it.
- In his capacity as Observer, the Executive Secretary of Eutelsat IGO shall have access to information under the same conditions as those which apply to a Board Member and shall attend, but not vote at, meetings of Eutelsat S.A.'s Board of Directors.

The Arrangement also provides for a mechanism for settling disputes, including by arbitration.

5.6.3 RELATIONSHIP BETWEEN EUTELSAT COMMUNICATIONS AND EUTELSAT IGO

At the time of Eutelsat Communications' IPO, Eutelsat Communications and Eutelsat IGO signed a Letter-Agreement on 2 September 2005, which came into force on 6 December 2005 (the "Letter-Agreement"). Under the Letter-Agreement, Eutelsat Communications undertook:

- to give Eutelsat IGO's Executive Secretary a seat as Observer on the Board of Directors of Eutelsat Communications from the date of the latter's IPO;
- to ensure that Eutelsat S.A. is at all times able to honour its undertakings made pursuant to the Arrangement and not to take any decision which might entail any breach of the said undertakings by Eutelsat S.A.;
- in any event, and without constituting an exception to or a reduction of the undertaking set out in the above paragraph, to inform the Executive Secretary, in his capacity as Observer, of any decision taken by Eutelsat Communications which might affect Eutelsat S.A.'s compliance with the "Basic Principles" and to communicate to him all useful information on such matters;
- to inform Eutelsat IGO, through its Executive Secretary, of any crossing of a legal threshold or of a threshold contained in the By-laws, which has been notified to it by a shareholder;
- not to propose or vote for any proposal that Eutelsat S.A. distributes dividends in excess of the amount of Eutelsat S.A.'s annual net income and/or annual net income plus retained earnings and/or which would result in Eutelsat S.A.'s net debt/EBITDA ratio rising above 3.75/1, given that this ratio will not be considered as having been exceeded where any excess comes as a result of any external growth operation and that the notion of dividends is that defined under Article L. 232-12 of the French *Code de commerce*;
- to take all steps necessary so that the undertakings given by Eutelsat Communications, or those that Eutelsat Communications may give, in particular in relation to its financial needs, present or future, cannot in any way result in cross default by Eutelsat S.A., unless such undertakings

given by Eutelsat Communications were also given in Eutelsat S.A.'s direct interest;

- to maintain a level of consolidated Group debt that is not contrary to market practice and sound management of the Eutelsat Group; and
- to maintain within Eutelsat S.A. a minimum amount of equity in compliance with sound financial management of Eutelsat S.A. and allowing it to continue complying with the "Basic Principles".

The role, position, remuneration and right to information of the Observer, as well as the right to supply information to the Parties and the settlement of any disputes relating to such supply of information, are specified in the Letter-Agreement (see Section 7.1.3.2 "Board of Directors, Committees and Observer (Articles 13 to 19 of the By-laws)" for further information on the clause in Eutelsat Communications' By-laws concerning the Observer).

The Letter-Agreement also provides for the creation of a Coordination Committee, whose main tasks are (i) to exchange useful information and views for the proper implementation of the Letter-Agreement, (ii) to examine any request for the removal of confidentiality restrictions on information received by the Observer, and (iii) to examine in particular the annual accounts and the list of third-party experts designated to resolve any problem arising as to what information may be circulated by the Observer to the Parties to the Convention.

The Letter-Agreement will become null and void upon the expiry of the Arrangement pursuant to its terms and conditions (it should be noted that the Arrangement may only be terminated by mutual agreement). Eutelsat IGO and Eutelsat Communications may, however, terminate or amend the Letter-Agreement at any time upon mutual agreement, in particular in the event where such termination or amendment proves to be helpful in facilitating the development of the Group.

In the event of assignment of Eutelsat S.A. shares by Eutelsat Communications, the latter shall inform the proposed transferee of the content of the Letter-Agreement, it being understood that Eutelsat Communications shall remain bound, in any event, by its undertakings until the expiry of the Letter-Agreement in accordance with the paragraph above.

The Letter-Agreement also contains a mechanism for settling disputes by arbitration.

06

FINANCIAL INFORMATION

6.1 Review of Eutelsat Communications' financial position

6.1.1 PRELIMINARY NOTE ON THE PRESENTATION OF THE FINANCIAL STATEMENTS

The Company is a holding company with no business activities of its own other than its indirect equity interest in Eutelsat S.A. As of 30 June 2015, the Company held directly and indirectly 96.34% of the share capital of Eutelsat S.A.

The following paragraphs are mainly dedicated to the presentation and analysis of Eutelsat Communications' consolidated results for the financial year ended 30 June 2015.

Readers are invited to read the following presentation together with the Reference Document as a whole, including Eutelsat Communications' consolidated financial statements for the financial year ended 30 June 2015 prepared in accordance with International Financial Reporting Standards ("IFRS"), and the Notes to those financial statements in Section 6.2 "Eutelsat Communications 30 June 2015 consolidated accounts" of this Reference Document.

The review of the Company's financial position and results for the financial years ended 30 June 2014 and 2013 are incorporated for reference purposes in this Reference Document and may be found, respectively, in Section 6.1 of the Company's 2013-2014 Reference Document and in Section 6.1 of the 2012-2013 Reference Document.

6.1.2 ANALYSIS OF THE INCOME STATEMENT

Revenues

The Group's revenues chiefly come from supplying satellite capacity. The Group's customer base includes both distributors who resell satellite capacity to end-users and end-user customers who use the Group's satellite capacity for their own needs. The Group's ability to generate revenues largely depends on its tariffs, which vary mainly according to the type of capacity offered and the orbital neighbourhood of the satellites. However, the prices charged by the Group also depend on the rates charged by the competition.

In addition, a modest portion of the Group's revenues ("Other Revenues") mainly derives from: (i) compensation paid on the settlement of business-related litigation, (ii) the financing of certain research programmes by the European Union and other organisations, (iii) the impact of EUR/USD currency hedging, (iv) the provision of various services or consulting/engineering fees as well as termination fees.

Furthermore, a modest portion of revenues ("non-recurring revenues") results from compensation paid by satellite manufacturers in the event of a significant delay.

Operating costs

Operating costs mainly include staff costs and other costs associated with controlling and operating the satellites, as well as insurance premiums for satellite in-orbit lives:

- **staff costs:** these comprise salaries and the payments by the employer for employees responsible for supplying, operating and maintaining the satellites (including French mandatory profit-sharing for Group employees;
- **costs for operating and controlling the satellites:** these correspond to the earth station operating costs and equipment costs, which include in particular telemetry, control, positioning, payload management, and maintaining software and equipment at the satellite control centres, as well as traffic supervision and management. The amount of these costs is based on the number of satellites and the family of satellites operated, any repositioning of the satellites, as well as the number and type of services offered. These costs also include sub-contracting of telemetry, control and tracking operations for a number of the satellites in orbit. In addition, Eutelsat S.A. has signed service agreements related to control of the satellite communications systems;
- **in-orbit insurance premiums:** satellite in-orbit insurance generally takes effect when the launch insurance policy expires (generally one year after the satellite is launched). When the Group signs for launch insurance covering a satellite's in-orbit life, the premiums for periods after the first anniversary of the launch date are treated as in-orbit insurance costs. Almost all the satellites in-orbit owned by the Group are insured for amounts defined on the basis of an insurance scheme that is structured in tranches. Depending on the selected risk management policy, and general market conditions for space insurance, the costs for these insurance premiums can vary from one year to the next.

Selling, general and administrative expenses

Selling, general and administrative expenses include notably:

- administrative and commercial staff costs (including mandatory employee profit-sharing);
- marketing expenses, such as advertising and co-marketing expenses with distributors and end-users;
- general expenses associated with property leases, external studies and logistics;
- expenses associated with developing and marketing new products;
- a portion of the operating taxes; and
- provisions for accounts receivable or other receivables.

Depreciation and amortisation

The depreciation charge is the Group's largest expense item and includes costs concerning the depreciation of non-current assets.

The Group's non-current assets mainly consist of its satellites, ground facilities and intangible assets. Capitalised satellite costs include (i) satellite construction and launch costs, (ii) launch insurance premiums (which generally include in-orbit coverage until the first anniversary of the launch date), (iii) charges for associated capitalised interest, (iv) net present value (at launch) of the incentives payable to the manufacturer throughout the satellite's operation, depending on its compliance with technical and contractual specifications, as well as (v) costs associated directly with procurement programme monitoring (research costs, employee salaries and consultancy fees).

Satellites are depreciated on a straight-line basis over their period of operation in stable orbit, which is between 7 to 22 years.

At least once a year, the Group reviews the remaining service life of its satellites, according to forecast use and a technical assessment of their operational performance. If a change in operational life occurs, future depreciation charges are calculated on the basis of the satellite's new remaining operational life.

The Group's non-current assets also include transponders which are covered by contracts, under which the Group has capacity on all or some of the transponders of the third-party satellites, the risks and benefits of ownership having been transferred to it. As of 30 June 2015, these contracts concern the TELSTAR 12, Express-AT1, Express-AT2, Express-AM6 and ASTRA 2G satellites. The aggregate capitalised amount depends on the present value of the lease payments. Capitalised capacity costs are amortised over the duration of the contract.

Intangible assets consist of certain licences, the "Eutelsat" brand and the associated "Customer Contracts and Relationships" assets. Because their lifetimes are indefinite, the "Eutelsat" brand and the licences are not amortised but are systematically tested for impairment on a yearly basis. The "Customer Contracts and Relationships" assets are amortised on a straight-line basis over their economic life. This useful life was estimated on the basis of the average length of the contractual relationships existing at the date of acquisition of Eutelsat and taking into account anticipated contract renewal rates.

Operating income

Operating income reflects revenues less operating costs, selling, general and administrative expenses, depreciation and amortisation, and other operating income and charges.

Financial result

The financial result mainly reflects (i) interest expense and bond issuance costs related to the Group's borrowings, less borrowing costs offset against the value of eligible assets, (ii) changes in the fair value of the financial instruments (primarily including changes in time value and changes in the fair value of derivatives not eligible for hedge accounting) and (iii) foreign exchange gains and losses.

Consolidated net income

Consolidated net income reflects the sum of operating income, the financial result and income from equity investments, less income tax.

Net income attributable to the Group

Net income attributable to the Group represents the Group's consolidated net income less the income from subsidiaries attributable to non-controlling interests in these subsidiaries.

6.1.2.1 Comparative analysis of the income statements for the financial years ended 30 June 2014 and 2015

▶ Condensed consolidated income statement for the financial years ended 30 June 2014 and 2015

IFRS *(in millions of euros)*	12-month financial year ended 30 June 2014	12-month financial year ended 30 June 2015
REVENUES	**1,347.9**	**1,476.4**
Operating costs [1]	(96.3)	(104.7)
Selling, general and administrative expenses [1]	(218.4)	(240.0)
Depreciation and amortisation	(401.3)	(466.5)
Other operating income and expenses	(8.5)	(3.7)
OPERATING RESULT	**623.4**	**661.5**
Financial result	(132.3)	(116.0)
Income from associates	14.9	18.8
NET INCOME BEFORE TAX	**506.0**	**564.3**
Income tax expense	(189.8)	(194.1)
CONSOLIDATED NET INCOME	**316.2**	**370.2**
Attributable to the Group	303.2	355.2
Non-controlling interests	13.1	15.0

(1) Analytical reallocations have been undertaken by the Group and comparative figures have been reclassified.

6.1.2.2 Revenues

Preliminary remarks:

- As of Q1 2014-2015, published revenues take account of changes in perimeter (acquisition of Satmex, disposal of KabelKiosk) as well as several reclassifications between the various applications in order to better reflect the final usage of the capacity. To facilitate comparisons, FY 2013-2014 revenues were restated using the same basis as financial year 2014-2015.
- The nomenclature of the activity previously known as "Multi-usage" is henceforth "Government Services, which better reflects the nature of this activity.

The following table provides a breakdown of revenues by application for the financial years ended 30 June 2014 and 2015:

(in millions of euros)	FY 2013-2014 reported	FY 2013-2014 restated	FY 2014-2015 reported	Actual change	Change at constant currency
Video Applications	877.2	872.3	913.0	+4.7%	+3.5%
Data Services	189.8	209.2	226.6	+8.3%	+1.3%
Value-Added Services	88.7	88.7	102.4	+15.4%	+14.8%
Government Services	157.8	174.7	196.5	+12.5%	+2.6%
Other revenues	33.9	32.4	37.9	+17.1%	+15.9%
SUB-TOTAL	**1,347.4**	**1,377.3**	**1,476.4**	**+7.2%**	**+4.0%**
Non-recurring revenues	0.5	0.5	-	N/A	N/A
TOTAL	**1,347.9**	**1,377.8**	**1,476.4**	**+7.2%**	**+4.0%**
EUR/USD exchange rate	1,360	-	1,228		

Total revenues for FY 2014-2015 stood at 1,476.4 million euros, up 4.0% on a pro-forma basis at constant currency and excluding non-recurring revenues. The appreciation of the U.S. dollar relative to the euro added 3.2 points to top-line growth, particularly in Government Services and to a lesser extent in Data Services. On a reported basis revenues were up 9.5% including the impact of changes in perimeter (acquisition of Satmex and disposal of KabelKiosk).

In the context of the current economic environment in Russia, Eutelsat entered into discussions with its Russian clients with the aim of alleviating some contract terms. The impact on FY 2014-2015 revenues was around 2 million euros.

Video Applications

For FY 2014-2015, revenues from **Video Applications** were up 3.5% like-for-like to 913 million euros. This mainly reflected the entry into service of the Express-AT1 satellite in May 2014, the good performance of Eutelsat Americas, resources added in September 2013 to the 7°/8° West position (covering MENA) as well as growth at 16° East (Sub-Saharan Africa and Central Europe), 36° East (Russia and Sub-Saharan Africa) and 7° East (Middle-East and Africa). This performance more than offset the negative impact of the renegotiation during the second half of contracts with Russian customers for around 2 million euros, as well as lower revenues at 28.5° East and the non-renewal of contracts with some service providers at the HOT BIRD position.

Contracts signed during the year included the multi-year renewal of seven transponders at the HOT BIRD neighbourhood by the Polish pay TV operator, nc+, the long-term extension of capacity agreements on EUTELSAT 16A by Total TV, the leading TV and broadband service provider in South-Eastern Europe, and multiple contract wins in Africa.

At 30 June 2015, the total number of channels broadcast by Eutelsat satellites stood at 5,793 (+47 channels year-on-year). HDTV penetration continued to increase, representing 11.9% of channels compared to 10.2% a year earlier. A total of 687 channels were broadcast in High Definition across Eutelsat's fleet, up from 584 a year earlier.

Data Services

For FY 2014-2015, revenues from **Data Services** were up 1.3% like-for-like to 226.6 million euros.

This growth reflected the ongoing positive dynamics in Latin America where Eutelsat Americas continued to deliver strong growth for regular capacity and benefited from the entry into service of the high throughput payload on EUTELSAT 3B for broadband services in Brazil. In the EMEA region, some contracts were signed in MENA notably with telecom operators, although on the whole, the context remained challenging.

Value-Added Services

For FY 2014-2015, **Value-Added Services** recorded strong growth of 14.8% on a like-for-like basis, to 102.4 million euros.

Services on KA-SAT continued to rise, with 185,000 broadband terminals activated at 30 June 2015, up from 154,000 a year earlier.

Government Services

For FY 2014-2015, revenues from **Government Services** were up 2.6% like-for-like to 196.5 million euros.

New contracts at EUTELSAT 33B, EUTELSAT 36B and EUTELSAT 48D and the good performance of Eutelsat Americas helped offset the carry-forward effect of lower contract renewals with the U.S. Department of Defense in the past 18 months.

Visibility in this segment remains low for the coming year, with increasing pricing pressure reflecting the impact of reduced operations, ongoing budgetary constraints and tougher procurement processes.

Other revenues and non-recurring revenues

For FY 2014-2015, **Other Revenues** [1] amounted to 37.9 million euros compared with 32.4 million euros a year earlier. They included the full-year impact of revenues related to the agreements concluded with SES at 28.5° East.

There were no **Non-Recurring Revenues** in FY 2014-2015 (0.5 million euros last year).

Geographical breakdown of revenues

The following table gives a breakdown of the Group's revenue by geographical area for the financial years ended 30 June 2014 and 2015. This table is based on billing addresses and does not reflect the geographical origins of satellite capacity end-users, mainly owing to the substantial proportion of the Group's client portfolio accounted for by distributor-customers.

(in millions of euros and as a percentage)	30 June 2014		30 June 2015	
Regions	Amount	%	Amount	%
France	147.3	10.9	140.2	9.5
Italy	208.0	15.4	207.2	14.0
United Kingdom	104.8	7.8	109.0	7.4
Europe (other)	402.6	29.9	415.3	28.1
Americas	210.4	15.6	306.5	20.8
Middle-East	169.3	12.6	178.9	12.1
Africa	73.8	5.5	83.0	5.6
Asia	29.1	2.2	36.8	2.5
Other [1]	2.7	0.2	(0.7)	0.0
TOTAL	**1,347.9**	**100.0**	**1,476.4**	**100.0**

(1) Including 0.5 million euros in indemnity payments for late delivery for the period ended 30 June 2014.

The share of the Americas increased in FY 2014-2015 reflecting the full-year impact of the acquisition of Satmex and the strong growth in this region.

Main customers

As of 30 June 2015, the Group's top 10 customers accounted for 42.8% of the Group's revenues with the breakdown as follows:

	Revenue per customer	
Customers	*(in millions of euros)*	*(as a percentage)*
Public sector entities (United States)	131.7	8.9%
Orange/Globecast	117.8	8.0%
Sky Italia S.r.l.	89.2	6.0%
Telespazio/Telecom Italia	65.7	4.4%
Nilesat	52.8	3.6%
Noorsat WLL	49.5	3.4%
British Telecom/Arqiva	45.2	3.1%
Multichoice Africa	30.4	2.1%
Digital Platform Teknoloji Hizmetleri	26.1	1.8%
Intersputnik International Organization of Space Communication	23.4	1.6%
TOTAL OF TOP 10 CUSTOMERS	**631.8**	**42.8%**
Others	844.6	57.2%
TOTAL	**1,476.4**	**100.0%**

(1) Other revenues include mainly compensation paid on the settlement of business-related litigation, the financing of certain research programmes by the European Union and other organisations, the impact of EUR/USD currency hedging, the provision of various services or consulting/engineering fees as well as termination fees.

As of 30 June 2014, the Group's top 10 customers accounted for 47.3% of the Group's revenues with the breakdown as follows:

Customers	Revenue per customer (in millions of euros)	Revenue per customer (as a percentage)
Public sector entities (United States of America)	127.0	9.4%
Orange/Globecast	124.5	9.2%
Sky Italia Srl	89.1	6.6%
Telespazio/Telecom Italia	69.6	5.2%
Nilesat	54.1	4.0%
British Telecom/Arqiva	45.0	3.3%
Noorsat WLL	43.6	3.2%
Intersputnik International Organization of Space Communication	32.4	2.4%
Multichoice Africa	26.2	1.9%
Deutsche Telekom/Media Broadcast	26.1	1.9%
TOTAL OF TOP 10 CUSTOMERS	**637.6**	**47.3%**
Others	710.3	52.7%
TOTAL	**1,347.9**	**100.0%**

6.1.2.3 Operating costs and selling, general and administrative expenses

Operating costs and selling, general and administrative expenses represented 23.3% of 2014-2015 revenues (same proportion for previous financial year). The 9.5% increase over the previous year notably reflects:

- the full-year impact of the integration of Satmex;
- revenue growth at constant perimeter;
- slight increase in bad debt;
- the continued strict policy of rigorous control over Groups costs.

6.1.2.4 Depreciation and amortisation, other operating charges and other operating income

Depreciation and amortisation chiefly corresponds to the depreciation of satellites and ground facilities, as well as the amortisation of intangible assets recorded under "Customer Contracts and associated relationships", the latter amounted to 56.2 million euros for fiscal year 2014-2015.

As of 30 June 2015, the rise in depreciation and amortisation expenses (+65.2 million euros) to 466.5 million euros reflects principally the impact of new capacity (Express-AT1, Express-AT2 and EUTELSAT 3B) as well as the full-year effect of the consolidation of Eutelsat Americas (formerly Satmex).

"Other operating income (charges)" stood at (3.7) million euros as of 30 June 2015, *versus* (8.5) million euros as of 30 June 2014. For fiscal year 2014-2015, they included mainly costs and provisions related to litigations. For fiscal year 2013-2014, they reflected mainly the net impact of the disposals of Solaris Mobile Ltd (to EchoStar Corp.) and Eutelsat visAvision GmbH (to M7A Group S.A.) and fees related notably to the acquisition of Satmex.

6.1.2.5 Operating income

As of 30 June 2015, operating income increased 6.1% to 661.5 million euros, representing 44.8% of revenues (46.2% for previous year).

6.1.2.6 Financial result

The financial result posted a 116.0 million euros expense as of 30 June 2015, compared with a 132.3 million euros expense in the previous financial year.

This evolution reflects mainly:

- on a one hand a positive net currency of +21.3 million euros compared to (7.4) million euros last year, and
- on other the full-year effect of the bond issued in December 2013.

6.1.2.7 Income tax

As of 30 June 2015, income tax expense increased by 2.3% to 194.1 million euros (compared with 189.8 million euros as of 30 June 2014), whereas profit before tax was up 11.5% to 564.3 million euros.

The effective tax rate stood at 35.6% for financial year 2014-2015, a decrease compared to the 38.6% for previous financial year. This reduction in the tax rate mainly reflected the activation of certain tax loss carry-forwards in Latin America. In addition, the tax bill in 2013-2014 included a settlement of (5.6) million euros.

6.1.2.8 Consolidated net income

After taking into account an Income from associates of 18.8 million euros compared to 14.9 million euros for fiscal year 2013-2014, a change reflecting a higher contribution from Hispasat and the disposal of Solaris, consolidated net income totalled 370.2 million euros as of 30 June 2015, compared to 316.2 million euros as of 30 June 2014.

6.1.2.9 Net income attributable to the Group

After taking non-controlling interests of 15.0 million euros into account, Net income attributable to the Group stood at 355.2 million euros at 30 June 2015, an increase of more than 17% year-on-year. (303.2 million euros at 30 June 2014).

6.1.3 LIQUIDITY AND CAPITAL RESOURCES

6.1.3.1 Eutelsat Communications' equity

Investors are advised to refer to Note 15 on the consolidated financial statements for the year ended 30 June 2015 shown in Section 6.2 of this Reference Document, which contains information on the issuer's equity.

6.1.3.2 Changes in Eutelsat Communications' cash flow

The following table shows changes in cash flow for the financial years ended 30 June 2014 and 2015.

(in millions of euros)	30 June 2014	30 June 2015
Cash flow from operating activities	777.6	1,034.6
Cash flow from investing activities	(987.1)	(452.2)
Cash flow from financing activities	254.8	(474.7)
Impact of exchange rate on cash and cash equivalents	(0.3)	19.5
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**45.1**	**127.2**
Cash and cash equivalents at beginning of year	247.9	293.0
Cash and cash equivalents at end of year	293.0	420.3

Cash flow from operating activities

Net cash flows from operating activities rose 33% to 1,034.6 million euros, representing 70% of revenues, *versus* 777.6 million euros in 2013-2014. This reflected mainly the increase in EBITDA (for +98.5 million euros), a reduction in tax paid (for +85.6 million euros) relating to the evolution of the pretax profit in previous years and the timing of tax payments and a more favourable change in working capital than last year (net impact of +17.7 million euros).

Cash flow from investing activities

Investing activities mainly concern satellites ("Acquisitions of satellites") and ground equipment ("Other property and equipment").

"Acquisitions of satellites" covers the costs of satellite construction, launch, and entry into operational service. These expenses comprise construction costs (including performance-related incentive payments), launch costs and Launch-plus-one-year insurance premiums. Some of the Group's procurement and launch contracts state that the Group has to pay incentives according to whether or not the satellite launch is successful and on the basis of certain technical specifications. The Group recognises the present value of these payments as a liability, and capitalises them under satellite costs. Payment of satellite performance incentives are subject to reductions or to reimbursements if the satellite does not meet the predetermined criteria.

"Acquisitions of satellites" is the largest component of the Group's capital investments. The cost of procuring and launching a satellite is generally spread over the two-or three-year period prior to the satellite launch.

"Other property and equipment" essentially comprises satellite control and monitoring equipment. A large portion of these expenses concerns the three control and monitoring sites as well as equipment for the Group's registered office (such as technical facilities, office furniture and IT equipment). Investments in on-ground equipment closely mirror trends in the satellite launch programme.

The level of investment depends on the satellite launch programme and may fluctuate substantially from one year to the next.

During the financial year ended 30 June 2015, cash flows from investing activities increased from 987.1 million euros as of 30 June 2014 to 452.2 million euros. This was primarily due to the acquisition of Satmex in the financial year ended 30 June 2014.

The following table shows cash flows from investing activities during the financial years ended 30 June 2014 and 2015.

Financial year ended 30 June *(in millions of euros)*	12-month period	
	2014	2015
Acquisitions of satellites, other property and equipment and intangible assets	(439.6)	(456.7)
Acquisitions of equity investments and subsidiaries (net of cash acquired)	(565.7)	-
Sale of Solaris	15.6	-
Dividend received from associates	2.6	4.5
CASH FLOWS FROM INVESTING ACTIVITIES	**(987.1)**	**(452.2)**

In addition the Group also communicates on **Cash capital expenditures** which include Acquisitions of satellites, other property and equipment and intangible assets capital expenditures as well as payments under existing export credit facilities and under long-term lease agreements on third party capacity. According to this definition, which is used for the Group financial outlook, Cash capital expenditures amounted to 493 million euros in FY 2014-2015 compared to 451 million euros a year earlier, reflecting the consolidation of Eutelsat Americas (Satmex) over the full period, the financial leases on Express-AT1 and Express-AT2 as well as the phasing of various satellite programmes. A reconciliation table is shown below.

▸ Capex as defined in the financial outlook (in millions of euros)

Twelve months ended June 30	2015
Acquisitions of satellites, other property and equipment and intangible assets	456.7
Repayments of ECA loans and long-term capital leases	36.2
CAPEX PER FINANCIAL OUTLOOK DEFINITION	**492.9**

Cash flow from financing activities

During the financial year ended 30 June 2015, cash flow from financing activities moved from 254.8 million euros to (474.7) million euros. The latter reflects notably the reduced nominal of the term loan of Eutelsat Communications (from 800 million euros to 600 million euros) in FY 2014-2015, the payment of a fraction of the dividend in cash (for 87 million euros), as well as interest and other fees paid (for 160 milllion euros). FY 2013-2014 reflected notably transactions related to the acquisition of Satmex (Issuance of a 930 million euros bond and early repayment of Satmex bonds).

6.1.3.3 Changes in debt and Group financing structure

The following paragraphs primarily describe the Group's liquidity needs and financial resources. See also the Company's historical consolidated financial statements for the financial years ended 30 June 2014 and 2015 prepared under IFRS standards and also the Notes to these financial statements.

The Group's liquidity needs mainly comprise:

- financing for satellite construction and launches;
- servicing of the Group's debt;
- financing of working capital.

The Group's financial resources

The Group's financial resources primarily comprise cash flows generated by Eutelsat S.A.'s operating activities. The Group has additional financial resources through the credit facilities obtained and the bonded debt issued by Eutelsat S.A.

Trend in the Group's net debt

The following table shows a breakdown of the Group's net debt as of 30 June 2014 and 2015.

(in millions of euros)	30 June 2014	30 June 2015
Term loan	800.0	600.0
Bonds	2,880.0	2,880.0
Export credit	174.7	232.8
"Change" portion of the cross-currency swap	(2.9)	114.6
Finance leases	220.1	433.9
Cash and cash equivalents	(293.0)	(420.2)
TOTAL	**3,779.0**	**3,841.1**

The Group's net debt includes all bank and bonded debt, as well as debt related to satellite financing leases, less cash, cash equivalents and marketable securities net of bank credit balances (see Note 16 "Financial debt" to the consolidated financial statements for the year ended 30 June 2015 in Section 6.2 of this Reference Document).

The Group's net debt as of 30 June 2015

At 30 June 2015, the Group's total net debt amounted to 3,841 million euros, and comprised mainly (i) 600 million euros of borrowings drawn down within the framework of the Eutelsat Communications term loan, (ii) 2,880 million euros of bonds issued by Eutelsat S.A., (iii) 667 million euros of debt related to satellite financing agreement; (iv) 115 million euros for the Foreign exchange portion of the cross-currency swap and; v) 420 million euros in cash, cash equivalents and marketable securities (net of bank overdrafts).

The Group also has 650 million euros available under its various lines of undrawn credit.

The table below describes the Group's main credit facilities as of 30 June 2015:

(in millions of euros)	Amount granted	Amount used	Maturity
Eutelsat Communications term loan 2020	600	600	31 March 2020
Eutelsat Communications renewable credit facility	200	-	31 March 2020
2017 Eutelsat S.A. Bond	850	850	27 March 2017
2019 Eutelsat S.A. Bond	800	800	14 January 2019
2020 Eutelsat S.A. Bond	930	930	13 January 2020
Eutelsat S.A. renewable credit facility	450	-	13 September 2018
2022 Eutelsat S.A. Bond	300	300	10 October 2022
US Exim export credit facility – Eutelsat S.A.	60	46	15 November 2021
ONDD export credit facilities 1	122	106	30 June 2024
ONDD export credit facilities 2	87	81	31 August 2024
Long-term leases	-	435	(1)
Foreign exchange portion of the cross-currency swap	-	115	13 January 2020
TOTAL	**-**	**4,263**	

(1) See Note 19.2 in Consolidated Statements appendix.

There was no drawdown on the revolving lines of credit during the year ending 30 June 2015. Effective interest rates for the Eutelsat Communications bullet loan [(2)] are respectively 2.11% and 4.23%, after taking into account the effects of hedging instruments, for the same period. The effective interest rate on bonds issued by Eutelsat S.A is 4.35% for those maturing in March 2017, 5.17% for those maturing in January 2019, 2.87% for those maturing in January 2020 and 3.34% for those maturing in October 2022.

As of 30 June 2015, part of the Group's debt bore interest at a variable rate (generally EURIBOR plus a margin) and the bond loan and the US Ex-Im export credit facility bore interest at a fixed rate.

At 30 June 2015, net debt was broadly stable at 3,841 million euros *versus* 3,779 million euros at 30 June 2014. Free cash-flow generation covered a cash dividend payment of 87 million euros, interest and other fees of 149 million euros, an increase in financial leases of 214 million euros, due notably to the entry into service of Express-AT2, and the mark-to-market fair value of the foreign exchange portion of the cross-currency swap (for 118 million euros). The net debt to EBITDA ratio stood at 3.4 times, an improvement compared to 30 June 2014 (3.5 x).

At 30 June 2015, the weighted average maturity of the Group's debt stood at 4.1 years, down from 4.4 years at 30 June 2014. The average cost of debt was 3.8% (after hedging), down from 4.0% in FY 2013-2014.

Liquidity remains strong, with cash of 420 million euros and undrawn credit lines of 650 million euros.

The Group's financing structure

Main changes during financial year ended 30 June 2015

In March 2015, Eutelsat Communications concluded the early refinancing of the 800 million euros bank term loan of the holding company, Eutelsat Communications S.A, expiring in December 2016. The refinancing was undertaken *via* the following operations:

- a new term loan of 600 million euros expiring in March 2020 (with two possible extension facilities of one year each subject to lender agreement);
- the early reimbursement of 200 million euros, using the Group's available cash.

At the same time, the Group renegotiated a revolving credit facility of 200 million euros for a duration of five years with two possible extension facilities of one year each subject to lender agreement, replacing the previous facility of the same amount, expiring in December 2016.

These operations enabled Eutelsat to extend its debt maturity profile and will reduce financial charges by circa 15 million euros before tax on an annualized basis excluding arrangement fees and hedging instruments. In addition they led to the accelerated amortization of the arrangement fees related to the previous term loan. The impact on the financial result of fiscal year ended 30 June 2015 was (4.1) million euros.

Eutelsat S.A.'s credit facilities

Eutelsat S.A. financing structure is the following:

- 850 million euros of seven-year bonds issued on 26 March 2010 on the Luxemburg Stock Exchange, maturing on 27 March 2017. The bonds bear a coupon of 4.125%, were issued at 99.232% and are repayable in full at maturity at 100%;
- 800 million euros of seven-year bonds issued on 7 December 2011 on the Luxemburg Stock Exchange, maturing on 14 January 2019. The bonds bear a coupon of 5.000%, were issued at 99.186% and are repayable in full at maturity at 100%. These bonds have completed the refinancing of Eutelsat Communications S.A. indebtedness;
- 300 million euros of 10-year bonds issued on 1 October 2012 on the Luxemburg Stock Exchange, maturing on 10 October 2022. The bonds bear a coupon of 3.125%, were issued at 99.148% and are repayable in full at maturity at 100%;
- 930 million euros of six-year bonds issued on 9 December 2013 on the Luxemburg Stock Exchange regulated market and maturing on 13 January 2020 ("the Bond Loan 2020"). The 2020 bonds carry an annual coupon of 2.625%, were issued at 99.289%, and are redeemable at maturity at 100% of their principal amount;
- a 66 million U.S. dollar US Ex-Im export credit facility, of which 51 million U.S. dollars were drawn at 30 June 2015. This credit facility will mature on 15 November 2021. It is repayable in 17 semi-annual instalments from November 2013 and bears interest at a fixed rate of 1.71%.
- two export credit facilities covered by Office National du Ducroire (ONDD) for a total amount of 209 million euros; of which 187 million euros were drawn at 30 June 2015. These credit facilities have a 11.5 year

(2) The Term Loan has been repaid during the year, and the effective interest rates correspond to the effective rate on these two successive loans during the year.

maturity and will mature on 30 June 2024 and 31 August 2024. They are repayable in 17 semi-annual installements from June 2016 and August 2016. The first one, for an amount of 121 million euros (of which 106 million euros were drawn), bears interest at 2.07% (rate based on 6-month EURIBOR and calculated at the facility signing date) will be used to finance the construction of a satellite. The second one, for an amount of 87 million euros (of which 81 million euros were drawn), bears interest at 2.23% (rate based on 6-month EURIBOR and calculated at the facility signing date) and will be used to finance a launcher;

- a 450 million euro revolving credit facility signed on 13 September 2013 with a five-year term. Amounts drawn for a maximum period of six months bear interest at EURIBOR (or LIBOR for amounts drawn in U.S. dollars) plus a 0.40% to 1.70% margin depending on Eutelsat S.A.'s long term rating assigned by Standard & Poor's. The initial margin stands at 0.70%. A non-use fee is payable representing 35% of the applicable margin mentioned above. The agreement also provides for a 0.10% utilisation commission if less than 33.33% of the revolving credit facility is drawn, 0.20% for the portion equal to or exceeding 33.33% but lower than 66.67% and a 0.35% commission for any portion exceeding 66.67%. furthermore, under this credit agreement, Eutelsat Communications is required to maintain a total net debt to annualised EBITDA ratio (as contractually defined and based on the consolidated financial statements of the Eutelsat S.A. sub-group prepared in accordance with IFRSs) below or equal to 3.75 to 1 (this ratio is tested on 30 June and 31 December each year).

The credit agreements and the bond issues include neither a guarantee by the Group, nor the pledging of assets to the lenders, but they include restrictive clauses, subject to the usual exceptions contained in loan agreements, limiting the capacity of Eutelsat S.A. and its subsidiaries, in particular to:

- grant security interests or guarantees;
- enter into agreements resulting in additional liabilities;
- grant loans and carry out certain types of investments;
- enter into merger, acquisition, asset disposal, or lease transactions (with the exception of those carried out within the Group and expressly provided for in the loan agreement);
- modify the nature of the business of the Company or its subsidiaries.

The bond issues and the credit facilities allow each lender to request early repayment of all sums due in case of unregulated downgrading, of Eutelsat S.A. or bonds issued by Eutelsat S.A. respectively as a result of a change of control of Eutelsat S.A. or a change of control of Eutelsat Communications (other than control acquisition by the Group's reference shareholders). This provision does not apply in case of Group restructuring.

The credit agreement entails an obligation to maintain Launch-plus-one-year insurance policies for any satellite located at 13° East and, for any satellite located at another orbital position, a commitment not to have more than one satellite not covered by a launch insurance policy.

Issue costs incurred on issuing the bonds are amortised over the duration of the loans. As of 30 June 2015, unamortised issue costs and premiums represented a balance of 31.6 million euros.

Eutelsat Communications S.A. Credit Facilities

Eutelsat Communications S.A. financing structure is the following:

- a 600 million euros Term Loan maturing in March 2020 (with two possible extension facilities of one year each subject to lender agreement) bearing interest at EURIBOR plus a margin of between 0.65% and 1.40% depending on Eutelsat Communications S.A. long-term credit ratings given by Standard & Poors (S&P). The initial margin is 0.90%. Interest periods are three months, beginning on 10 September, 10 December, 10 March and 10 June every year, except for the first two interest periods which were below three months;
- a 200 million euros Revolving Credit Facility (undrawn at 30 June 2015), concluded in March 2015 with a 5-years maturity (with two possible extension facilities of one year each subject to lender agreement). Interest period are of a maximum 6 months and bear interest at EURIBOR (or LIBOR for drawings in U.S. dollars) plus a margin of between 0.25% and 1.00% depending on Eutelsat Communications S.A. long-term credit ratings given by Standard & Poors (S&P). The initial margin is 0.50%. A fee for non-use representing 35% of the margin mentioned above is payable. The agreement also provides for a utilisation commission of 0.10% if the revolving credit facility is used between 0 and 33.33%,,of 0.20% if the revolving credit facility is used more than 33.33% but less than 66.67% and 0.35% if the revolving credit facility is used more than 66.67%.

The loan agreements do not involve any guarantee by Eutelsat Communications' subsidiaries or any pledge of assets as collateral for the loan. This loan agreement includes some restrictive clauses, subject to the usual exceptions in loan agreements (see Note 16 to the attached consolidated financial statements for more information on the restrictive conditions and the limitations applying to this loan agreement). The agreement provides for each lender party to the agreement to ask for early repayment of all monies owed if there is a change in control of Eutelsat Communications and Eutelsat S.A. or in the event of concerted action.

In addition, Eutelsat Communications has agreed to directly or indirectly retain 95% of the capital and voting rights in Eutelsat S.A. for the duration of the loan.

The credit agreement entails an obligation to maintain Launch-plus-one-year insurance policies for any satellite located at 13° East and, for any satellite located at another orbital position, a commitment not to have more than one satellite not covered by a launch insurance policy.

Eutelsat Communications S.A. is required to maintain a total net debt to annualised EBITDA ratio (as these terms are defined contractually and based on the Group's IFRS consolidated accounts) less than or equal to 3.75 to 1, this ratio being tested on 30 June and 31 December each year. Regarding the new term loan concluded in March 2015, net debt to annualised EBITDA ratio has to be less than or equal to 4.0 to 1.

The fees incurred for setting up the Term Loan are amortised over the duration of the loans. As of 30 June 2015, they represent a balance of 2.9 million euros.

6.1.3.4 Other Group commitments

The following table summarises the Group's contractual obligations (excluding long-term debt) and commercial commitments as of 30 June 2015 (see the Notes to Eutelsat Communications S.A.'s consolidated financial statements for the year ended 30 June 2015 in Section 6.2 of this Reference Document).

		Payments by period			
(in millions of euros)	Total	<1 year	1-3 years	3-5 years	>5 years
Amounts due in respect of long-term finance lease contracts	553.8	23.1	67.1	75.5	388.1
In-orbit incentive payments	1.2	1.2	-	-	-
Operating lease commitments	32.2	4.0	8.0	8.1	12.1
Satellite construction and launch contracts	776.7	290.4	199.5	109.1	177.7
Operating agreements and customer contracts (1)	207.0	70.9	57.6	28.7	49.8
Retirement indemnities and other post-employment benefits (2)	31.0	-	-	-	31.0
TOTAL CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS	**1,601.9**	**389.6**	**332.2**	**221.4**	**658.7**

(1) Primarily includes costs of controlling satellites in-orbit.
(2) Mainly includes long-term obligations (more than five years).

As of 30 June 2015, Eutelsat S.A.'s contractual and commercial commitments comprised the following:

Long-life lease obligations

Express-AM6 satellite

In April 2015, the Group entered into a lease agreement with RSCC on the Express-AM6 satellite for its entire operating life (with a contractual minimum of 15 years). These transponders [3] were recognised as assets for 57.7 million euros, based on the discounted value of future payments.

Express-AT1 satellite

In June 2013, the Group entered into a capacity lease agreement for 19 transponders (extended to 21 transponders in a second phase and to 18 transponders in a third phase) on the Express-AT1 satellite for its entire operating life.

Express-AT2 satellite

In November 2012, the Group entered into a capacity lease agreement for eight transponders on the Express-AT2 satellite for its entire operating life. These transponders were recognised as assets for 93.5 million euros, based on the discounted value of future payments.

EUTELSAT 36C satellite

In November 2012 and June 2013, the Group entered into capacity lease agreements on the EUTELSAT 36C satellite for its entire operating life. Transponders covered by these agreements will be recognised as assets, under the condition of the satellite's entry into operational service. Its launch is scheduled in financial year 2015-2016.

ASTRA 2G satellite

In January 2014, the Group entered into capacity lease agreements with SES-ASTRA for 8 transponders on the ASTRA 2G satellite for its entire operating life. These transponders were recognised as assets for 96.3 million euros, based on the discounted value of future payments.

In-orbit incentive payments

The Group's satellite construction contracts provide for payment obligations based on satellite performance. In some contracts, a portion of the purchase price is paid to the manufacturer in instalments throughout the satellite's operating life, according to its compliance with technical and contract specifications. For the most recent contracts, the Group has agreed to pay the entire satellite price upon its initial entry into operational use, including in-orbit incentives. If the satellite does not comply with technical operating requirements, the constructor has to repay to the Group a portion of the incentive payments, or reduce their amount. Repayments by the constructor are generally guaranteed up to the amount of the incentive payments by a bank guarantee or a shareholders' guarantee.

The Group recognises the discounted value of payments to be made in the future as a liability and includes those costs in the overall cost of the satellite (posted to assets). If an incentive payment is not payable or is repaid, the cost of the satellite is adjusted, as well as the associated liability. Depreciation is then reviewed in a prospective manner.

Operating leases

During the year ended 30 June 2005, the Group renewed the lease on its registered office in Paris for a nine-year period. On 25 November 2009, the Group concluded a rider to the contract renewing the lease for a period of nine years as of 1 August 2009, with a firm period of six years and five months. During the year ended 30 June 2014, the Group renegotiated the lease on its registered office and concluded a new lease contract for a firm 9-year period, starting on 1 July 2014. As of 30 June 2014, future minimum annual rental payments came to around 4,020,000 euros. Furthermore, on 1 August 2012 Eutelsat entered into a lease agreement for an additional 923 m^2 in Paris, with an exit option as of 31 December 2015 subject to a termination penalty of 120,000 euros. This exit option has been exercised. Finally, as of 1 September 2015, Eutelsat entered into a lease agreement until 30 June 2023 for an additional 1,070 m^2 in Paris for an annual rental of 445,000 euros.

In addition, as of 30 June 2015, Satelites Mexicanos S.A. de C.V. was leasing offices located in Mexico City. The lease agreement was renewed in October 2013 for a period of five years. As of 30 June 2015, minimum aggregated future payments related amounted to around 1,715,000 U.S. dollars.

(3) Capacity operated under the name EUTELSAT 53A.

Financial guarantee granted to the IGO's Closed Pension Fund

Before Eutelsat S.A. was set up and prior to the transfer by IGO of its operating activities, the IGO managed a pension fund (the "Closed Pension Fund") for its staff members. The rights of the Closed Pension Fund's beneficiaries were fixed, and management of the fund and the corresponding assets were assigned to a Trust, which was also charged with managing the associated pension liabilities.

As of 30 June 2015, the discounted value of the Trust's pension liabilities amounted to 231.8 million euros in Eutelsat Communications' consolidated financial statements, and the fair value of its assets was 153.6 million euros. The calculation of total pension liabilities is based on actuarial assumptions including the discount rate, the long-term yield on assets invested, and the estimated life expectancy of the Closed Pension Fund's beneficiaries. Estimated total pension liabilities may be higher or lower depending on the scenario applied. Pursuant to the transfer agreement dated 2 July 2001, Eutelsat S.A. took over the unlimited financial guarantee given by the IGO to cover any financing shortfall in the Closed Pension Fund. Any shortfall in the amount needed to finance the Closed Pension Fund could involve the Group in new obligations as regards the financial guarantee, which could have a significant negative impact on the Group's business, financial position and results. The unlimited financial guarantee taken over by Eutelsat S.A. may be activated under certain conditions so as to make up for any such future funding shortfall. During the year ended 30 June 2014, the amount of guarantee being called upon was 2.5 million euros. This amount was measured on the basis of the Trust's projections, taking into account future market developments and will be paid in three settlements during the financial year ending 30 June 2014, 2015 and 2016.

Furthermore, in accordance with the agreements governing the Closed Pension Fund, the Trust's administrators have the power to liquidate the Closed Pension Fund if certain events should occur, including if they deem that the Closed Pension Fund cannot continue to be managed effectively. In the event that administrators of the Trust liquidate the Closed Pension Fund, they would appoint an actuary to determine any shortfall between the value of the Closed Pension Fund's assets compared to its liabilities, and the Group would be compelled to pay the difference, which could be substantial.

The Group cannot predict with great certainty the amount it might have to pay if the guarantee were enforced. Any financing shortfall in the Closed Pension Fund could generate new obligations for the Group pursuant to the financial guarantee. This could have a significant negative impact on the Group's business, financial situation and results.

Liquidity offers

The Company gave an undertaking to employees who are shareholders in Eutelsat S.A. or who hold Eutelsat S.A. stock subscription or stock purchase options, apart from Corporate Officers and Directors and executives who made commitments to sell their shares to put in place a liquidity mechanism for their Eutelsat S.A. shares should Eutelsat Communications be floated on the stock market.

The Group consequently provides a semi-annual liquidity "window" after publication of the half-year and annual results.

Eutelsat Communications made a proposal, *via* its Eutelsat Communications Finances subsidiary, to all the beneficiaries of the stock subscription options granted under the Partners, Managers I, II, III and IV plans and to beneficiaries of the stock purchase plans of March and April 2004 to purchase the shares they acquired under such plans. This liquidity offer opened on 24 November 2014 and closed on 5 December 2014. Final settlement of the transaction took place on 12 December 2014. In respect of this transaction, 11,701 shares had been repurchased at a unit price of 6.51 euros per Eutelsat S.A. share.

Furthermore, the Company made a second liquidity offer, *via* its Eutelsat Communications Finances S.A.S. subsidiary, and offered all the beneficiaries of the stock options granted under the Partners and Managers I, II, III and IV plans (with the exception of managing employees who granted commitments to sell shares) and beneficiaries of the stock purchase plans of March and April 2004, to purchase their shares at a unit price of 6.74 euros per Eutelsat S.A. share. This liquidity offer opened on 22 May 2015 and the subscription period closed on 4 June 2015. Final settlement of the transaction took place on 11 June 2015. In respect of this transaction, 18,905 shares had been repurchased at a unit price of 7.74 euros per Eutelsat S.A. share.

6.1.3.5 Financing sources expected for future investments

The Group believes that cash flows generated by its operating activities, its cash and cash equivalents and the funds available under its credit facilities will be sufficient to meet its future financial obligations as currently anticipated, to satisfy its working capital requirements and to carry out its investment programme. However, the Group's financial performance depends on the general economic climate, the competitive, legislative and regulatory environment and other factors that are not necessarily under the Group's control. The Group cannot guarantee that its expected investment and working capital needs will materialise, nor can it guarantee that the funds made available to it under the resources mentioned above will be sufficient to meet its financial expenses and honour its obligations.

6.1.4 DIVIDEND POLICY

The dividend policy is set by the Board of Directors after analysis, in particular, of the Group's results and financial position.

Starting in the financial year ended 30 June 2012, Eutelsat Communications undertook the distribution of:

- an amount of 1.00 euro per share fully taken away from the distributable profit in respect of the financial year ended 30 June 2012;
- an amount of 1.08 euros per share fully taken away from the distributable profit in respect of the financial year ended 30 June 2013;
- an amount of 1.03 euros per share fully taken away from the distributable profit in respect of the financial year ended 30 June 2014. The dividend could be paid, for the entire part of the dividend, either in cash or in new shares of the Company ("scrip dividend"), at the option of each shareholder. 66% of the rights were exercised in favour of the scrip dividend.

On 29 July 2015, the Board of Directors agreed to submit for approval at the 5 November 2015 Annual Meeting of Shareholders a dividend of 1.09 euros per share for FY 2014-2015 *versus* 1.03 euros last year, up 6%. This represents a pay-out ratio of 70% of Group share of net income, consistent with the Group's policy of a pay-out ratio of 65% to 75%, reflecting its commitment to shareholder remuneration.

A resolution will be subtmitted to the Annual Meeting of Shareholders to offer shareholders the option to receive the dividend in the form of shares under similar conditions to last year.

In the future, Eutelsat Communications' objective is to distribute between 65% and 75% of the Net Income Attributable to the Group to its shareholders. This goal is by no means a commitment by the Group and future distributions will depend on the Group's results, financial situation and a number of restrictions.

6.2 Consolidated financial statements as of 30 June 2015

CONSOLIDATED BALANCE SHEET

(in millions of euros)	Note	30 June 2014	30 June 2015
ASSETS			
Non-current assets			
Goodwill	5	1,103.9	1,165.0
Intangible assets	5	798.8	809.5
Satellites and other property and equipment	6	3,232.1	3,458.7
Construction in progress	6	847.8	1,104.0
Investments in associates	7	271.9	282.2
Non-current financial assets	8,14	14.9	11.9
Deferred tax assets	21	32.2	23.8
TOTAL NON-CURRENT ASSETS		**6,301.6**	**6,855.1**
Current assets			
Inventories	9	1.4	0.9
Accounts receivable	10	323.3	309.3
Other current assets	11	15.9	40.0
Current tax receivable		37.8	3.7
Current financial assets	12,14	32.7	29.5
Cash and cash equivalents	13	293.2	420.3
TOTAL CURRENT ASSETS		**704.3**	**803.8**
TOTAL ASSETS		**7,005.9**	**7,658.9**

(in millions of euros)	Note	30 June 2014	30 June 2015
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	15	220.1	227.0
Additional paid-in capital		453.2	594.1
Reserves and retained earnings		1,309.7	1,651.8
Non-controlling interests		47.7	61.1
TOTAL SHAREHOLDERS' EQUITY		**2,030.7**	**2,533.9**
Non-current liabilities			
Non-current financial debt	16,18	3,813.6	3,663.3
Other non-current financial liabilities	17,18	303.8	597.6
Non-current provisions	22	86.5	109.2
Deferred tax liabilities	21	338.0	297.4
TOTAL NON-CURRENT LIABILITIES		**4,542.1**	**4,667.5**
Current liabilities			
Current financial debt	16,18	49.4	64.5
Other current financial liabilities	17,18	34.6	39.9
Accounts payable	18	75.9	69.0
Fixed assets payable	18	52.8	21.6
Taxes payable		1.7	11.9
Other current payables	20	202.5	228.6
Current provisions	22	16.2	22.0
TOTAL CURRENT LIABILITIES		**433.1**	**457.5**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**7,005.9**	**7,658.9**

CONSOLIDATED INCOME STATEMENT

(in millions of euros, except per share data)	Note	30 June 2014	30 June 2015
Revenues from operations	**23.2**	**1,347.9**	**1,476.4**
Operating costs [1]		(96.3)	(104.7)
Selling, general and administrative expenses [1]		(218.4)	(240.0)
Depreciation and amortisation	5,6	(401.3)	(466.5)
Other operating income and expenses		(8.5)	(3.7)
Operating income		**623.4**	**661.5**
Cost of debt		(133.3)	(137.9)
Financial income		12.4	3.3
Other financial items		(11.4)	18.6
Financial result	**24**	**(132.3)**	**(116.0)**
Income from associates	7	14.9	18.8
Net income before tax		**506.0**	**564.3**
Income tax expense	21	(189.8)	(194.1)
Net income		**316.2**	**370.2**
Attributable to the Group		303.2	355.2
Attributable to non-controlling interests		13.1	15.0
Earnings per share attributable to Eutelsat Communications' shareholders	**25**		
Basic and diluted earnings per share in euro		1,377	1,590

(1) Analytical reallocations have been undertaken by the Group and comparative figures have been reclassified.

COMPREHENSIVE INCOME STATEMENT

(in millions of euros)	Note	30 June 2014	30 June 2015
Net income		**316.2**	**370.2**
Other recyclable items of gain or loss on comprehensive income			
Translation adjustment	15.5	7.7	179.1
Tax effect		-	41.2
Changes in fair value of hedging instruments [1]	15.4	8.9	9.1
Tax effect	21.2	(3.2)	(3.4)
Other non-recyclable items of gain or loss on comprehensive income			
Changes in post-employment benefits (IAS 19R)		2.5	(16.7)
Tax effect	21.2	(3.5)	7.6
TOTAL OF OTHER ITEMS OF GAIN OR LOSS ON COMPREHENSIVE INCOME		**12.4**	**216.7**
TOTAL COMPREHENSIVE INCOME		**328.7**	**587.0**
Attributable to the Group		315.2	564.2
Attributable to non-controlling interests		13.5	22.8

(1) Covers only cash-flow hedges. Net foreign investment hegdes are recorded as translation adjustments.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	30 June 2014	30 June 2015
CASH FLOW FROM OPERATING ACTIVITIES			
Net income		316.2	370.2
Income from equity investments	7	(14.9)	(18.8)
Tax and interest expense, other operating items		257.9	297.3
Depreciation, amortisation and provisions		429.7	496.9
Deferred taxes	21	16.6	13.6
Changes in accounts receivable		(80.5)	14.6
Changes in other assets		3.0	(2.4)
Changes in accounts payable		(2.8)	(6.4)
Changes in other debt		70.7	2.3
Taxes paid		(218.3)	(132.7)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**777.6**	**1,034.6**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of satellites, other property and equipment and intangible assets	5,6	(439.6)	(456.7)
Acquisition of control (net of cash acquired)		(565.7)	-
Sale of Solaris		15.6	-
Dividends received from associates and other items	7	2.6	4.5
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(987.1)**	**(452.2)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions		(249.5)	(87.4)
Movements in treasury shares		1.1	-
Increase in debt	16	930.0	600.1
Repayment of debt	16	(289.4)	(806.5)
Repayment in respect of performance incentives and long-term leases		(7.0)	(21.1)
Loan set-up fees		(11.2)	(3.6)
Interest and other fees paid		(128.5)	(159.7)
Interest received		12.5	3.9
Other changes		(3.1)	(0.4)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**254.8**	**(474.7)**
Impact of exchange rate on cash and cash equivalents		(0.3)	19.5
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**45.1**	**127.2**
Cash and cash equivalents, beginning of period		**247.9**	**293.0**
Cash and cash equivalents, end of period		**293.0**	**420.3**
Cash reconciliation			
Cash	13	293.0	420.3
Overdraft included under debt [1]	16	-	-
CASH AND CASH EQUIVALENTS PER CASH FLOW STATEMENT		**293.0**	**420.3**

(1) Overdrafts are included in determining "Cash and cash equivalents" in the cash-flow statement as they are repayable on demand and form an integral part of the Group's cash-flow management. They are shown as "Current financial debt" under "Current liabilities" on the balance sheet.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros, except share data)	Common stock Number	Common stock Amount	Common stock Additional paid in capital	Reserves and retained earnings	Share-holders' equity Group share	Non-controlling interests	Total
AS OF 30 JUNE 2013	**220,113,982**	**220.1**	**453.2**	**1,231.0**	**1,904.3**	**46.5**	**1,950.8**
Net income for the period	-	-	-	303.2	303.2	13.1	316.2
Other items of gain or loss on comprehensive income	-	-	-	12.0	12.0	0.4	12.4
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**315.2**	**315.2**	**13.5**	**328.7**
Treasury stock	-	-	-	1.1	1.1	-	1.1
Distributions	-	-	-	(237.2)	(237.2)	(12.2)	(249.4)
Benefits for employees upon exercising options and free shares granted	-	-	-	(0.3)	(0.3)	-	(0.3)
Liquidity offer and others	-	-	-	-	-	(0.1)	(0.1)
AS OF 30 JUNE 2014	**220,113,982**	**220.1**	**453.2**	**1,309.7**	**1,983.0**	**47.7**	**2,030.7**
Net income for the period	-	-	-	355.2	355.2	15.0	370.2
Other items of gain or loss on comprehensive income	-	-	-	209.0	209.0	7.8	216.7
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**564.2**	**564.2**	**22.8**	**587.0**
Treasury stock	-	-	-	2.4	2.4	-	2.4
Distributions	6,858,356	6.9	140.8	(225.7)	(78.0)	(9.5)	(87.5)
Benefits for employees upon exercising options and free shares granted	-	-	-	1.1	1.1	0.1	1.2
Liquidity offer and others	-	-	-	0.1	0.1	0.1	0.2
AS OF 30 JUNE 2015	**226,972,338**	**227.0**	**594.0**	**1,651.8**	**2,472.8**	**61.1**	**2,533.9**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. Key events during the financial period

- Following their successful launches on 15 March 2014 and 26 May 2014 respectively, the EXPRESS AT2 and EUTELSAT 3B satellites went into operational service in early July 2014.
- Eutelsat visAvision GmbH was sold by the Group in July 2014.
- The EUTELSAT 115WB satellite was successfully launched on 1 March 2015 by a Falcon 9 rocket. It is due to enter service during the financial year starting on 1 July 2015.
- In March 2015, Eutelsat Communications undertook the early refinancing of the 800 million euro bank term loan expiring in December 2016 (see Note 16 "Financial debt").

NOTE 2. General overview

2.1. Business

The Eutelsat Communications Group (Eutelsat S.A. and its subsidiaries) is a private telecommunications satellite operator involved in the design, establishment, operation and maintenance of satellite telecommunications systems.

As of 30 June 2015, the Group operates *via* Eutelsat S.A. and its subsidiaries 37 satellites in geostationary orbit (including five satellites belonging to third parties or to related parties on which the Group uses additional capacity) to provide capacity (assignment and availability) to major international telecommunications operators and international broadcasting companies for television and radio broadcasting services (analogue and digital), for business telecommunications services, multimedia applications and messaging and positioning services.

2.2. Approval of the financial statements

The consolidated financial statements at 30 June 2015 were prepared under the responsibility of the Board of Directors, which adopted them at its meeting on 29 July 2015.

They will be submitted to the approval of the Ordinary General Meeting of Shareholders to be held on 5 November 2015.

NOTE 3. Basis of preparation of financial information

3.1. Compliance with ifrss

The financial statements at 30 June 2015 have been prepared in accordance with the IFRSs as adopted by the European Union and effective as of that date. The relevant texts are available for consultation on the following website:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The financial statements have been prepared on a historical cost basis except for certain items for which the standards require measurement at fair value.

3.2. Accounting principles

Since 1 July 2014, the Group has applied the following standards and interpretations which have been adopted by the European Union:

- IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities": none of these texts has had any impact on the Group's consolidated accounts;
- 2010 amendments to IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint-Ventures";
- IAS 32 "Offsetting Financial Assets and Financial Liabilities";
- IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting";
- IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets";
- Improvements to IFRSs (2011-2013 cycle);
- IFRIC 21 "Levies". The Group applies this Interpretation which has a non-significant impact on its accounts.

Furthermore, none of the following standards, interpretations or amendments has been applied in advance. The Group is currently analysing the practical impact of these new texts and the effects of applying them in the financial statements. This concerns:

- IFRS 9 "Financial Instruments";
- IFRS 15 "Revenue from Contracts with Customers";
- Amendments to IAS 19R "Defined Benefit Plans: Employee contributions";
- Improvements to IFRSs (2010-2012 cycle).

3.3. Accounting procedures applied by the group in the absence of specific accounting standards

The "Cotisation sur la Valeur Ajoutée des Entreprises" or CVAE (Business contribution on the added value) was considered by the Group as an operating expense that does not meet the criteria laid down in IAS 12 "Income taxes" and therefore does not give rise to deferred taxes.

3.4. Principles used in presenting the income statement

Operating costs essentially comprise staff costs and other costs associated with controlling and operating the satellites in addition to satellite in-orbit insurance premiums.

Selling, general and administrative expenses are mainly made up of costs for administrative and commercial staff, all marketing and advertising expenses and related overheads.

3.5. Significant accounting judgements and estimates

Preparation of the Group's consolidated financial statements requires Management to make estimates and judgements that are likely to affect the amounts of certain assets, liabilities, income and expenses appearing in these financial statements and their accompanying Notes. Eutelsat Communications constantly updates its estimates and assessments using past experience in addition to other relevant factors in relation to the economic environment. The eventual outcome of the operations underpinning these estimates and assumptions could, due to the uncertainty that surrounds them, result in the need for significant adjustment to amounts recognised in a subsequent financial period.

Judgements

In preparing the financial statements for the period ended 30 June 2015, Management has exercised its judgement with regard to contingent liabilities, provisions and litigation.

3.6. Periods presented and comparatives

The financial year of Eutelsat Communications runs for 12 months and ends on 30 June.

The reference currency and the presentation currency used to issue financial statements is the euro.

NOTE 4. Significant accounting policies

4.1. Consolidation method

The companies controlled directly or indirectly by Eutelsat Communications, even if the Company does not directly own any of the equity of these companies, are consolidated using the full consolidation method. Control encompasses the three following components: (i) power over the entity; (ii) exposure or rights to variable returns from its investment with the entity; (iii) ability to use its power over the entity to affect the amount of returns obtained by the entity.

Two types of joint arrangements can be distinguished: joint ventures and joint operations; the classification of joint arrangements depends upon the parties' rights and obligations arising from the arrangement.

A joint venture is a joint arrangement whereby the parties (called "joint venturers") that have joint control of the arrangement have rights to the net assets of the arrangement.

A joint operation is a joint arrangement in which the parties (called "joint operators") that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Each joint operator accounts for the assets, liabilities, revenues and expenses relating to its involvement in a joint operation in proportion to its ownership interest in the arrangement.

Companies are consolidated as of the date on which control, joint control or significant influence is transferred to the Group. The Group's share in the earnings of these companies subsequent to acquisition is recorded in its income statement as of the same date. Similarly, post-acquisition changes in their reserves which are related to operations having no impact on the income statement are recorded in the consolidated reserves up to the limit of the Group's share. Companies cease to be consolidated as of the date when the Group transfers control, joint control or significant influence.

4.2. Accounting treatment for business combinations

Business combinations are recognised using the purchase accounting method, in accordance with the revised IFRS 3. Under this method, the various components of an acquisition are recognised at their fair values with some exceptions. Accordingly,

- the consideration transferred is measured at fair value. This includes contingent consideration that is also measured at fair value at the acquisition date, which takes into account probabilities of occurrence. Once classified as liabilities or as equity on the basis of their definition, obligations are entered as debts and subsequently remeasured at fair value, with their changes recorded under income;
- costs directly attributable to the acquisition are expensed in the year during which they are incurred;
- in the event of partial disposal, minority interests (known henceforth as "non-controlling interests") are measured on the option determined for each combination, either at fair value, or as their proportionate share of the assets acquired and liabilities assumed;
- in a business combination achieved in stages (step acquisition), the previously held ownership interest is remeasured at its acquisition-date fair value. The difference between the fair value and the carrying amount of the ownership interest is recognised directly in income for the reporting period.

The identifiable assets, liabilities and contingent liabilities of the entity are recognised at their fair values at the acquisition date, with the exception of non-current assets classified as assets held for sale, which are measured at fair value less costs to sell, tax items and employee benefits which are recognised under IAS 12 and IAS 19 respectively.

Goodwill represents the excess of consideration transferred and the value of non-controlling interests, if any, over the fair value of the acquiree's identifiable net assets and liabilities. Depending on the option retained for the valuation of equity interest in an acquisition, the recognised goodwill represents either the only portion acquired by the Group (partial goodwill) or the aggregate of the Group's portion and the non-controlling interests' portion (full goodwill).

Provisional fair values assigned at the date of acquisition to identifiable assets and liabilities may require adjustment as additional evidence becomes available to assist with the estimation (expert assessments still in progress at the acquisition date or additional analyses). When such adjustments are made prior to the end of a twelve-month period commencing on the date of acquisition, goodwill or negative goodwill is adjusted to the amount that would have been determined if the adjusted fair values had been available at the date of acquisition. When the carrying amounts are adjusted following the end of the twelve-month period, income or expense is recognised rather than an adjustment to goodwill or negative goodwill, except where these adjustments correspond to corrections of errors.

4.3. Acquisition/disposal of non-controlling interests

Changes in ownership interests in subsidiaries without loss of control are accounted for as equity transactions and recognised directly within equity.

4.4. Operations in foreign currencies

Transactions in foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency of the entity at the rate prevailing on the date of the transaction.

Monetary assets and liabilities (including payables and receivables) in foreign currency are translated into the reporting currency at end of period using the balance sheet rate. Resulting foreign-exchange gains and losses are recorded in the income statement for the period.

Conversely, foreign exchange gains and losses arising from the translation of capitalisable advances made to foreign subsidiaries and forming part of the net investment in the consolidated subsidiary are recognised directly as "Cumulative translation adjustment" within shareholders' equity.

The main foreign currency used is the U.S. dollar. The closing exchange rate used is 1,113 U.S. dollar for 1 euro and the average exchange rate for the period is 1,222 U.S. dollar for 1 euro.

Translation of foreign subsidiaries' financial statements

Each subsidiary outside the euro zone maintains its accounting records in the currency that is most representative of its economic environment. Their financial statements are translated into euros using the closing-rate method. All assets and liabilities, including goodwill, are translated into euros using the exchange rate prevailing at the balance sheet date. Income and expenses are translated using an-average exchange rate for the period, unless the use of such rate becomes inappropriate due to major erratic changes over the period. The resulting translation difference is recorded as a separate item of shareholders' equity under "Translation adjustments".

4.5. Intangible fixed assets

Intangible assets purchased separately or acquired in the context of a business combination

Intangible assets purchased separately are recorded at their acquisition cost and those purchased in a business combination are recorded at fair value on the acquisition date when allocating the acquisition cost of the entity. The fair value is set by referring to the generally accepted methods such as those based on revenues or market value.

Intangible assets consist of certain licences, the "Eutelsat" brand and the associated "Customer Contracts and Relationships" assets. Because their lifetimes are indefinite, the "Eutelsat" brand and the licences are not amortised but are systematically tested for impairment on a yearly basis.

The "Customer Contracts and Relationships" assets are amortised on a straight-line basis over their economic life.

This useful life was estimated on the basis of the average length of the contractual relationships existing at the date of acquisition of Eutelsat and taking into account anticipated contract renewal rates (see Note 4.8 "Impairment of non-current assets").

Research and development costs

Development costs are recorded as intangible assets if the capitalisation criteria defined under IAS 38 "Intangible Assets" are met. Otherwise, they are expensed in the period in which they are incurred. Research costs are recorded as an item of expenditure.

The Group spent 12.5 million euros on research and development during the financial period ended 30 June 2015, including development costs amounting to 8.6 million euros recorded as intangible assets.

Research expenses were mainly incurred for multimedia activities. They are recorded in the income statement under "Selling, general and administrative expenses".

4.6. Goodwill

Goodwill is valued in the functional currency of the entity at the date of the business combination as the difference between the aggregate of the fair value of consideration transferred and the amount of non-controlling interests, and the fair value of identifiable assets acquired and liabilities assumed.

Goodwill arising on the acquisition of a subsidiary is separately identified in the consolidated balance sheet under "Goodwill". Goodwill arising on the acquisition of an associated company is included within the book value of the investment within the line item "Investments in associates".

After initial recognition at cost, goodwill is measured at cost less any cumulative impairment losses.

Goodwill is tested for impairment at least annually or whenever events or circumstances indicate that the carrying amount may be impaired. Such events or circumstances arise when there are significant adverse developments that call into question the recoverable amount of the initial investment.

4.7. Satellites and other property and equipment

Satellites and other property and equipment acquired separately ("Tangible fixed assets") are recognised at their acquisition cost, which includes all costs directly attributable to making the asset ready for use, less accumulated depreciation and any impairment.

Borrowing costs incurred for the financing of tangible assets are capitalised with respect to the portion incurred during the period of construction. In the absence of a loan specifically related to the asset under construction, the capitalised interest is calculated on the basis of a capitalisation rate, which is equal to the weighted average of the borrowing costs of the Company during the period after taking into account the financing structure of the Group.

Satellites – Satellite costs include all expenses incurred for commissioning individual satellites and comprise manufacturing, launch and attributable launch insurance costs, capitalised interest, performance incentives and costs directly attributable to monitoring the satellite programme (studies, staff and consultancy costs).

Satellite performance incentives – The Group has a number of contracts with its satellite manufacturers that require the Group to make certain performance incentive payments upon the initial entry into operational service of the satellites and with respect to future periods of successful satellite operation in orbit. These expenses are directly attributable to the satellite as the Group assesses the likelihood of their payment. Satellite performance incentives are settled at the same time as the price of the satellite, *i.e.* prior to its entry into operational service. However, for payments made after the satellite's entry into service, future outflows of resources are recognised as an asset offsetting a liability equal to the net present value of the expected payments. Accordingly, the future expenditure is included in the cost of the satellite. Any subsequent change in the amount of such an incentive payment with respect to one or more periods is recognised as an adjustment to the cost of a satellite.

The new value of the satellite is amortised on a prospective basis over the remaining useful life.

Ground equipment – This item comprises the monitoring and control equipment at various European locations and equipment at Group headquarters, including technical installations, office furniture and computer equipment.

Depreciation and amortisation – Amortisation is calculated on a straight-line basis over the estimated useful lives of assets, which are determined on the basis of the expected use of the assets. Depreciation takes into account, as appropriate, the residual value of each asset or group of assets, starting from the date each asset enters into operational use.

The useful lives of the main categories of fixed assets are as follows:

Satellites	7 – 22 years
Traffic monitoring equipment	5 – 10 years
Computer equipment	2 – 5 years
Leasehold arrangements and improvements	3 – 10 years

The Group conducts an annual review of the remaining useful lives of its in-orbit satellites on the basis of both their forecast utilisation and the technical assessment of their useful lives. When a significant change occurs, a depreciation test is performed and depreciation is charged for the remaining years by taking into account the asset's new remaining useful life.

Construction in progress – The "Construction in progress" primarily consist of percentage completion payments for the construction of future satellites and advances paid in respect of launch vehicles and related launch-insurance costs. Studies, staff and consultancy costs, interest and other costs incurred directly in connection with satellite acquisition are also capitalised.

Assets under finance leases – Agreements whereby the Group uses capacity on all or part of a satellite's transponders are recognised as an asset with its corresponding liability in accordance with IAS 17 "Leases" when the terms and conditions of the contracts are such that they are considered as finance leases in that they transfer substantially all risks and rewards incidental to ownership to the Group. Assets are depreciated over the shorter of their useful lives and the corresponding lease terms.

4.8. Impairment of non-current assets

Goodwill and other intangible assets with an indefinite useful life, such as the brand, are systematically tested annually for impairment in December, or more frequently when an event or circumstance occurs indicating a potential loss in value.

For tangible fixed assets and intangible assets with finite useful lives, such as the "Customer Contracts & Relationships" asset, an impairment test is performed when there is an external or internal indication that their recoverable values may be lower than their carrying amounts (for example, the loss of a major customer or a technical incident affecting a satellite).

An impairment test consists of appraising the recoverable amount of an asset, which is the higher of its fair value net of disposal costs and its value in use. If it is not possible to estimate the recoverable value of a particular asset, the Group determines the recoverable amount of the cash generating unit (CGU) with which it is associated.A cash-generating unit is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. In order to define its CGUs, the Group takes into account the conditions of use of its fleet, and in particular the capacity of certain satellites to be used as back-up for other satellites.

It is not always necessary to estimate both the fair value of an asset net of disposal costs and its value in use. If either of these amounts is greater than the book value of the asset, its value has not been impaired and there is no need to estimate the other amount.

The Group estimates value in use on the basis of the estimated future cash flows (discounted using the Group's WACC–Weighted Average Cost by Capital) to be generated by an asset or a CGU during its useful life, based upon the medium-term plan approved by Management and reviewed by the Board of Directors. Using a WACC per segment would have no impact on the results of this test. Revenues in the medium-term plan are based upon the order backlog for each satellite, market studies, and the deployment plan for existing and future satellites. Costs given in the plan that are used for the impairment test consist mainly of in-orbit insurance costs and also satellite operation and control costs directly attributable to the satellites tested. Beyond a maximum five-year period, cash flows are estimated on the basis of stable rates of growth or decline.

The fair value net of disposal costs is equal to the amount that could be received from the sale of the asset (or of one CGU) in the course of an arm's length transaction between knowledgeable, willing parties, less the costs relating to the transaction.

Impairment losses and their reversals are recognised in the income statement under the item "Other operating costs and income". An impairment of goodwill cannot be reversed.

As of 30 June 2015, each satellite and "Customer Contracts and Relationships", grouped by orbital position (after taking into account the technical and economic interdependencies of their cash flows), were identified as CGUs. The Group's investment in Hispasat was also considered as an independent CGU.

4.9. Inventories

Inventories are measured at the lower of acquisition cost and net realisable value. The calculation is at cost. The cost is calculated on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated selling costs.

4.10. Financial instruments

Financial assets in respect of which changes in fair value are recorded in the income statement, including trading financial assets and derivatives, are initially recorded at fair value. Other financial assets and liabilities are recorded at cost, which is their fair value plus costs directly attributable to the transaction.

In accordance with IAS 39 "Financial Instruments: Recognition and Measurement", IAS 32 "Financial Instruments: Presentation", and IFRS 7 "Financial Instruments: Disclosures", the Group has adopted the following classification for financial assets and liabilities, which is based on the objectives determined by Management at acquisition date. The designation and classification of these instruments are determined at initial recognition.

4.10.1. Financial Assets

Financial assets are classified, reported and measured as follows:

Financial assets measured at fair value through the income statement

Financial assets measured at fair value through the income statement include financial instruments designated as being measured at fair value through the income statement at initial recognition. This category includes derivatives unless they are designated as hedges, and UCITS (managed on the basis of their fair values) measured by applying the fair value option through the income statement.

These financial assets are recognised at fair value.Realised or unrealised gains and losses arising from changes in the fair value of these assets are recorded as financial income or expense.

Assets held for sale

Held-for-sale financial assets are financial assets, other than derivatives, which have been designated as available for sale by Management or which have not been classified in the "Financial assets measured at fair value through the income statement", "Assets held to maturity" or "Loans and receivables" categories. Held-for-sale financial assets include investments other than investments in companies recognised and consolidated as equity investments, which Management intends to hold for an indefinite period of time. These investments are classified as financial assets under "Non-current financial assets".

They are subsequently revalued at fair value, with gains and losses resulting from changes in fair value being recognised under shareholders' equity. When they are sold or when an impairment is recognised, the cumulative gains and losses previously entered under shareholders' equity are recorded in the financial result.

Available-for-sale investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at their acquisition cost.

Loans and receivables

Loans and receivables are mainly composed of employee loans, guarantee deposits and accounts receivable, which generally have a maturity of less than 12 months.

Accounts receivable are recorded initially at their nominal value, on account of the insignificant impact of discounting. Accounts receivable are subsequently recognised at cost less provisions for bad debts, as appropriate, booked as a result of the irrecoverable nature of the amounts in question.

Other loans and receivables are measured at amortised cost, using the effective interest rate method.

4.10.2 Financial Liabilities

Financial liabilities comprise bank loan and other debt instruments. They are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. They are subsequently measured at amortised cost, using the effective interest rate method. Any differences between initial capital amounts (net of transaction costs) and repayable amounts are recorded as financial expense over the duration of the loans, using the effective interest rate method.

4.10.3 Derivatives

Derivatives that are not designated as hedging instruments are recognised at fair value, and any subsequent changes in fair value are posted to the financial result.

Where a derivative instrument can be qualified as a hedging instrument, it is valued and recorded in accordance with the hedge accounting rules in IAS 39 "Financial Instruments: Recognition and Measurement" (see Note 4.10.5 "Hedging transactions").

4.10.4 Impairment

At each balance sheet date, the Group applies impairment tests to all financial assets in order to determine whether there is an indication of impairment. Impairment is recognised in the income statement when there is objective evidence that the asset is impaired. Examples of target impairment indicators include defaulting on contractual payment terms, significant financial hardship of the lender or borrower, a likelihood of bankruptcy or an extended or significant decline in the price of the listed shares.

Impairment losses, other than those related to accounts receivable and other debit operator balances, are recorded as financial expenses.

The Group's customers mainly comprise international telecommunications operators, broadcasters and other users of commercial satellite communications. Management regularly monitors its exposure to credit risk and recognises allowances for bad customer debt and doubtful payments of other receivables, based on expected cash-flows, under the heading "selling, general and administrative expenses". The method of recognising allowances for bad debt is based on experience and is periodically applied to determine a recoverable percentage based on how long the receivables have been on our books.

Impairment of investments in equity securities that do not have a quoted market price in an active market and are valued at cost, and of investments in equity instruments classified as held-for-sale financial assets measured at fair value, cannot be reversed.

4.10.5 Hedging transactions

Hedging transactions are carried out using derivatives. Changes in the fair value of the derivative instrument are used to offset the exposure of the hedged item to changes in fair value.

Derivative instruments are designated as hedging instruments and recorded according to hedge accounting rules when the following conditions are met by the Group:(a) at the inception of the hedge, there is a formal designation and documentation of the hedging relationship and of Management's risk management objective and strategy for undertaking the hedge; (b) Management expects the hedge to be highly effective in offsetting risks; (c) for hedges of forecast transactions, the forecast transaction must be highly probable and must present an exposure to variations in cash flows that could ultimately affect reported income; (d) the effectiveness of the hedge can be reliably measured; and (e) the effectiveness of the hedge is assessed on an ongoing basis and determined to be highly effective throughout the period for which the hedge was designated.

These criteria are applied where the Group uses derivatives designated as cash flow hedging instruments.

Cash flow hedging involves a hedge of the exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable anticipated future transaction that might affect reported income.

Hedging of a net investment in a foreign operation involves a hedge of the foreign currency risk arising from nets assets held in a foreign operation which might affect Group net position.

For these two types of hedges, changes in the fair value of a hedging instrument relating to the effective portion of the hedge are recognised in shareholders' equity, whereas changes in the fair value relating to the ineffective portion of the hedge are recognised in the income statement under financial result.

The cumulative changes in the fair value of a hedging instrument previously recognised in shareholders' equity are reclassified in the income statement when the hedged transaction affects profit or loss. Reclassified gains and losses are recorded under profit and loss, at the level of the hedged item.

Where the anticipated transaction leads to the recognition of a non-financial asset or liability, the cumulative changes in the fair value of the hedging instrument previously recognised in shareholders' equity are incorporated into the initial measurement of the asset or liability concerned.

4.10.6 Fair value of financial instruments

Fair value is the amount for which a financial asset could be exchanged, or a liability extinguished, between knowledgeable, willing parties in an arm's length transaction.

The fair value of financial assets and liabilities traded on active markets (this is the case of certain equity interests and certain marketable securities and certain derivative instruments) is determined on the basis of the listed price or at the market value at the balance sheet date.

The fair value of other financial instruments, assets or liabilities that are not listed on an active market is determined by the Group using appropriate valuation methods and assumptions reflecting market conditions at balance sheet date.

The fair value of derivative instruments includes counterparty risk.

4.10.7 Firm or conditional commitments to purchase non-controlling interests

Under the revised IAS 27 "Consolidated and Separate Financial Statements", and IAS 32 "Financial Instruments: Presentation", the Group recognises the fair value of firm or conditional commitments to purchase non-controlling interests as financial debt, offset by a reduction in non-controlling interests.

Any change in the fair value of the obligation subsequent to its initial recognition is treated as an adjustment affecting the income statement.

4.11. Cash and cash equivalents

Cash and cash equivalents mainly consist of cash on hand and at bank, as well as short term deposits or investment certificates with original maturities of three months or less, and also mutual fund investments that are easily convertible into a known amount of cash, the liquid value of which is determined and published daily and for which the risk of a change in value is insignificant.

4.12. Shareholders' equity

Treasury stock

Treasury stock is recognised by reducing shareholders' equity on the basis of the acquisition cost. When the shares are sold, any gains and losses are recognised directly in consolidated reserves net of tax and are not included under income for the year.

Costs for capital increases

External costs directly related to increases in capital, reduction of capital and treasury stock buy-backs are allocated to additional paid-in capital, net of taxes when an income tax saving is generated.

Grant of stock options

Rewards granted to employees under stock-option plans are measured on the date the options are granted and represent additional employee compensation. This is recognised under personnel expenses over the vesting period of the rights representing the reward granted to the employee and is offset by increases in equity (equity settled plans) or by recognition of a debt (for plans deemed to be cash-settled plans).

Similarly, in accordance with IFRS 2 "Share-based Payment", awards granted to employees in the form of public issues or other capital transactions are measured at grant date. They constitute additional compensation, which is recorded during the financial year as an expense recognised over the vesting period.

4.13. Revenue recognition

The Group's revenues are mainly attributable to the allotment of space segment capacity on the basis of terms and conditions set out in the lease contracts.

These contracts usually cover periods ranging from one year to the end of life of the satellite. Contracts usually provide for the right to free-of-charge time in cases of service interruptions caused by under-performing transponders. Pursuant to certain contractual termination rights, the agreement can usually be terminated after two years with a one-year notice period and, depending on the type of lease, payment of the difference between the contractual price and the price that would have been paid for a lease with a duration similar to the expired period, plus interest for late payment, or by paying a percentage of the annual price applied to the remaining duration of the lease. The revenues initially recognised are then adjusted to reflect the overall economic outcome of the contract.

Revenues are recognised over the contractual period during which services are performed, provided that a contract exists and the price is fixed or determinable, and provided that, as of the date it is reported in the accounts, it is probable that the debt will be recovered.

Deferred revenues include unearned balances of amounts received in advance from customers. Such amounts are recorded as revenue on a straight-line basis over the corresponding duration of the relevant transponder contracts or of the services provided.

4.14. Other operating income and expenses

The other operating income and expenses include:

Significant and infrequent factors such as impairment of intangible assets, launch failures and their related insurance reimbursements, as well as international non-commercial litigation, less the legal costs incurred;

The impacts of changes in scope (including business combination costs and sales of tangible assets).

4.15. Deferred income tax

Deferred taxes are the result of temporary differences arising between the tax base of an asset or liability and its book value. Deferred taxes are recognised for each fiscal entity in respect of all temporary differences, with some exceptions, using the balance sheet liability method.

Accordingly, deferred tax liabilities are recognised for all taxable temporary differences except:

- where the deferred tax liability arises from goodwill for which amortisation is not deductible for tax purposes or from the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect the accounting or the taxable profit, or the tax loss; and
- when the deferred tax liability arises from investments in subsidiaries, associated companies or joint ventures unless the Group is able to control the reversal of the difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be charged. However, a deferred tax asset is not recognised if it arises from a deductible temporary difference generated by the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect the accounting or the taxable profit, or the tax loss.

The book value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of part or all of the deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance sheet date.

Deferred taxes are not discounted and are recorded as non-current assets and liabilities.

4.16. Earnings per share

EPS (earnings per share) are calculated by dividing the net income for the period attributable to ordinary shareholders of the entity by the weighted average number of common shares outstanding during the period.

4.17. Post-employment benefits

The Group's retirement schemes and other post-employment benefits consist of defined contribution plans and defined benefit plans.

Defined benefit plans are plans for which the Group, or any of its entities, has contractually agreed to provide a specific amount or level of benefits following retirement. The cost of this defined benefit obligation, including lump sum retirement indemnities and other post-employment benefits is entered as a liability on the basis of an actuarial valuation of the obligations to employees at year-end, using the projected unit credit method. This method accrues the employee's pension benefit by periods of service according to the formula for entitlement to benefits under the plan.

The value of expected future payments is determined on the basis of demographic and financial assumptions such as mortality, staff turnover, salary growth, and age at retirement. The rate used to discount estimated cash flows is determined by reference to an underlying pool of AA-rated corporate bonds with maturities in line with those of the schemes being valued.

A complete assessment of the discounted present value of the benefit is outsourced each year and reviewed at interim periods to identify any significant changes.

The pension cost for the period, consisting of service cost, is posted to operating income, whereas actuarial gains and losses are recognised in equity.

Management of the defined contribution plans is performed by an independent entity to which the Group has the obligation to make regular contributions. All payments made by the Group with respect to these plans are recognised in operating costs for the period.

4.18. Financial guarantee granted to a pension fund

Following the acquisition of Eutelsat S.A. in April 2005, the Group granted a financial guarantee to the pension fund for the obligations that had been assigned to a trust prior to the contribution transactions that led to the creation of Eutelsat. This defined-benefit pension scheme has been closed and the vested pension rights were frozen prior to the transfer. The risk resulting from this financial guarantee has been analysed, assessed and reported in the same way as defined benefit plan obligations described in Note 4.17 "Post-employment benefits", despite the fact that the Group has not assumed the legal commitments entered into by the Intergovernmental Organisation ("IGO") in respect of the pension fund.

4.19. Provisions

A provision is made when, at the balance sheet date, (i) the Group has a present legal or constructive obligation as a result of a past event, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) a reliable estimate of the amount involved can be made.

The amount recognised as a provision represents the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect of the time value of money is material, the amount of the provision will be equal to the discounted value of anticipated expenditure needed to settle the obligation.

The discounted value is calculated using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

Increases in provisions recorded to reflect the passage of time and the effect of discounting are recognised as financial expenses in the income statement.

NOTE 5. Goodwill and other intangibles

"Goodwill and Other Intangibles" breaks down as follows:

Changes in gross assets, depreciation and amortisation

(in millions of euros)	Goodwill	Customer contracts and relationships	Eutelsat brand	Other intangibles	Total
GROSS ASSETS					
Gross value at 30 June 2013	**855.7**	**920.7**	**40.8**	**95.3**	**1,912.5**
Acquisition of control	264.8	149.0	-	29.2	443.0
Acquisitions	-	1.7	-	42.1	43.8
Transfers	(4.6)	4.6	-	5.7	5.7
Foreign-exchange variation	(12.0)	(5.7)	-	(2.0)	(19.7)
Gross value at 30 June 2014	**1,103.9**	**1,070.3**	**40.8**	**170.3**	**2,385.3**
Acquisition of control	3.8	-	-	-	3.8
Acquisitions	-	-	-	24.3	24.3
Transfers	-	-	-	21.0	21.0
Foreign-exchange variation	57.3	39.1	-	6.8	103.2
Disposals and scrapping of assets	-	-	-	(2.3)	(2.3)
GROSS VALUE AT 30 JUNE 2015	**1,165.0**	**1,109.4**	**40.8**	**220.1**	**2,535.3**
DEPRECIATION AND AMORTISATION					
Accumulated depreciation at 30 June 2013	**-**	**(368.4)**	**-**	**(48.6)**	**(417.0)**
Impairment allowance	-	(52.9)	-	(12.9)	(65.8)
Reversals	-	-	-	-	-
Impairment	-	-	-	-	-
Foreign-exchange variation	-	0.1	-	0.1	0.2
Accumulated depreciation at 30 June 2014	**-**	**(421.2)**	**-**	**(61.4)**	**(482.6)**
Impairment allowance	-	(56.2)	-	(20.3)	(76.5)
Reversals	-	-	-	1.6	1.6
Impairment	-	-	-	-	-
Foreign-exchange variation	-	(3.2)	-	(0.3)	(3.5)
Transfer	-	-	-	0.2	0.2
ACCUMULATED DEPRECIATION AT 30 JUNE 2015	**-**	**(480.6)**	**-**	**(80.2)**	**(560.8)**
Net value as of 30 June 2013	855.7	552.3	40.8	46.7	1,495.5
Net value as of 30 June 2014	1,103.9	649.1	40.8	108.9	1,902.7
NET VALUE AS OF 30 JUNE 2015	**1,165.0**	**628.8**	**40.8**	**139.9**	**1,974.5**

The economic conditions prevailing as of 30 June 2015 did not lead Management to review the annual impairment test of the goodwill, carried out at 31 December 2014. At that date, the recoverable value as measured by analysing the implicit market value (fair value) of Eutelsat S.A. based on the stock-exchange value of Eutelsat Communications S.A. (and taking into account this Company's debt) compared with/corroborated by the latest private transactions involving Eutelsat S.A. shares did not call into question the amount shown on the balance sheet.

The Group's Management took the view that the current context did not alter assumptions made on 31 December 2014.

The share price on the stock-exchange would have to drop by at least 64% for the fair value to fall below the carrying amount. Should such an event occur, a test would be carried out based on the value in use.

NOTE 6. Satellites and other property and equipment

"Satellites and other property and equipment" is broken down as follows (including assets acquired under finance leases):

▸ Changes in gross values, depreciations and amortisation

(in millions of euros)	Satellites [1]	Other tangibles	Construction in progress	Total
GROSS ASSETS				
Gross value at 30 June 2013	**4,355.0**	**305.3**	**460.8**	**5,121.1**
Acquisition of control	384.3	5.5	123.0	512.8
Acquisitions	218.3	29.7	433.3	681.3
Disposals and scrapping of assets	(127.2)	(1.7)	-	(128.9)
Foreign-exchange variation	(19.9)	(0.3)	(4.4)	(24.6)
Transfers	157.9	1.3	(164.9)	(5.7)
Gross value at 30 June 2014	**4,968.4**	**339.8**	**847.8**	**6,156.0**
Acquisition of control	-	-	-	-
Acquisitions	300.3	31.3	408.2	739.8
Disposals and scrapping of assets	(371.5)	(6.3)	-	(377.8)
Foreign-exchange variation	111.0	1.8	92.1	204.9
Transfers	219.5	3.3	(244.0)	(21.2)
GROSS VALUE AT 30 JUNE 2015	**5,227.7**	**369.9**	**1,104.0**	**6,701.7**
DEPRECIATION AND AMORTISATION				
Accumulated depreciation as of 30 June 2013	**(1,695.8)**	**(167.0)**	**-**	**(1,862.8)**
Impairment allowance	(294.2)	(42.2)	-	(336.4)
Reversals (disposals and scrapping of assets)	127.2	1.7	-	128.9
Impairment	(6.4)	-	-	(6.4)
Foreign-exchange variation	0.5	-	-	0.5
Accumulated depreciation as of 30 June 2014	**(1,868.7)**	**(207.5)**	**-**	**(2,076.1)**
Impairment allowance	(349.0)	(40.2)	-	(389.2)
Reversals (disposals and scrapping of assets)	336.9	5.1	-	342.0
Impairment	(0.8)	-	-	(0.8)
Foreign-exchange variation	(14.1)	(0.5)	-	(14.6)
Transfers	(6.4)	6.3	-	(0.1)
ACCUMULATED DEPRECIATION AT 30 JUNE 2015	**(1,902.1)**	**(236.8)**	**-**	**(2,138.9)**
Net value as of 30 June 2013	2,659.2	138.3	460.8	3,258.3
Net value as of 30 June 2014	3,099.8	132.3	847.8	4,079.9
Net value as of 30 June 2015	3,325.6	133.1	1,104.0	4,562.7

(1) Including satellites under finance leases:

(in millions of euros)	
Gross value	471.7
Net value as of 30 June 2015	431.2

This item refers to five satellites for which capacity is leased, with the relevant agreements being considered as finance leases and recognised accordingly as assets:

(in millions of euros)	Gross value		
TELSTAR 12 [1]	15.0	4 transponders	Agreement dated December 1999 covering the satellite's remaining useful life
EXPRESS AT1	209.2	18 transponders	Agreement covering the satellite's remaining useful life, starting May 2014 and amended in 2015
EXPRESS AT2	93.5	8 transponders	Agreement covering the satellite's remaining useful life, starting July 2014
EXPRESS AM6	57.7	5 transponders	Agreement dated April 2015 covering the satellite's remaining useful life
ASTRA 2G	96.3	8 transponders	Agreement dated January 2014 covering the satellite's remaining useful life

(1) Gross value representing the fair values of satellites as of 4 April 2005 when Eutelsat S.A. was acquired by Eutelsat Communications.

The satellite-related transfer as of 30 June 2014 corresponds to the entry into operational service of the EUTELSAT 25B satellite launched during the financial year.

The satellite-related transfer as of 30 June 2015 corresponds to the entry into operational service of the EUTELSAT 3B satellite launched during the financial year.

During the financial year ended 30 June 2014, the fully-depreciated TELECOM 25A was de-orbited.

The EUTELSAT 48C and EUTELSAT 16B satellites were fully depreciated and de-orbited during the financial year ended 30 June 2015. The EUTELSAT 3A and SESAT 2 satellites leased under finance lease agreements have left the Group's fleet.

During the financial year ended 30 June 2014, the satellite EUTELSAT 8WC encountered an anomaly on one of its on-board power transmission assemblies. Subsequently, the Group evaluated the damage incurred and reassessed the value of future cash flows generated by this satellite. As a result, the Group recognised an impairment charge amounting to 6.4 million euros.

As of 30 June 2015, the impairment charge recognised as of 30 June 2014 was not altered by future cash flow assumptions.

Satellites under construction

The satellites listed as below are currently under construction and should be brought into service during the financial years as indicated.

Projects	Expected year of launch
EUTELSAT 65WA, EUTELSAT 8WB, EUTELSAT 36C and EUTELSAT 9B	2015-2016
EUTELSAT 117WB and EUTELSAT 172B	2016-2017

NOTE 7. Investments in associates

As of 30 June 2014 and 30 June 2015, the "Investments in associates" item breaks down as follows:

(in millions of euros)	30 June 2014	30 June 2015
Hispasat	271.9	282.2
TOTAL	**271.9**	**282.2**

As of 30 June 2014 and 30 June 2015, investments in associates consist in equity investments in the Hispasat Group.

As of 30 June 2014 and 30 June 2015, the Group owns, through its subsidiary Eutelsat Services und Beteiligungen GmbH, 33.69% of the Hispasat group, a private unlisted Spanish satellite operator, in which Abertis Group is the majority shareholder.

▸ Change in the carrying amount of the equity investment in the balance sheet

(in millions of euros)	30 June 2014	30 June 2015
Value of the equity investment at beginning of period	**257.4**	**271.9**
Acquisition of supplementary stake	-	-
Share of income	15.7	18.8
Impact of income and expenses directly recognised under equity and dividends [1]	(1.2)	(8.5)
VALUE OF THE EQUITY INVESTMENT AT END OF PERIOD	**271.9**	**282.2**

(1) Distribution of Hispasat dividends totalled 10.9 million euros (Group share representing 3.7 million euros) and 9.1 million euros (Group share representing 3.1 million euros during the financial years ended 31 December 2013 and 31 December 2014 respectively.

The following amounts represent the Group's share of the assets, liabilities and income of the Hispasat Group:

(in millions of euros)	30 June 2014	30 June 2015
Goodwill	15.2	15.2
Intangible assets [(1)]	33.7	33.7
Service contract [(2)]	0.1	0.1
Investment in Hisdesat	6.1	6.1
SUB-TOTAL	**55.1**	**55.1**
Hispasat net assets	216.6	227.1
TOTAL	**271.9**	**282.2**

(1) These relate to rights of use of frequencies at the 30° West orbital position, together with long-term contractual relationships with customers. The useful life of this intangible asset is considered indefinite, given the high probability of renewal of the administrative authorisations for the use of frequencies (which are given for a period of 75 years) and the specific nature of existing customer contracts. An impairment test is performed by the Company each year.

(2) The useful lives of the other identified intangible assets have been estimated at 15 years.

The following table summarises the annual financial statements released by the Hispasat Group:

(in millions of euros)	31 December 2013	31 December 2014
Non-current assets	1,028.2	951.5
Current assets	197.4	284.0
Non-current liabilities	419.6	395.7
Current liabilities	130.8	179.0
TOTAL NET ASSETS	**675.2**	**660.8**
Operating income	201.4	199.7
Net income	**54.3**	**46.9**

At 30 June 2014 and 30 June 2015, "Income from equity investments" in the consolidated income statement corresponds to the Group's share of IFRS income from:

- Hispasat, after amortisation of intangible assets identified for financial years 2013-2014 and 2014-2015;
- Solaris Mobile Ltd as of 12 December 2013.for the financial year 2013-2014.

NOTE 8. Non-current financial assets

Non-current financial assets are primarily made up of long-term loans, investments and advances.

These mainly consist of loans to social welfare bodies for 1.9 million euros and guarantee deposits paid for renting Eutelsat S.A. premises in Paris.

NOTE 9. Inventories

Gross and net inventories amount to 2.3 million euros and 1.4 million euros as of 30 June 2014, and 1.8 million euros and 0.9 million euros as of 30 June 2015. They are mainly composed of antennas and modems.

NOTE 10. Accounts receivable

Credit risk is the risk that a debtor of the Group will not pay when the debt matures. This is a risk that mainly affects the "accounts receivable" category and is followed up for each entity under the supervision of the financial personnel responsible. In the most important cases, the relevant financial personnel are assisted by a credit manager, acting in accordance with the instructions of the Group's debt recovery service. This follow-up activity is based mainly on an analysis of the amounts due and can be accompanied by a more detailed study of the creditworthiness of a number of debtors. Depending on the assessment conducted by the financial staff, the entities concerned may, after validation by the Group, be asked to hedge the credit risk by taking out credit insurance or obtaining guarantees compatible with the evaluation of the risk.

Customers are mainly international telecommunications operators, broadcasters and other users of commercial satellite communications.

As of 30 June 2014, the net value of these receivables was 323.3 million euros. The corresponding impairment charge stood at 46.1 million euros.

As of 30 June 2015, the net value of these receivables was 309.3 million euros. The corresponding impairment charge stood at 60.1 million euros.

Accounts receivable as of 30 June 2014 and 30 June 2015 are for short-term amounts and bear no interest.

The Group considers that it is not subject to concentration risk, owing to the diversity of its customer portfolio at 30 June 2015 and the fact that no legal entity billed by the Group accounts individually for more than 10% of its revenues. Credit risk is managed primarily through bank guarantees with leading financial institutions, by deposits and credit insurance.

During the financial year 2014-2015, the Group further experienced the effects of the current economic crisis in some of the areas in which it operates. Consequently, particular vigilance is called for with regard to clients in geographical areas considered as being most exposed to the effects of the financial crisis.

The amount of bad debt represents 0.3 million euros and 4.7 million euros as of 30 June 2014 and 30 June 2015 respectively.

10.1. Change in impairment of receivable:

(in millions of euros)	Total
Value at 30 June 2013	**34.8**
Allowance	24.3
Reversals (used)	(0.3)
Reversals (unused)	(12.7)
Value at 30 June 2014	**46.1**
Allowance	37.7
Reversals (used)	(4.7)
Reversals (unused)	(19.0)
VALUE AT 30 JUNE 2015	**60.1**

10.2. Analysis of accounts receivable (matured and unmatured)

(in millions of euros)	30 June 2014	30 June 2015
Non-matured receivables	251.4	177.4
Unimpaired matured receivables	64.7	123.8
Between 0 and 30 days	50.1	106.6
Between 30 and 90 days	4.3	10.0
More than 90 days	10.3	7.2
Matured and impaired receivables	53.3	68.1
Between 0 and 30 days	-	0.2
Between 30 and 90 days	12.9	16.3
More than 90 days	40.3	51.6
Impairment	(46.1)	(60.1)
TOTAL	**323.3**	**309.3**

10.3. Guarantees and commitments received, which mitigate credit risk

(in millions of euros)	30 June 2014		30 June 2015	
	Value of accounts receivable	Value of guarantee	Value of accounts receivable	Value of guarantee
Guarantee deposits	57.5	30.4	66.8	26.3
Bank guarantees	72.4	71.5	65.6	60.5
Guarantees from the parent company	23.6	23.6	14.4	14.4
TOTAL	**153.5**	**125.4**	**146.9**	**101.2**

Guarantee deposits are posted to "Other liabilities" (see Note 17 "Other Financial Liabilities"). Bank guarantees and guarantees from parent companies are not shown on the balance sheet.

NOTE 11. Other current assets

Other current assets are as follows:

(in millions of euros)	30 June 2014	30 June 2015
Prepaid expenses	8.4	17.5
Tax and employee-related receivable	7.5	22.5
TOTAL	**15.9**	**40.0**

NOTE 12. Current financial assets

(in millions of euros)	30 June 2014	30 June 2015
Hedging instruments [1]	-	2.4
Other receivables	32.7	27.1
TOTAL	**32.7**	**29.5**

(1) See Note 26 "Financial Instruments".

NOTE 13. Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

(in millions of euros)	30 June 2014	30 June 2015
Cash	225.5	204.9
Cash equivalents	67.7	215.4
TOTAL	**293.2**	**420.3**

Cash equivalents are mainly made up of deposit certificates, which mature less than three months from the date of acquisition, and mutual fund investments qualifying as "cash equivalents" (see Note 4.11 "Cash and cash equivalents").

NOTE 14. Financial assets

The following tables give a breakdown of each balance sheet item representing financial instruments by category, and indicate its fair value, whether or not the instrument was recognised at fair value when the balance sheet was prepared.

(in millions of euros)	Category of financial instruments	Net carrying amount as of 30 June 2014				Fair value as of 30 June 2014
		Total	Instruments measured at amortised cost	Derivative instruments qualified as cash-flow hedges	Instruments measured at fair value through the income statement	
ASSETS						
Non-current financial assets						
Long-term loans and advances	Receivables	5.6	5.6			5.6
Current financial assets						
Accounts receivable	Receivables	323.3	323.3			323.3
Other receivables	Receivables	32.7	32.7			32.7
Financial instruments [1]						
Qualified as cash-flow hedges	N/A	9.3		9.3		9.3
No hedging	Held for trading purposes	-			-	-
Cash and cash equivalents						
Cash	N/A	225.5	225.5			225.5
Mutual fund investments [2]	Fair value	67.5		-	67.5	67.5
Other cash equivalents	Receivables	-	-			-

(1) Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).
(2) Fair value hierarchy: level 1 (reflecting quoted prices).

(in millions of euros)	Category of financial instruments	Net carrying amount as of 30 June 2015				Fair value as of 30 June 2015
		Total	Instruments measured at amortised cost	Derivative instruments qualified as cash-flow hedges	Instruments measured at fair value through the income statement	
ASSETS						
Non-current financial assets						
Long-term loans and advances	Receivables	11.9	11.9			11.9
Current financial assets						
Accounts receivable	Receivables	309.3	309.3			309.3
Other receivables	Receivables	27.1	27.1			27.1
Financial instruments [1]						
Qualified as cash-flow hedges	N/A	2.4		2.4		2.4
No hedging	Held for trading purposes	-			-	-
Cash and cash equivalents						
Cash	N/A	204.9	204.9			204.9
Mutual fund investments [2]	Fair value	215.4		-	215.4	215.4
Other cash equivalents	Receivables	-	-			-

(1) Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).
(2) Fair value hierarchy: level 1 (reflecting quoted prices).

With the exception of financial instruments, the book value of financial assets represents a reasonable approximation of their fair value.

NOTE 15. Shareholders' equity

15.1. Shareholders' equity

As of 30 June 2015, the share capital of Eutelsat Communications S.A. comprised 226,972,338 ordinary shares with a par value of 1 euro per share. As of the same date, in terms of treasury stock, the Group holds 53,000 treasury shares amounting to 1.6 million euros under a liquidity agreement. As of 30 June 2014, the Group was holding 138,627 such shares for an aggregate amount of 3.4 million euros. Furthermore, under the free share allocation plans (see below), the Group holds 151,792 equity shares amounting to 3.3 million euros. The aggregate amount of treasury stock is deducted from shareholders' equity.

15.2. Dividends

On 7 November 2014, the Ordinary and Extraordinary General Meeting of Shareholders decided to distribute a gross amount of 1.03 euros per share, *i.e.* a total of 226.5 million euros, partly settled through the issuance of new shares.

The dividend distribution resulted in:

- the issuance of 6,858,356 new shares (increasing the number of shares from 220,113,982 to 226,972,338) with a par value of 1 euro per share, with the following impact on equity:
  - increase in the share capital from 220.1 million euros to 227.0 million euros,
  - increase in the legal reserve by 0.7 million euros, from 22.0 million euros to 22.7 million euros,
  - increase in the share premium account from 560.7 million euros to 419.9 million euros,
- cash settlements totalling 77.9 million euros.

The amount of the distribution for the financial year ended 30 June 2015, which is being proposed to the General Meeting of 5 November 2015, is 247.4 million euros, *i.e.* 1.09 euros per share.

15.3. Share-based compensation

There are currently four such plans implemented by the Group in July 2011, November 2012, February 2014 and February 2015.

Under the four plans, the expense (excluding employer's contribution) recognised for the financial period ended 30 June 2015 was 6.7 million euros.

The expense was recognised within equity under the two first plans and as a liability under the third and fourth plans (settled in cash). The Board of Directors meeting on 13 February 2014 and 11 February 2015 decided to implement a Long-Term Incentive Plan based on cash-settled awards. These are calculated on the basis of a theoretical number of Eutelsat Communications shares, which are allocated by reference to the levels reached by performance-related objectives, provided the recipient is still working with the Group at the end of the vesting period.

Conditions	July 2011 Plan	November 2012 Plan	February 2014 Plan	Februrary 2015 Plan
Vesting period	July 2011-July 2014 (1)	Nov. 2012- Nov. 2015 (2)	February 2014-June 2016	February 2015-June 2018
Settled in	Shares	Shares	Cash	Cash
Lock-up period	July 2014-July 2016 (3)	Nov. 2015- Nov. 2017 (3)	Not applicable	Not applicable
Total number of attributable shares at inception	700,000	347,530	448,585	436,639
Number of recipients	619	712	781	759
Features of "Employees" plan				
▸ Number of shares per recipient	600	200	300	300
▸ Performance-related targets observed during the vesting period	Cumulative EBITDA for 50% Average ROCE for 50%	Cumulative EBITDA for 50% Average ROCE for 50%	Cumulative EBITDA for 50% Average ROCE for 50%	Cumulative EBITDA for 50% Average ROCE for 50%
Features of "Managers" Plan				
▸ Total number of shares	327,140	205,530	214,885	208,939
▸ Performance-related targets observed during the vesting period	Cumulative EBITDA for 25% Average ROCE for 25% Cumulative EPS for 25% TSR for 25%	Cumulative EBITDA for 25% Average ROCE for 25% Cumulative EPS for 25% TSR for 25%	Cumulative EBITDA for 25% Average ROCE for 25% Cumulative EPS for 25% TSR for 25%	Cumulative EBITDA for 1/3 Average ROCE for 1/3 Relative TSR for 1/3
Share price used as taxation basis for calculating social contributions and employer's charges				
▸ "Employees" and "Managers" Plan (excluding TSR)	€26.77	€19.73	€23.60	€28.37
▸ "Managers" Plan (TSR)	€7.48	€6.88	€13.08	€20.12
Expense/(income) over the period *(in millions of euros)* (4)	1.4	(0.3)	3.8	1.8
Aggregate valuation of plan as of 30/06/2015 *(in millions of euros)* (4)	4.1	0.3	9.2	11.2

(1) For foreign subsidiaries, the vesting period covers July 2011 to July 2015.

(2) For foreign subsidiaries, the vesting period covers November 2012 to November 2016.

(3) There is no lock-up period for foreign subsidiaries.

(4) Excluding employer's contribution.

In accordance with IAS 32 "Financial Instruments: Presentation", the acquisition cost of shares bought back by the Group under the free share allocation plan will be recorded as a reduction to the Group's share of shareholders' equity.

Liquidity offer for employees of the Group who are shareholders in Eutelsat S.A.

Since 30 June 2015, under a liquidity agreement implemented in December 2014 and June 2015, the Group has acquired 30,606 Eutelsat S.A. shares from Eutelsat S.A. employees. The acquisition cost amounted to 0.2 million euros.

15.4. Change in the revaluation surplus of financial instruments

All financial instruments that have an impact on the revaluation reserve are hedges for their effective portion.

(in millions of euros)	Total
Balance at 30 June 2014	**0.1**
Changes in fair value within equity that can be reclassified to income	(1.4)
Transfer to income statement [1]	7.0
BALANCE AT 30 JUNE 2015	**5.7**

(1) *This amount corresponds to coupons due and matured on the interest rate hedging instruments (see Note 24 "Financial result").*

The impact of the dequalification of derivative instruments following the early repayment for 200 million euros of Eutelsat Communications' term loan is (1.3) million euros in the income statement.

15.5. Translation reserve

(in millions of euros)	Total
Balance at 30 June 2014	**5.3**
Change over the period	222.0
BALANCE AT 30 JUNE 2015	**227.4**

The revaluation reserve of financial instruments does not include the Hispasat portion, whose change amounts to (1.8) million euros.

The revaluation reserve includes the value of the cross currency swap used to hedge future changes in currency exposure of a net investment in a foreign operation (see Note 26.1).

NOTE 16. Financial debt

At 30 June 2014 and 30 June 2015, all debt was denominated in euros and U.S. dollars.

16.1. Financial information as of 30 June 2014 and 2015

(in millions of euros)	Rate	30 June 2014	30 June 2015	Maturity
Term loan 2016	Variable	800.0		6 December 2016
Term loan 2020	Variable		600.0	31 March 2020
Bond 2017 [1]	4.125%	850.0	850.0	27 March 2017
Bond 2019 [1]	5.000%	800.0	800.0	14 January 2019
Bond 2020 [1]	2.625%	930.0	930.0	13 January 2020
Bond 2022 [1]	3.125%	300.0	300.0	10 October 2022
US EXIM export credit	1.710%	43.0	38.7	15 November 2021
ONDD-guaranteed export credit	Variable	131.7	176.0	30 June 2024
Other	Variable	-	0.1	30 June 2018
SUB-TOTAL OF DEBT (NON-CURRENT PORTION)		**3,854.7**	**3,694.9**	
Loan set-up fees and premiums		(41.1)	(31.6)	
TOTAL OF DEBT (NON-CURRENT PORTION)		**3,813.6**	**3,663.3**	
ONDD & US EXIM export credit		-	18.0	
Bank overdrafts		-	-	
Accrued interest not yet due		49.4	46.4	
TOTAL OF DEBT (CURRENT PORTION)		**49.4**	**64.5**	

(1) *Fair values are detailed below:*

(in millions of euros)	30 June 2014	30 June 2015
Bond 2017	915.4	904.1
Bond 2019	929.8	916.0
Bond 2020	982.5	990.4
Bond 2022	323.1	330.9

The book values of the term loan and the export credit facilities are reasonably close to their fair values.

No amount was drawn on the revolving credit facility during the financial period ended 30 June 2015.

The Group also has 650 million euros available under its various active lines of undrawn revolving credit as of 30 June 2015.

16.2. Change in structure

In March 2015, Eutelsat Communications undertook the early refinancing of the 800 million euro bank term loan expiring in December 2016.

The refinancing will take place through:

- a new term loan of 600 million euros expiring in March 2020 (with two possible extension facilities of one year each subject to lender agreement) remunerated at a EURIBOR rate plus a margin linked to the long term rating attributed to Eutelsat Communications S.A. by Standard & Poor's (S&P);
- furthermore, the Group renegotiated a revolving credit facility of 200 million euros with a maturity of five years with two possible extension facilities of one year each subject to lender agreement, replacing the previous facility of the same amount, expiring in December 2016.

16.3. Debt maturity analysis

At 30 June 2015, the debt maturity analysis is as follows:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years
Term loan	600.0	-	600.0	-
US EXIM export credit	45.8	7.0	28.2	10.6
ONDD-guaranteed export credit	187.0	11.0	88.0	88.0
Bond 2017	850.0	-	850.0	-
Bond 2019	800.0	-	800.0	-
Bond 2020	930.0	-	930.0	-
Bond 2022	300.0	-	-	300.0
Other	0.1	-	0.1	-
TOTAL	**3,712.9**	**18.0**	**3,296.3**	**398.6**

16.4. Compliance with banking covenants

The new bond is linked to the same type of financial covenant as those existing on other agreements (the total net debt to EBITDA ratio must remain less than or equal to 4.0 to 1). The banking covenants on financing facilities in place as of 30 June 2014, which require that the total net debt to EBITDA ratio remains less than or equal to 3.75 to 1, have not changed since their inception. As of 30 June 2015, the Group was in compliance with all banking covenants under its credit facilities.

16.5. Risk management

Information on interest rate risk and liquidity risk is available in Note 18 "Other Financial Liabilities" and Note 26 "Financial Instruments".

NOTE 17. Other financial liabilities

Other financial liabilities break down as follows:

(in millions of euros)	30 June 2014	30 June 2015
Financial instruments (1)	9.8	108.4
Performance incentives (2)	4.2	1.2
Finance leases	221.2	434.6
Other liabilities	103.2	93.3
TOTAL	**338.4**	**637.5**
Incl. current portion	*34.6*	*39.9*
Incl. non-current portion	*303.8*	*597.6*

(1) See Note 26 "Financial Instruments".

(2) Including interest on "Performance incentives" of 1.0 million euros as of 30 June 2014 and nil as of 30 June 2015.

The financial instruments are measured at fair value (Level 2), and the other liabilities at amortized cost. For information, the amortized cost of financial liabilities represents a reasonable approximation of fair value.

Finance lease agreements are mainly impacted by the entry into commercial service of the EXPRESS AT2, EXPRESS AM6 and Astra 2G satellites (see Note 6 "Satellites and other property and equipment").

Amounts shown for finance leases include accrued interest totalling 1.1 million euros as of 30 June 2014 and 0.7 million euros as of 30 June 2015.

"Other liabilities" mainly comprise advance payments and deposits from clients, and debts over non-controlling interests.

NOTE 18. Financial liabilities

18.1. Breakdown by category

(in millions of euros)	Category of financial instruments	Net carrying amount as of 30 June 2014				Fair value as of 30 June 2014
		Total	Instruments measured at amortised cost	Derivative instruments qualified as cash-flow hedges	Instruments measured at fair value through the income statement	
LIABILITIES						
Financial debt						
Floating rate loans	At amortised cost	917.6	917.6			917.6
Bond	At amortised cost	2,854.6	2,854.6			3,150.8
Fixed rate loans	At amortised cost	41.3	41.3			41.3
Bank overdrafts	N/A	-	-			-
Other financial liabilities						
Non-current	At amortised cost	293.9	293.9			293.9
Current	At amortised cost	34.6	34.6			34.6
Financial instruments [(1)]						
▸ Qualified as cash-flow hedges		9.8		9.8		9.8
▸ No hedging		-			-	-
Accounts payable	At amortised cost	75.9	75.9			75.9
Fixed assets payable	At amortised cost	52.8	52.8			52.8

(1) *Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).*

(in millions of euros)	Category of financial instruments	Net carrying amount as of 30 June 2015				Fair value as of 30 June 2015
		Total	Instruments measured at amortised cost	Derivative instruments qualified as hedges	Instruments measured at fair value through the income statement	
LIABILITIES						
Financial debt						
Floating rate loans	At amortised cost	776.9	776.9			776.9
Bond	At amortised cost	2,860.1	2,860.1			3,141.4
Fixed rate loans	At amortised cost	44.2	44.2			44.2
Bank overdrafts	N/A	-				-
Other Financial Liabilities						
Non-current	At amortised cost	493.1	493.1			493.1
Current	At amortised cost	35.9	35.9			35.9
Financial instruments [(1)]						
▸ Qualified as cash-flow hedges		108.4		108.4		108.4
▸ No hedging		-			-	-
Accounts payable	At amortised cost	69.0	69.0			69.0
Fixed assets payable	At amortised cost	21.6	21.6			21.6

(1) *Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).*

With the exception of financial instruments and bonds, the book value of financial assets represents a reasonable approximation of their fair value.

NOTE 19. Operating and finance leases

19.1. Operating leases

Eutelsat S.A. pays rent for use of its registered office located in Paris. The operating lease was renewed in advance on 25 June 2014 for a fixed term nine year-period starting on 1 July 2014. The rent expense amounted to 4.4 million euros and 4.0 million euros for the financial years ended 30 June 2014 and 30 June 2015 respectively. Future payments with respect to the lease agreement are detailed in the following table:

(in millions of euros)	Total	Less than 1 year	From 1 to 5 years	More than 5 years
Future payments for operating leases	32.2	4.0	16.1	12.1

19.2. Finance leases

The Group operates five satellites under finance leases. None of the finance leases contains a purchase option at the expiry of the lease term. The last finance lease contract expires in 2031.

As of 30 June 2015, one of the five finance leases was pre-paid.

Financial expenses for satellites operated under finance leases amounted to 0.2 million euros as of 30 June 2014 and 9.9 million euros as of 30 June 2015.

Finance lease contracts mature as follows:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years
Finance leases	553.8	23.1	142.5	388.3
TOTAL	**553.8**	**23.1**	**142.5**	**388.3**

NOTE 20. Other payables and deferred revenues

20.1. Non-current portion

Other non-current debts only include deferred revenue.

20.2. Current portion

Other current payables and deferred revenues were as follows as of 30 June 2014 and 30 June 2015:

(in millions of euros)	30 June 2014	30 June 2015
Deferred revenues	150.4	165.4
Tax liabilities	11.7	16.9
Liabilities for social contributions (1)	40.4	46.3
TOTAL	**202.5**	**228.6**

(1) Including the liability related to the liquidity offer of 5.0 million euros as of 30 June 2014 and 5.7 million euros as of 30 June 2015.

Deferred revenues mainly include prepayments made by clients for the provision of telecommunication and frequency coordination services.

NOTE 21. Income tax

The Company Eutelsat S.A. which is included in the tax consolidation group headed by Eutelsat Communications is subject to a tax audit procedure for financial years ended 30 June 2012, 2013 and 2014. Eutelsat S.A. has not received any notification at balance sheet date. However, a provision was recorded to cover an adjustment similar to the outcome of the previous tax audit.

The last financial audits of Eutelsat Communications' and Eutelsat S.A.'s financial statements for the years ended 30 June 2009, 2010 and 2011 resulted in tax adjustments totalling 7.4 million euros which were settled during the financial year ended 30 June 2014.

21.1. Income-statement tax balances

The "Income tax" expense comprises current and deferred tax expenses of consolidated entities.

The Group's income tax expense is as follows:

(in millions of euros)	30 June 2014	30 June 2015
Current tax expense	(173.2)	(180.5)
Deferred tax income (expense)	(16.6)	(13.6)
TOTAL INCOME TAX EXPENSE	**(189.8)**	**(194.1)**

The theoretical income tax expense, based on application to the pre-tax result (excluding the share of net income from equity investments) of the standard French corporate tax rate, can be reconciled to the actual expense as follows:

(in millions of euros)	30 June 2014	30 June 2015
Income before tax and income from equity investments	491.1	545.5
Standard French corporate tax rate	*38.0%*	*38.0%*
Theoretical income-tax expense	(186.6)	(207.3)
Permanent differences and other items	(3.2)	13.2
CORPORATE TAX EXPENSE IN THE INCOME STATEMENT	**(189.8)**	**(194.1)**
Actual corporate tax rate	*38.6%*	*35.6%*

As of 30 June 2014, the difference between the actual corporate income tax rate and the theoretical income tax rate is mainly explained by the new French taxation laws which have resulted in an increase in the standard income tax rate in France.

As of 30 June 2015, this difference is accounted for by lower income tax rates for foreign subsidiaries compared to France-based companies.

21.2. Balance-sheet tax balances

Deferred tax assets and liabilities correspond to the aggregate net financial positions of the consolidated entities. Changes in the deferred tax balances between 30 June 2014 and 30 June 2015 were as follows:

(in millions of euros)	30 June 2014	Change in scope of consolidation	Net income for the period	Recognised in equity	30 June 2015
DEFERRED TAX ASSETS					
Financial Instruments	0.0	-	0.3	36.1	36.4
Capitalisation of losses carried forward	75.2	-	(30.4)	14.3	59.1
Bad-debt provisions	25.6	-	(1.6)	(0.9)	23.1
Financial guarantee granted to the pension fund	21.0	-	0.6	5.1	26.7
Provisions for risks and expenses	3.7	-	0.6	3.1	7.4
Accrued liabilities	11.0	-	(2.4)	1.8	10.4
Pension provision	5.2	-	(1.5)	2.5	6.2
SUB-TOTAL (A)	**141.7**	**-**	**(34.4)**	**62.0**	**169.3**
DEFERRED TAX LIABILITIES					
Intangible assets	(183.7)	-	19.1	(0.8)	(165.4)
Tangible assets	(246.7)	-	(6.6)	(12.8)	(266.1)
Capitalised interest	(1.7)	-	-	-	(1.7)
Finance leases	(2.4)	-	2.0	-	(0.4)
Performance incentives and capitalised salaries	(6.5)	-	(0.1)	(1.0)	(7.6)
Miscellaneous	(6.5)	-	6.4	(1.6)	(1.7)
SUB-TOTAL (B)	**(447.3)**	**-**	**20.8**	**(16.2)**	**442.9**
TOTAL = (A) + (B)	**(305.8)**	**-**	**(13.6)**	**45.8**	**(273.6)**
REFLECTED AS FOLLOWS IN THE FINANCIAL STATEMENTS:					
Deferred tax assets	32.2				23.8
Deferred tax liabilities	(338.0)				(297.4)
TOTAL	**(305.8)**				**(273.6)**

Deferred tax assets and liabilities break down as follows:

(in millions of euros)	Deferred tax assets	Deferred tax liabilities
Due within one year	-	(15.2)
Due after one year	23.8	(282.2)
TOTAL	**23.8**	**(297.4)**

Deferred tax liabilities relate mainly to the taxable temporary difference generated by:

- the accounting treatment at fair value of "Customer contracts and relationships" and of the Eutelsat brand, valued at 929.8 million euros (see Note 5 "Goodwill and other intangibles"), giving rise, as a result of the acquisition of Eutelsat S.A., to an initial deferred tax liability of 320.1 million euros. The 44.4 million euro amortisation of customer contracts over 20 years generates a annual deferred tax income;
- the accounting treatment at fair value of "Customer contracts and relationships" and other intangible assets in the context of the acquisition of Satmex;
- the accelerated depreciation of satellites.

21.3. Tax losses

The timeline for recovery of deferred tax assets on carry-forward losses is presented in the table below:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years	Undefined
Timelines of activated tax loss carryforwards	221.1	-	135.0	6.8	79.3
TOTAL	**221.1**	**-**	**135.0**	**6.8**	**79.3**

Furthermore, the Group has a stock of unrecognised tax loss carryforwards amounting to 64.8 million euros as of 30 June 2015, with the following maturity dates:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years	Undefined
Maturities of unrecognised tax loss carryforwards	64.8	-	21.5	-	43.3
TOTAL	**64.8**	**-**	**21.5**	**-**	**43.3**

NOTE 22. Provisions

(in millions of euros)	30 June 2014	Allowance	Reversal		Other [3]	30 June 2015
			Used	Unused		
Financial guarantee granted to a pension fund	63.4	1.7	(1.7)	-	14.8	78.2
Retirement indemnities	15.0	1.4	(0.3)	-	1.9	18.0
Post-employment benefits [1]	8.1	5.7	(0.3)	-	(0.5)	13.0
TOTAL POST-EMPLOYMENT BENEFITS	**86.5**	**8.8**	**(2.3)**	**-**	**16.2**	**109.2**
Litigation [2]	4.9	10.0	(0.3)	(1.4)	-	13.2
Other	11.3	2.7	(5.2)	-	-	8.8
TOTAL PROVISIONS	**102.7**	**21.5**	**(7.8)**	**(1.4)**		**131.2**
Incl. non-current portion	86.5					109.2
Incl. current portion	16.2					22.0

(1) The other post-employment benefits relate to end-of-contract indemnity payments in various subsidiaries and to the balance of a provision entered in respect of a fixed contractual contribution to the health-insurance regime ("mutuelle") for former IGO employees who had retired as of the date the business was transferred to Eutelsat S.A.

(2) Litigation recorded at end of period covers business, employee-related and tax litigation.

(3) Change in scope of consolidation and other.

22.1. Financial guarantee granted to a pension fund

As a result of the transfer by the IGO of its operational business as of 2 July 2001, Eutelsat S.A. granted its financial guarantee to the Trust managing the pension plan established by the IGO. Before this date, the pension fund was closed and the accrued rights frozen.

This guarantee can be called under certain conditions to offset any future under-funding of the plan.

The actuarial valuation performed on 30 June 2014 and 30 June 2015 used the following assumptions:

	30 June 2014	30 June 2015
Discount rate	2.75%	2.54%
Expected rate of return on assets	2.75%	2.54%
Rate for pension increases	2.50%	2.50%
Inflation rate	2.00%	2.00%
Overall expenses	0.58%	0.58%
Mortality table	TGH2005-TGF2005	TGH2005-TGF2005
Pensionable age	61 years	61 years

A 50 base point decrease in discount rates would result in an increase in commitments totalling 20.7 million euros.

A 50 base point decrease in prospective yield rates would result in a decline in assets and in the expected fund yield by 0.8 million euros.

As of 30 June 2014 and 30 June 2015, the position was as follows:

Comparative summary

	30 June				
(in millions of euros)	2011	2012	2013	2014	2015
Present value of obligations wholly or partly funded	151.7	202.7	225.3	217.4	231.8
Fair values of plan assets	(156.2)	(155.0)	(159.9)	(154.1)	(153.6)
Net financing requirement	**(4.5)**	**47.7**	**65.4**	**63.3**	**78.2**
Actuarial differences: gains/(losses) and other	23.6	(32.4)	-	-	-
NET (ASSET)/LIABILITY RECOGNISED IN BALANCE SHEET	**19.1**	**15.3**	**65.4**	**63.3**	**78.2**

Reconciliation between the present value of obligations at beginning and end of period

(in millions of euros)	30 June 2014	30 June 2015
Present value of the obligations at beginning of period	**225.3**	**217.4**
Finance cost	6.7	5.9
Actuarial differences: (gains)/losses [1]	(10.5)	13.0
Benefits paid	(4.1)	(4.5)
PRESENT VALUE OF THE OBLIGATIONS AT END OF PERIOD	**217.4**	**231.8**

(1) Differences resulting mainly from changes in rates.

The absence of service costs is explained by the fact that rights were frozen and that the IGO pension fund was closed prior to the transfer of business on 2 July 2001.

Reconciliation between the fair value of plan assets at beginning and end of period

(in millions of euros)	30 June 2014	30 June 2015
Fair value of plan assets at beginning of period	**159.9**	**154.1**
Expected return on plan assets	4.7	4.2
Actuarial differences: gains/(losses)	(6.4)	(1.8)
Contributions paid	-	1.6
Benefits paid	(4.1)	(4.5)
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**154.1**	**153.6**

The fair value of plan assets includes no amount relating to any financial instruments issued by Eutelsat S.A. nor any property occupied by, or other assets used by, Eutelsat S.A.

The actual return on the plan's assets was (1.7) million euros and 2.4 million euros as of 30 June 2014 and 30 June 2015 respectively.

▸ Net expense (net gains) recognised in the income statement

(in millions of euros)	30 June 2014	30 June 2015
Service cost for the period	-	-
Finance cost	6.7	5.9
Expected return on plan assets	(4.7)	(4.2)
NET EXPENSE (NET GAINS) RECOGNISED IN THE INCOME STATEMENT	**2.0**	**1.7**

▸ Reconciliation of assets and obligations recognised in the balance sheet

(in millions of euros)	30 June 2014	30 June 2015
Provision at beginning of period	**65.4**	**63.3**
Net expense (net gains) recognised in the income statement	2.0	1.7
Actuarial differences: (gains)/losses	(4.1)	14.8
Contributions paid	-	(1.6)
PROVISIONS AT END OF PERIOD	**63.3**	**78.2**

22.2. Post-employment benefits

a) Retirement indemnities

French law requires payment of a lump sum retirement indemnity, where appropriate. This indemnity is paid to employees based upon years of service and compensation at retirement. Benefits only vest when an employee retires from Eutelsat. This scheme is not funded.

The actuarial valuations performed at 30 June 2014 and 30 June 2015 were based on the following assumptions:

	30 June 2014	30 June 2015
Discount rate	2.75%	2.25%
Salary increases	2.50%	2.50%
Inflation rate	2.00%	2.00%
Mortality table	TH/TF00-02	TH/TF00-02
Retirement age	65 years	65 years
Type of retirement	Voluntary retirement	Voluntary retirement
Rate of employer's contributions	52%	52%

Staff turnover per age bracket is based on the history of experience within Eutelsat S.A. The last valuation was performed during the financial year 2012-2013.

Age (years)	2014 Turnover	2015 Turnover
25	7.72	7.72
30	5.42	5.42
35	3.69	3.69
40	2.38	2.38
45	1.40	1.40
50	0.66	0.66
55	0.10	0.10
60	0.00	0.00

As of 30 June 2014 and 2015, the position was as follows:

▸ Comparative summary

(in millions of euros)	30 June 2011	30 June 2012	30 June 2013	30 June 2014	30 June 2015
Present value of obligations not financed	8.0	9.3	12.4	15.1	18.0
Past-service cost (amortised)	1.0	1.0	-	-	-
Actuarial differences: gains/(losses)	(1.5)	(2.3)	-	-	-
LIABILITY RECOGNISED ON BALANCE SHEET	**7.5**	**8.0**	**12.4**	**15.1**	**18.0**

▸ Reconciliation between the present value of obligations at beginning and end of period:

(in millions of euros)	30 June 2014	30 June 2015
Present value of the obligations at beginning of period	**12.4**	**15.1**
Service cost for the period	0.8	1.0
Finance cost	0.4	0.4
Actuarial differences: (gains)/losses	1.5	1.9
Termination indemnities paid	-	(0.4)
PRESENT VALUE OF THE OBLIGATIONS AT END OF PERIOD	**15.1**	**18.0**

▸ Net expense recognised in the income statement

(in millions of euros)	30 June 2014	30 June 2015
Service cost for the period	0.8	1.0
Financial cost	0.4	0.4
NET EXPENSE RECOGNISED IN THE INCOME STATEMENT	**1.2**	**1.4**

▸ History of experience and changes in assumptions

(in millions of euros)	30 June 2015
History of experience regarding the value of obligations: (gains)/losses	0.8
Impact of changes in assumptions	1.1
HISTORY OF EXPERIENCE AND CHANGES IN ASSUMPTIONS	**1.9**

b) Mandatory schemes

In accordance with French law, the Group meets its obligations to finance pensions for employees in France by paying contributions based on salaries to the relevant entities that manage mandatory pension schemes. There are no other commitments in relation to these contributions. The employer's contributions paid under these schemes were 7.1 million euros and 7.1 million euros at 30 June 2014 and 30 June 2015 respectively.

c) Supplementary schemes

The Group also has a supplementary defined-contribution funded plan for its employees in France (excluding directors and corporate officers who are employees), financed by employees' and employer's contributions of 6% of gross annual salary, limited to eight times the French Social Security threshold. There are no other commitments in relation to these contributions. Employer's contributions paid under the plan stood at 1.7 million euros and 1.9 million euros as of 30 June 2014 and 30 June 2015 respectively.

NOTE 23. Segment information

The Group considers that it only operates in a single industry segment, basing that view on an assessment of services rendered and the nature of the associated risks, rather than on their finality. This is the provision of satellite-based video, business and broadband networks, and mobile services mainly to international telecommunications operators and broadcasters, corporate network integrators and companies for their own needs.

The information presented below is intended for the Managing Director, the Deputy Managing Director and the Chief Financial Officer who together make up the Group's main operational decision-making body.

Management data is presented according to IFRS principles applied by the Group for its consolidated financial statements as described in the Notes to the financial statements.

The performance indicators that are monitored by the decision making body include turnover, EBITDA (EBITDA is defined as the operating result before amortisation and depreciation, impairment of assets and other operating income and expense), financial expense, cash flow for investment in tangibles and equity interests and net consolidated Group debt (net debt includes all bank debt and all liabilities from long-term lease agreements, less cash and cash equivalents (net of bank credit balances).

Internal reporting is a presentation of the Group's consolidated income statement according to a different breakdown of items than the one used in the consolidated financial statements in order to highlight performance indicators for which the main aggregates are identical to those included in the Group's consolidated accounts, such as the operating result, net result, the share attributable to non-controlling interests and the share attributable to the Group.

23.1. Segment reporting

(in millions of euros)	30 June 2014	30 June 2015
Total revenues	**1,347.9**	**1,476.4**
Total operating costs	(314.7)	(344.7)
EBITDA	**1,033.2**	**1,131.7**
Depreciation and amortisation:	(401.3)	(466.5)
Other operating income (expenses), net	(8.5)	(3.7)
Operating income	**623.4**	**661.5**
Total interest	(133.3)	(137.9)
Income tax expense	(189.8)	(194.1)
Other financial income (expenses)	1.0	21.9
Net income before revenue from equity investments and non-controlling interests	**301.3**	**351.4**
Income from equity investments	14.9	18.8
Net income	**316.2**	**370.2**
Non-controlling interests	(13.1)	(15.0)
Net income attributable to the Group	**303.2**	**355.2**
Tangible investments (cash flow)	439.6	442.9
NET DEBT (INCLUDING FINANCE LEASES)	**3,779.0**	**3,841.1**

Net debt breaks down as follows:

(in millions of euros)	30 June 2014	30 June 2015
Term loan	800.0	600.0
Bonds	2,880.0	2,880.0
Export credit	174.7	232.8
"Change" portion of the cross-currency swap	(2.9)	114.6
Finance leases	220.1	433.9
Cash and cash equivalents	(293.0)	(420.2)
TOTAL	**3,779.0**	**3,841.1**

23.2. Information per geographical zone

Group revenues by geographical zone, based on invoice addresses, for the twelve-month periods ended 30 June 2014 and 30 June 2015 are as follows:

(in millions of euros and as a percentage)	30 June 2014		30 June 2015	
Regions	Amount	%	Amount	%
France	147.3	10.9	140.2	9.5
Italy	208.0	15.4	207.2	14.0
United Kingdom	104.8	7.8	109.0	7.4
Europe (other)	402.6	29.9	415.3	28.1
Americas	210.4	15.6	306.5	20.8
Middle-East	169.3	12.6	178.9	12.1
Africa	73.8	5.5	83.0	5.6
Asia	29.1	2.2	36.8	2.5
Other [1]	2.7	0.2	(0.7)	0.0
TOTAL	**1,347.9**	**100.0**	**1,476.4**	**100.0**

(1) Including 0.5 million euros in indemnity payments for late delivery for the period ended 30 June 2014.

Most of the Group's assets are satellites in orbit. The remaining assets are mainly located in France, Italy and Mexico.

NOTE 24. Financial result

The financial result is made up as follows:

(in millions of euros)	30 June 2014	30 June 2015
Interest expense after hedging [1]	(142.6)	(146.6)
Loan set-up fees and commissions [2]	(12.8)	(16.3)
Capitalised interest [3]	22.1	25.0
Cost of gross debt	**(133.3)**	**(137.9)**
Financial income	12.4	3.3
Cost of net debt	**(120.9)**	**(134.6)**
Changes in financial instruments [4]	0.5	(0.8)
Foreign-exchange gains and losses	(7.4)	21.3
Other	(4.5)	(1.9)
FINANCIAL RESULT	**(132.3)**	**(116.0)**

(1) The interest expense was impacted by instruments qualified as interest-rate hedges for 6.3 million euros and 7.1 million euros during the financial periods ended 30 June 2014 and 30 June 2015 respectively.

(2) Issuing costs include amortisation of all loan issuing costs and premiums.

(3) The amount of capitalised interest mainly depends on the state of progress and number of satellite construction programmes recorded during the financial year concerned.

The capitalisation rates used to determine the amount of interest expense eligible for capitalisation were 3.5% at 30 June 2014 and 3.75% at 30 June 2015.

(4) Changes in fair value of financial instruments mainly include:

- changes in fair value of derivatives not qualified as hedges;

- the ineffective portion of qualifying derivatives in a hedging relationship;

- the de-qualifications/sales of hedging instruments (see Note 26 "Financial Instruments").

NOTE 25. Earnings per share

The following table shows the reconciliation between net income and net earnings attributable to shareholders (basic and diluted) used to compute earnings per share (basic and diluted): There were no dilutive instruments as of 30 June 2014 and 2015.

(In millions of euros)	30 June 2014	30 June 2015
NET INCOME	**316.2**	**370.2**
Income from subsidiaries attributable to non-controlling interests	(13.1)	(15.0)
NET EARNINGS USED TO COMPUTE DILUTED EARNINGS PER SHARE	**303.2**	**355.2**
Average number of shares	**220,113,982**	**223,368,210**

NOTE 26. Financial instruments

The Group is exposed to market risks, principally in terms of currency and interest-rates. Exposure to such risks are actively managed by Management. and for this purpose the Group employs a certain number of derivatives, the objective of which is to limit, where appropriate, the fluctuation of revenues and cash-flows due to variations in interest rates and foreign-exchange rates. The Group's policy is to use derivatives to hedge such exposure and comply with its financial covenants. The Group does not engage in financial transactions whose associated risk cannot be quantified at maturity, *i.e.* the Group never sells assets it does not possess, or about which it is uncertain whether it will subsequently possess them.

26.1. Foreign-exchange risk

Through the sale of its satellite capacity, the Group is a net receiver of currencies, mainly the U.S. dollar.

Consequently, the Group is primarily exposed to the U.S. dollar/euro foreign exchange risk.

The Group may use foreign exchange hedges to the tune of 135.0 million U.S. dollar over the next nine months against its exposure to the euro/U.S. dollar volatility risk for a portion of its revenues.

Due to the geographic diversification of its activities, the Group is exposed to conversion risk, which means that its balance sheet and income statement are impacted by fluctuations in exchange parities upon consolidation of the financial statements of its foreign subsidiaries outside the euro zone (translation risk). For investments in currencies not included in the euro zone, the Group's translational risk hedging policy consists of creating liabilities denominated in the same currency as the cash flows generated by these assets. Hedging instruments used by the Group include currency derivatives (cross-curency swaps) documented as net foreign investment hedges.

Given its exposure to foreign-currency risk, the Group believes that a 15% increase in the U.S. dollar/euro exchange rate would not have a significant impact on Group income and would result in a negative change of 265.3 million euros in the Group translation reserve and a change in the Group translation reserve amounting to 100 million euros related to the cross currency swap.

26.2. Interest-rate risk

Interest rate risk management

During the financial year ended 30 June 2015 and in accordance with its hedging policy, the Group hedges its exposure to changes in interest rates by using hedging instruments such as:

- two swaps for a notional amount of 350 million euros;
- two collars for a notional amount of 350 million euros; and
- one cap for a notional amount of 100 million euros.

Following the early repayment of the Eutelsat Communications term loan during the financial year ended 30 June 2015 which resulted in a decrease in the Group's variable rate debt of the Group by 200 million euros, some of the interest rate hedging instruments were disqualified. These were immediately recycled to income from other items of comprehensive income as a result of the disappearance of the hedged item.

Sensitivity to interest-rate risk

Considering the full range of financial instruments available to the Group as of 30 June 2015, an increase of ten base points (+0.10%) over the EURIBOR interest rate would have an insignificant effect on the interest expense and the revaluation of financial instruments in the income statement. This would be reflected in a 3.1 million euro positive variation in equity related to the change in the effective fair value of hedging instruments qualified as hedges of future cash flows.

26.3. Financial information as of 30 June 2014 and 30 June 2015

The following tables analyse the contractual or notional amounts and fair values of the Group's derivatives by type of contract as of 30 June 2014 and 30 June 2015. The instruments are valued by an independent expert and this valuation is verified/validated by the Group's banking counterparts.

	Notional		Fair value				
(in millions of euros)	30 June 2014	30 June 2015	30 June 2014	30 June 2015	Change in fair value over the period	Impact on income (excl. coupons)	Impact on equity
Synthetic forward transaction with knock-in option (Eutelsat S.A.)	-	121.3	-	2.4	2.4	0.6	1.8
Cross currency swap	500.0	500.0	9.3	(104.4)	(113.8)	-	(113.8)
TOTAL FOREX DERIVATIVES	**500.0**	**621.3**	**9.3**	**(102.0)**	**(111.4)**	**0.6**	**(112.0)**
Future swaps	350.0	350.0	(5.8)	(2.3)	3.5	(1.3)	4.8
Collars	350.0	350.0	(4.0)	(1.7)	2.3	-	2.3
Caps	100.0	100.0	-	-	-	-	-
TOTAL INTEREST RATE DERIVATIVES	**800.0**	**800.0**	**(9.8)**	**(4.0)**	**5.8**	**(1.3)**	**7.1**
TOTAL DERIVATIVES			**(0.5)**	**(106.0)**	**(105.6)**	**(0.7)**	**(104.9)**

At 30 June 2015, the cumulative fair value of financial instruments was positive at 2.4 million euros and negative at 108.4 million euros (see Note 8 "Non-current financial assets" and Note 17 "Other financial liabilities").

Impact on income statement and equity

The impact on the income statement and equity of changes in fair value of derivatives qualified as hedges is as follows:

- the coupons on swaps that qualify as cash flow hedges are directly recognised under income. Changes recognised in equity with respect to these instruments correspond to changes in fair value excluding coupons ("clean fair value");
- the coupons on the cross currency swap that qualifies as net investment hedge, as well as its fair value excluding coupons ("clean fair value") are recognised directly in equity.

26.4. Financial counterparty risk

Counterparty risk includes issuer risk, execution risk in connection with derivatives or monetary instruments, and credit risk related to liquidity and forward investments. The Group minimises its exposure to issuer, execution and credit risk by acquiring financial products from top-ranking financial institutions and banks. Exposure to these risks is closely monitored and maintained within predetermined limits.

The Group does not foresee any loss resulting from a failure by its counterparts to respect their commitments under the agreements it has concluded.

As of 30 June 2015, counterparty risk associated with these operations is not considered as significant (see Note 10 on credit risk on accounts receivables).

26.5. Liquidity risk

The Group manages liquidity risk by using a tool that enables it to monitor and manage its recurring requirements and liquidity needs. This tool takes into account the maturity of financial investments, financial assets and estimated future cash flows from operating activities.

The Group's objective is to maintain a balance between continuity of its funding needs and their flexibility through the use of overdraft facilities, term loans, revolver lines of credit from banks, bond loans and satellite lease agreements.

The Group's debt maturity is reflected in the table below.

▸ Breakdown of net financial liabilities by maturity (in millions of euros)

As of 30 June 2014	Balance-sheet value	Total contractual cash flows	06/2015	06/2016	06/2017	06/2018	06/2019	More than 5 years
Eutelsat Communications Term loan	(794.1)	(855.2)	(22.1)	(22.1)	(810.9)	-	-	-
Eutelsat S.A. bond	(2,854.6)	(3,418.2)	(108.9)	(108.9)	(958.9)	(73.8)	(873.8)	(1,294.0)
US EXIM export credit	(41.3)	(46.0)	(6.4)	(6.3)	(6.2)	(6.1)	(6.0)	(14.8)
ONDD-guaranteed export credit	(123.5)	(147.6)	(2.5)	(7.1)	(17.9)	(17.6)	(17.3)	(85.3)
Finance leases	(221.2)	(281.5)	(18.1)	(14.3)	(15.9)	(16.2)	(17.7)	(199.4)
Qualified interest rate derivatives (1)	(9.8)	(9.8)	-	(9.8)	-	-	-	-
TOTAL FINANCIAL DEBT	**(4,044.5)**	**(4,758.3)**	**(158.0)**	**(168.5)**	**(1,809.8)**	**(113.7)**	**(914.8)**	**(1,593.5)**
Other Financial Liabilities	(107.4)	(108.6)	(67.6)	(9.4)	(8.4)	(22.4)	(0.3)	(0.6)
TOTAL FINANCIAL LIABILITIES	**(4,151.9)**	**(4,866.9)**	**(225.6)**	**(177.9)**	**(1,818.2)**	**(136.1)**	**(915.1)**	**(1,594.1)**
Eutelsat S.A. interest rate derivatives (1)	9.3	9.3	-	-	-	-	-	9.3
Financial Assets	38.3	38.3	32.7	-	-	-	-	5.6
Cash	225.5	225.5	225.5	-	-	-	-	-
Mutual fund investments	67.5	67.5	67.5	-	-	-	-	-
Other cash equivalents	-	-	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS	**340.6**	**340.6**	**325.7**	**-**	**-**	**-**	**-**	**14.9**
NET POSITION	**(3,811.3)**	**(4,526.3)**	**100.1**	**(177.9)**	**(1,818.2)**	**(136.1)**	**(915.1)**	**(1,579.2)**

(1) The amounts broken down under derivative instruments are recognised at fair value (not as contractual cash flows).

As of 30 June 2015	Balance-sheet value	Total contractual cash flows	06/2016	06/2017	06/2018	06/2019	06/2020	More than 5 years
Eutelsat Communications Term loan	(597.1)	(625.7)	(5.4)	(5.4)	(5.4)	(5.4)	(604.1)	-
Eutelsat S.A. bond	(2,860.1)	(3,307.2)	(108.9)	(958.9)	(73.8)	(873.8)	(963.8)	(328.1)
US EXIM export credit	(44.2)	(48.5)	(7.8)	(7.7)	(7.6)	(7.4)	(7.3)	(10.7)
ONDD-guaranteed export credit	(179.8)	(202.5)	(14.1)	(24.8)	(24.5)	(24.1)	(23.7)	(91.3)
Finance leases	(433.9)	(553.8)	(23.1)	(30.9)	(36.2)	(37.7)	(37.8)	(388.1)
Qualified interest rate derivatives (1)	(108.4)	(108.4)	(4.0)	-	-	-	(104.4)	-
TOTAL FINANCIAL DEBT	**(4,223.5)**	**(4,846.1)**	**(163.2)**	**(1,027.7)**	**(147.4)**	**(948.4)**	**(1,741.1)**	**(818.3)**
Other Financial Liabilities	(86.8)	(86.8)	(56.5)	(8.1)	(22.2)	-	-	-
TOTAL FINANCIAL LIABILITIES	**(4,310.3)**	**(4,932.9)**	**(219.7)**	**(1,035.7)**	**(169.6)**	**(948.4)**	**(1,741.1)**	**(818.3)**
Foreign exchange derivatives (1)	2.4	2.4	2.4	-	-	-	-	-
Financial Assets	39.0	39.0	27.1	-	-	-	-	11.9
Cash	204.9	204.9	204.9	-	-	-	-	-
Mutual fund investments	215.4	215.4	215.4	-	-	-	-	-
Other cash equivalents	-	-	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS	**461.7**	**461.7**	**449.8**	-	-	-	-	**11.9**
NET POSITION	**4,772.0**	**(4,471.2)**	**230.1**	**(1,035.7)**	**(169.6)**	**(948.4)**	**(1,741.1)**	**(806.4)**

(1) The amounts broken down under derivative instruments are recognised at fair value (not as contractual cash flows).

▸ Cash-flow hedges – Fair value recognised in equity and to be reclassified to income

	Fair value recognised in equity and to be reclassified to income						
(in millions of euros)	Total	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Foreign exchange risk hedges	(112.2)	2.4	-	-	-	(114.6)	-
Interest rate risk hedges	6.1	(4.0)		-	-	10.1	-
NET TOTAL AT 30 JUNE 2015	**(106.0)**	**(1.6)**		**-**	**-**	**(104.4)**	**-**

Furthermore, the amendment to IFRS 7 on the offsetting of assets and liabilities has no impact; there was no offsetting agreement which could have an impact for the Group as of 30 June 2015 (neither on the balance sheet under IAS 32, nor on the net exposure).

NOTE 27. Other commitments and contingencies

As of 30 June 2015, Management considers that, to the best of its knowledge, no commitments exist that may have an impact on the Group's present or future financial position with the exception of the following items:

27.1. Purchase commitments

As of 30 June 2015, future payments under satellite construction and launch and financing contracts amounted to 777 million euros. These future payments are spread over 16 years.

The Group has also made commitments with other suppliers for service provisions and acquisitions of fixed assets relating to the monitoring and control of satellites.

The following table lists the payments for these services and acquisitions as of 30 June 2014 and 30 June 2015:

(in millions of euros)	As of 30 June 2014	As of 30 June 2015
2015	51	-
2016	25	75
2017	22	38
2018	19	27
2019 and beyond (1)	75	19
2020 and beyond	-	80
TOTAL	**192**	**239**

(1) For the period reported in respect of the financial year ended 30 June 2014.

As of 30 June 2015, the above total includes 454 million euros for purchase commitments entered into with related parties.

The Group may receive penalties related to incidents affecting the performance of its operational satellites.

27.2. Fleet insurance

As of 30 June 2015, the Group's existing Launch-plus-one-year and in-orbit insurance policies have been taken out with insurance syndicates generally with ratings of between AA- and A+. Counterparty risk is therefore limited and, if any of the insurers should default, that entity's share of the insurance cover could be taken on by a new player.

The in-orbit insurance plan taken out by the Group was renewed for a 12-month period starting on 1 July 2014. The programme has been designed with a view to minimising, at an acceptable cost, the impact of one or several satellite losses on the balance sheet and the income statement. Satellites covered under this policy are insured for their net book value and their generated income.

On 1 July 2015, this policy was renewed for a 12-month period.

27.3. Commitments received

The Group holds a put option vis-à-vis a related party, with no limited validity, exercisable twice a year with respect to its equity interest in Hispasat.

27.4. Disputes

In the course of its business activities, the Group has been involved in legal actions and commercial disputes. Consequently, the Group has exercised its judgement to assess the risks incurred on a case-by-case basis and a provision was recorded to cover an expected outflow of resources (see Note 22 "Provisions"). In cases viewed as unsubstantiated or insufficiently argued, no provision was recognised. The following legal actions and business disputes are underway:

ViaSat Brasil

Following a significant violation by ViaSat Brasil of its legal obligations, the Group cancelled the agreement signed with this company for the use of the Ka-band payload on the EUTELSAT 3B satellite. Capacity on this satellite was taken over by another client.

ViaSat Brasil has sought redress from Eutelsat before the Rio de Janeiro Commercial Court, which Eutelsat has strongly challenged.

Tax dispute in France

Eutelsat S.A. is subject to a tax audit procedure for financial years ended 30 June 2012, 2013 and 2014. Eutelsat S.A. has not received any notification at balance sheet date.

HorizonSat

During the financial year ended 30 June 2015, Eutelsat SA was summoned by HorizonSat before the Commercial Court of Paris for unilateral termination without compensation of a commercial bid. As of 30 June 2015, the court has not issued any judgement.

Frequency right

Discussions are underway between Eutelsat and the Italian Ministry of Telecommunications on the use of landing rights.

NOTE 28. Related-party transactions

Related parties consist of:

- direct and indirect shareholders, and their subsidiaries, who have significant influence, which is presumed where more than 20% of the shares are held or where the investor is a member of the Board of Directors of a Group entity;
- minority shareholders of entities which the Group consolidates under the full consolidation method;
- companies in which the Group has an equity interest that it consolidates under the equity method; and
- key management personnel.

The Group considers that the concept of "key management personnel" as applied to Eutelsat's governance includes members of the administrative and management bodies, namely the Chairman and CEO, the Deputy CEO and the other members of the Board of Directors.

Excluding key management personnel, Eutelsat Group considers as related parties only those relationships having an interest in associates as defined under IFRS 12. The other relationships are not considered as significant.

28.1. Related parties that are not members of the "key management personnel"

Amounts due by or owed to related parties and included on the balance sheet within current assets and liabilities as of 30 June 2014 and 2015 are as follows:

(in millions of euros)	30 June 2014 (2)	30 June 2015
Gross receivables (including unbilled revenues) (1)	4.8	10.7
Debt (including deferred payments)	217.9	198.7

(1) Including 0.3 million euros for entities accounted for via the equity method as of 30 June 2014.

(2) Information disclosed as of 30 June 2014 has been restated to include the impact of the change in method regarding the application of IFRS 12 "Disclosure of Interests in Other Entities".

As of 30 June 2014, debt included a finance lease agreement entered into in respect of the EXPRESS AT1 satellite.

As of 30 June 2015, debt included a finance lease agreement entered into in respect of the EXPRESS AT1, EXPRESS AT2, EXPRESS AM6 and ASTRA 2G satellites.

Related party transactions included in the income statements for the periods ended 30 June 2014 and 30 June 2015 are as follows:

(in millions of euros)	30 June 2014	30 June 2015
Revenues [(1)]	27.0	34.4
Operating costs, selling, general and administrative expenses	1.8	10.4
Financial result	1.1	7.0

(1) Including 1.3 million euros and 0.1 million euros for entities accounted for via the equity method as of 30 June 2014 and 30 June 2015 respectively.

For the year ended 30 June 2015, no related party transaction accounts individually for more than 10% of revenues.

In addition, the Group entered into transactions with certain shareholders for the provision of services related to the monitoring and control of its satellites.

28.2. Compensation paid to members of the "key management personnel"

(in millions of euros)	30 June 2014	30 June 2015
Compensation excluding employer's charges	1.2	1.3
Short-term benefits: employer's charges	0.4	0.4
TOTAL SHORT-TERM BENEFITS	**1.6**	**1.7**
Post-employment benefits	Not applicable	Not applicable
Other long-term benefits (indemnity payment for unintended termination of activity)	Not applicable	Not applicable
Share-based payment	See below	See below

Share-based payment

At its meetings of 28 July 2011, 8 November 2012, 13 February 2014 and 11 February 2015 (see Note 15.3 "Share-based compensation"), the Board of Directors approved free share allocation plans for the benefit of members of the Group's administrative and management bodies subject to conditions set out in the plan and to set 50% holding rate for all fully vested shares during the terms of office of the Company's directors and corporate officers ("mandataires sociaux").

The value of the benefit granted is spread over a three-year vesting period. The expense recognised for the periods ended 30 June 2014 and 30 June 2015, was 0.2 million euros and 0.6 million euros.

NOTE 29. Staff costs

Staff costs (including mandatory employee profit-sharing and employee-related fiscal charges) are as follows:

(in millions of euros)	30 June 2014	30 June 2015
Operating costs	50.9	50.2
Selling, general and administrative expenses	74.1	90.1
TOTAL [(1)]	**125.0**	**140.3**

(1) Including 1.1 million euros and 6.7 million euros at 30 June 2014 and 30 June 2015 respectively for expenses related to share-based payments.

The average number of employees is as follows:

	30 June 2014	30 June 2015
Operations	399	438
Selling, general and administrative	511	562
TOTAL	**910**	**1,000**

As of 30 June 2015, the Group had 1,016 employees against 1,011 as of 30 June 2014.

Compensation paid to the Eutelsat Communications' directors and corporate officers ("mandataires sociaux") employed by the Group is 1.7 million euros for the year ended 30 June 2015. During the financial year 2013-2014, attendance fees paid to the members of the Board of Directors amounted to 0.5 million euros.

The Group has a corporate savings plan (*plan d'épargne d'entreprise* or PEE) reserved for Eutelsat S.A. employees with more than three months of service, funded through voluntary contributions by employees.

Via its subsidiary Eutelsat S.A., the Group has an employee incentive scheme ("accord d'intéressement"), which was set up for a three-year period. The incentive scheme is based on objectives renewable each year.

NOTE 30. Scope of consolidation

As of 30 June 2015, the list of companies included in the scope of consolidation is as follows:

Company	Country	Consolidation method	% control at 30 June 2015	% interest as of 30 June 2015
Eutelsat Communications Finance S.A.S.	France	FC	100.00%	100.00%
Eutelsat S.A.	France	FC	100.00%	96.34%
Eutelsat S.A. Sub-Group				
▸ Eutelsat VAS S.A.S.	France	FC	100.00%	96.34%
▸ Fransat S.A.	France	FC	100.00%	96.34%
▸ Eutelsat do Brasil S.A. (1)	Brazil	FC	100.00%	96.34%
▸ Eutelsat Participatoes (1)	Brazil	FC	100.00%	96.34%
▸ Satmex Holding BV	Netherlands	FC	100.00%	96.34%
▸ Satelites Mexicanos SMVS	Mexico	FC	100.00%	96.34%
▸ Alterna TV International	USA	FC	100.00%	96.34%
▸ Alterna TV Corp.	USA	FC	100.00%	96.34%
▸ Satelites Mexicanos Administracion SMVS	Mexico	FC	100.00%	96.34%
▸ Satelites Mexicanos Tecnicios SMVS	Mexico	FC	100.00%	96.34%
▸ Eutelsat Latam Corp.	USA	FC	100.00%	96.34%
▸ Eutelsat Italia S.r.l	Italy	FC	100.00%	96.34%
▸ Skylogic S.p.a.	Italy	FC	100.00%	96.34%
▸ Eutelsat Latin America	Panama	FC	100.00%	96.34%
▸ Eutelsat Russia	Russia	FC	100.00%	96.34%
▸ Eutelsat Services und Beteiligungen GmbH	Germany	FC	100.00%	96.34%
▸ Eutelsat Inc.	USA	FC	100.00%	96.34%
▸ Eutelsat America Corp.	USA	FC	100.00%	96.34%
▸ Eutelsat UK Ltd	United Kingdom	FC	100.00%	96.34%
▸ Eutelsat Polska spZoo	Poland	FC	100.00%	96.34%
▸ Skylogic Finland Oy	Finland	FC	100.00%	96.34%
▸ Skylogic France SAS	France	FC	100.00%	96.34%
▸ Skylogic Germany GmbH	Germany	FC	100.00%	96.34%
▸ Skylogic Mediterraneo S.r.l	Italy	FC	100.00%	96.34%
▸ Irish Space Gateways	Ireland	FC	100.00%	96.34%
▸ CSG Cyprus Space Gateways	Cyprus	FC	100.00%	96.34%
▸ Skylogic Eurasia Ltd	Turkey	FC	100.00%	96.34%
▸ Skylogic Greece	Greece	FC	100.00%	96.34%
▸ Skylogic Espana S.A.U.	Spain	FC	100.00%	96.34%
▸ Skylogic Croatia d.o.o.	Croatia	FC	100.00%	96.34%
▸ Eutelsat do Madeira Unipessoal Lda	Madeira	FC	100.00%	96.34%
▸ Wins Ltd (1)	Malta	FC	100.00%	67.44%
▸ Wins Italy S.R.L. (1)	Italy	FC	100.00%	67.44%
▸ Wins GmbH	Germany	FC	100.00%	67.44%
▸ DH Intercomm (1)	Germany	FC	100.00%	50.58%
▸ Eutelsat Asia	Singapore	FC	100.00%	96.34%
▸ DSAT Cinema S.A.	Luxemburg	FC	100.00%	48.33%
▸ Eutelsat Middle-East	Dubai	FC	100.00%	96.34%
▸ Eutelsat International	Cyprus	FC	100.00%	49.13%
▸ Eutelsat Network	Russia	FC	100.00%	49.13%
▸ Hispasat S.A. (1)	Spain	EM	33.69%	32.45%

FC: Full consolidation method.

EM: Equity method.

(1) Companies with financial years ending on 31 December.

NB: The other companies' financial year ends on 30 June.

Consolidation of these subsidiaries under the full consolidation method was performed using financial statements prepared as of 30 June 2015.

NOTE 31. Subsequent events

No significant event occurred between the balance sheet date and the date on which the consolidated financial statements were approved by the Board of Directors.

NOTE 32. Statutory auditors' fees

	Ernst & Young				Mazars			
	Amount		Amount		Amount		Amount	
(in thousands of euros)	N	%	N-1	%	N	%	N-1	%
AUDIT								
Statutory audit, certification, review of separate and consolidated financial statements								
Eutelsat Communications	168	18%	168	18%	133	29%	133	27%
Other subsidiaries	724	78%	706	69%	322	69%	330	66%
Other due care and services directly linked to the statutory audit task								
Eutelsat Communications	-	-	-	-	-	-	-	-
Other subsidiaries	5	-	40	4%	11	2%	37	7%
SUB-TOTAL	**897**	**97%**	**913**	**89%**	**466**	**100%**	**500**	**100%**
OTHER SERVICES, WHEN APPROPRIATE								
Legal, tax, social	29	3%	109	11%	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Internal audit	-	-	-	-	-	-	-	-
Others (to be specified if more than 10% of statutory audit fees)	-	-	-	-	-	-	-	-
SUB-TOTAL	**29**	**3%**	**109**	**11%**	**-**	**-**	**-**	**-**
TOTAL	**926**	**100%**	**1,022**	**100%**	**466**	**100%**	**500**	**100%**

6.3 Annual financial statements as of 30 June 2015

BALANCE SHEET

(in thousands of euros)	Notes	30 June 2014	30 June 2015
ASSETS			
Long-term assets			
Financial assets	3	2,446,401	2,446,899
TOTAL LONG-TERM ASSETS		**2,446,401**	**2,446,899**
Current assets			
Accounts receivable		203	127
Other receivables	4	120,829	79,272
Cash and marketable securities	5	12,625	7,200
TOTAL CURRENT ASSETS		**133,657**	**86,599**
Prepaid expenses	6	6,065	3,043
TOTAL ASSETS		**2,586,123**	**2,536,541**

(in thousands of euros)	Notes	30 June 2014	30 June 2015
LIABILITIES			
Common stock (226,972,338 ordinary shares as of 30 June 2015 with a nominal value of €1 per share)		220,114	226,972
Additional paid-in-capital		453,214	594,075
Legal reserve		22,011	22,697
Retained earnings		763,546	816,656
Result of the year		279,593	259,067
Regulated provisions		467	467
TOTAL SHAREHOLDER'S EQUITY	**7**	**1,738,945**	**1,919,935**
Provisions for risks		-	-
Provisions for expenses		812	945
TOTAL PROVISIONS FOR RISKS AND EXPENSES	**8**	**812**	**945**
Loans and bank debt [1]	9	801,637	600,775
Other financial debt		-	-
TOTAL FINANCIAL DEBT		**801,637**	**600,775**
Accounts payable		2,299	2,572
Tax and employee-related payable	10	1,218	10,811
Fixed assets payable		-	-
Other payables	15.1	41,213	1,501
TOTAL OPERATING DEBT		**44,729**	**14,885**
Deferred revenues		-	2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,586,123**	**2,536,541**
(1) Including part maturing within one year.		*1,637*	*775*

INCOME STATEMENTS

(in thousands of euros)	Notes	30 June 2014	30 June 2015
Revenues	12	1,456	1,595
Release of provisions and reclassification of costs	6	107	3,326
Other income		-	-
Total operating income		**1,563**	**4,921**
Other purchases and external expenses		6,960	10,529
Taxes and assimilated		817	23
Wages	18.2	1,352	1,890
Social charges	18.2	365	679
Depreciation, amortisation and provisions	6	2,535	6,088
Other charges		603	561
Total operating charges		**12,631**	**19,771**
Operating result		**(11,068)**	**(14,850)**
Financial income		303,588	282,885
Financial expenses		27,645	24,278
Financial result	**13**	**275,943**	**258,607**
Exceptional income		2,487	3,349
Exceptional charges		769	3,343
Exceptional result	**14**	**1,718**	**6**
Mandatory employee profit-sharing		-	-
Income tax	15	(13,000)	(15,305)
NET INCOME		**279,593**	**259,067**

STATEMENTS OF CASH FLOWS

(in thousands of euros)	Notes	30 June 2014	30 June 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		279,593	259,067
Adjustments for non-cash items:		-	-
Capital (gain)/loss on disposal of assets		-	-
Depreciation, amortisation and provisions		537	6,192
Other non-operating items		(275,412)	(258,363)
Changes in operating assets and liabilities:			
Accounts receivable		832	76
Other current assets		(32,690)	22,521
Accounts payable		46	126
Other payables		11,612	(30,118)
Net cash flows provided by operating activities		**(15,481)**	**(499)**
NET CASH FLOWS USED IN INVESTING ACTIVITIES			**-**
Acquisitions of intangible assets		-	-
Acquisitions of satellites and other property and equipment		-	-
Proceeds from sale of assets		-	-
Changes in other long-term assets		-	-
Equity investments and other movements in financial investments		(366)	(498)
Net cash flows used in investing activities		**(366)**	**(498)**
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES			**-**
Changes in capital		-	-
Distribution	7.1	(237,235)	(77,931)
Dividends received	13	302,392	281,812
Additional long-term and short-term debt	9	-	600,000
Reimbursements of long-term and short-term debt	9	-	(800,000)
Changes in borrowing		(47,435)	16,000
Financial instruments	13,16	-	-
Free share plans		-	2,569
Interest paid		(27,524)	(25,079)
Interest received		664	1,045
Changes in other debt		-	-
Net cash flows provided by (used in) financing activities		**(9,138)**	**(1,583)**
Increase (decrease) in cash and cash equivalents		(24,985)	(2,578)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		31,486	6,501
CASH AND CASH EQUIVALENTS, END OF PERIOD	**6**	**6,501**	**3,922**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

NOTE 1. General overview

1.1. Business description

The purpose of Eutelsat Communications S.A. ("the Company" or "Eutelsat") is to hold shares and provide services to its equity interests. It is the parent company of the Eutelsat Communications Group ("the Group").

The Company's fiscal year runs for twelve months and ends on 30 June.

1.2. Key events during the period

During the financial period, the Company distributed part of the dividend in shares, which resulted in a share capital increase through the issuance of 6,858,356 shares (see Note 7.1 "Statement of changes in shareholders' equity").

In March 2015, Eutelsat Communications undertook the early refinancing of the 800 million euro bank term loan expiring in December 2016 (see Note 9 "Financial debt").

NOTE 2. Significant accounting policies

2.1. Basis of presentation

The annual financial statements are prepared in accordance with the Code de commerce (Articles L. 123-12 to L. 123-28) and Rule 2014-03 of the "Autorité des Normes Comptables" (ANC – French accounting regulation body).

The following conventions have been applied in compliance with the principle of prudence and in accordance with the following basic rules:

- going concern;
- separation of the financial periods;
- consistent accounting methods used from one financial year to the next; and in compliance with the general rules for preparing and presenting annual financial statements.

The basic method used for evaluating the items recorded is the historical cost method.

There have been no changes in accounting methods during the period.

The currency used in the presentation of the Company's accounts is the euro.

2.2. Significant judgements and estimates

Preparation of financial statements requires Management to make judgements and estimates that are liable to affect certain assets and liabilities, the amounts shown for the corresponding income and expenses in these annual financial statements and their accompanying Notes. Eutelsat constantly updates its estimates and assessments by using past experience and other relevant factors related to the economic environment. The eventual outcome of the operations underpinning these estimates and assumptions could, due to the uncertainty that surrounds them, result in the need for significant adjustment in a subsequent financial period to amounts recognised.

2.3. Financial assets

Stock is recorded in the balance sheet at its acquisition value less incidental expenses. It may include treasury shares acquired under liquidity agreements.

Any excess of cost over fair value, as estimated by Management of the Company based on criteria such as the market value, the expected development and profitability or the shareholders' equity, and taking into account the specific nature of each investment, is recorded as an impairment charge to net income.

A provision for impairment of treasury shares is recognised if their book value is higher than their market value at balance sheet date.

2.4. Cash and marketable securities

Cash and marketable securities consist mainly of treasury shares acquired under share buyback programmes designed to serve free share allocation plans, mutual fund investments, cash at bank and deposit certificates with original maturities of three months or less.

Shares repurchased for the purpose of serving stock plans are recorded at their initial cost until they are delivered to their recipients or reclassified if not attributed. This results in their not being impaired in the event of a drop in the share price.

2.5. Receivables and debt

Receivables and debt have been evaluated at their nominal value.

Receivables are entered with a loss in value, where appropriate, to reflect any difficulties in recovering outstanding amounts.

2.6. Apportionment of loan set-up costs

Loan set-up costs are amortised over the duration of the loan.

2.7. Shareholders' equity

External costs directly related to increases in capital, reduction of capital and share buy-back for reduction of capital, are allocated to the share premium net of taxes when an income tax benefit is generated.

Under French law, Eutelsat Communications S.A. is required by law to allocate 5% of its net annual result (after deduction of balances brought forward in the red, if any) to a legal reserve. This minimum contribution is no longer mandatory if and when the legal reserve represents at least 10% of the share capital. The legal reserve can only be distributed when the company is being wound up.

2.8. Provisions

A provision is an item with a negative economic value for the Company, *i.e.* it is a company obligation towards an unrelated party that is probable or certain to lead to an outflow of resources to the benefit of such party, with nothing at least equivalent expected of the unrelated party in return and for which the term or the amount is not precisely determined.

The amount recognised as a provision represents the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

2.9. Recognition of interest rate hedges

The use of hedging instruments against the risk of variations in interest rates allows a fixed rate/variable rate distribution of the Company's debt. Where an instrument can be qualified as a hedging instrument, associated exchange gains and losses are recognised in the financial result, and the premium is reported in the financial result on a *prorata temporis* basis.

Instruments not qualifying as hedges are valued at their market price. If there is a loss, an allowance is entered and the loss shown under the financial result. Premiums paid on these instruments are recognised in full in the financial result for the period.

NOTE 3. Financial assets

Financial assets break down as follows:

(in thousands of euros)	30 June 2014	30 June 2015
Equity investments	2,440,645	2,440,645
Other investments in securities	5,756	6,314
Loans and other financial assets	-	-
TOTAL GROSS BOOK VALUES	**2,446,401**	**2,446,960**
Less provisions	-	(61)
TOTAL NET CARRYING AMOUNTS	**2,446,401**	**2,446,899**

The changes in net carrying amounts between beginning and end of period are as follows:

(in thousands of euros)	Equity investments	Other investments in securities (1)	Loans and other financial assets (1)	Total
Net carrying values as of 1 July 2014	**2,440,645**	**5,756**	**-**	**2,446, 401**
Acquisitions	-	49,488	49,490	98,978
Transfers	-	-	-	-
Reimbursement (of capital contribution) and disposals	-	(48,931)	(49,488)	(98,419)
Reversals/depreciation, amortisation and provisions	-	(61)	-	(61)
NET CARRYING VALUES AS OF 30 JUNE 2015	**2,440,645**	**6,253**	**2**	**2,446,899**

(1) Transactions relating to the liquidity agreement (see Note 3.2 "Other investments in securities").

3.1. Equity interests

As of 30 June 2014 and 30 June 2015, the "Equity investments" item includes:

- 500,000 shares in Eutelsat Communications Finance for an amount of 2,401,488,322.14 euros;
- 7,248,478 shares in Eutelsat S.A. for an amount of 39,156,817.32 euros (including acquisition costs of 467,000 euros).

3.2. Other investments in securities

"Other investments in securities" breaks down as follows:

- treasury stock held under a liquidity agreement for 3,441 thousand euros corresponding to 138,627 shares as of 30 June 2014 and for 1,595 thousand euros corresponding to 53,000 shares as of 30 June 2015. As of 30 June 2015, treasury shares were impaired for an aggregate amount of 61 thousand euros;
- "SICAV de trésorerie" (short-term marketable securities) held under the liquidity agreement for an amount of 2,315 thousand euros corresponding to 1,005 SICAV BNP Paribas as of 30 June 2014 and 4,718 thousand euros corresponding to 2,047 SICAV BNP Paribas as of 30 June 2015.

3.3. Loans and other financial assets

"Loans and other financial assets" comprises the cash account related to the liquidity agreement on treasury stock for 0.1 thousand euros as of 30 June 2014 and 1.7 thousand euros as of 30 June 2015.

NOTE 4. Other receivables

"Other receivables" break down as follows:

(in thousands of euros)	30 June 2014	30 June 2015
Income tax	35,458	-
Deductible VAT	142	118
Inter-company accounts within the Group	85,218	79,140
Other debit balances	11	14
TOTAL	**120,829**	**79,272**

All other receivables mature within one year.

NOTE 5. Cash and marketable securities

Cash and marketable securities are as follows:

(in thousands of euros)	30 June 2014	30 June 2015
Treasury stock (1)	6,124	3,278
Mutual fund investments	6,453	2,914
Cash	48	5
Deposit warrants	-	1,004
TOTAL	**12,625**	**7,200**

(1) See Note 7.2 "Free allocation of Eutelsat Communications shares and Eutelsat Communications' share-based awards".

NOTE 6. Prepaid expenses and others

"Prepaid expenses and others" is composed as follows:

(in thousands of euros)	30 June 2014	30 June 2015
Prepaid expenses	134	98
Expenses to be accrued over several years	5,931	2,944
TOTAL	**6,065**	**3,043**

As of 30 June 2014, expenses to be accrued relate to loan set-up costs initially amounting to 11,982 thousand euros. They are accrued over five years, which is the lifetime of the loan taken out in December 2011.

As of 30 June 2015, expenses to be accrued relate to loan set-up costs initially amounting to 3,072 thousand euros. They are accrued over six years, which is the estimated lifetime of the loan taken out in March 2015.

Amortisation of accrued expenses recorded in the income statement amounted to 2,435 thousand euros as of 30 June 2014 and 6,059 thousand euros as of 30 June 2015. It should be noted amortisation of expenses to be accrued recognised in the financial period ended 30 June 2015 includes all set-up costs associated with the 2011 loan which were not amortised as of 30 June 2014, the 800-million euro Term Loan being fully reimbursed dring the financial year ended 30 June 2015.

NOTE 7. Shareholders' equity

7.1. Statement of changes in shareholders' equity

As of 30 June 2015, the share capital comprised 226,972,338 ordinary shares with a nominal value of 1.00 euro per share.

On 7 November 2014, the Ordinary and Extraordinary Annual General Meeting of Shareholders was called upon to approve the annual financial statements for the period ended 30 June 2014. Having recognised a 279,593 thousand euro profit, the AGM decided to distribute a 1.03 euros dividend per share for a total amount of 226,483 thousand euros taken from net income and allocate the remaining balance, *i.e.* 53,110 thousand euros to retained earnings.

Considering that each shareholder may choose to receive payment of the dividend in cash or in shares, the dividend was distributed as follows:

- share capital increase of 6,858,356 new shares with a par value of 1.00 euro per share;
- legal reserve increased by 686 thousand euros;
- additional paid-in capital increased by 140,861 thousand euros after deduction of the costs associated with the capital increase (202 thousand euros);
- cash settlements for 77,931 thousand euros.

		Movements affecting the capital					
(in thousands of euros)	01 July 2014	Increase	Reduction	Allocation of result	Distribution of dividends	Other movements	30 June 2015
Share capital	220,114	6,858	-	-	-	-	226,972
Additional paid-in capital	419,929	140,861		-	-	-	560,790
Share premium	33,285	0	-	-	-	-	33,285
Legal reserve	22,011	686	-	-	-	-	22,697
Retained earnings (+)	763,546	0	-	53,110		-	816,656
Result as of 30 June 2014	279,593	0	-	(53,110)	(226,483)	-	-
Regulated provisions (1)	467	-	-	-	-	-	467
TOTAL	**1,738,945**	**148,405**	**-**	**-**	**(226,483)**		**1,660,867**
Shareholders' equity before result							1,660,867
Result for the year							259,067
TOTAL SHAREHOLDERS' EQUITY							**1,919,935**

(1) Regulated provisions cover the exceptional amortisation ("amortissement dérogatoire") of the acquisition costs of securities.

7.2. Free allocation of Eutelsat Communications shares and Eutelsat Communications' share-based awards

Position as of 30 June 2015

During the financial year ended 30 June 2015, a new free share plan based on Eutelsat Communications shares has been approved. The Board of Directors meeting on 11 February 2015 decided to implement a Long-Term Incentive Plan based on cash-settled awards. These are calculated on the basis of a theoretical number of Eutelsat Communications shares, which are allocated by reference to the level reached by performance-related objectives.

As of 30 June 2015, the Group runs four free share allocation plans started in July 2011, November 2012, February 2014 and February 2015 respectively:

Conditions	July 2011 Plan	Nov. 2012 Plan	February 2014 Plan	February 2015 Plan
Vesting period	July 2011-July 2014 (1)	November 2012-November 2015 (1)	February 2014-June 2016	February 2015-June 2017
Settled in	Shares	Shares	Cash	Cash
Lock-up period	July 2014-July 2016 (2)	November 2015-November 2017 (2)	N/A	N/A
Minimum number of share-based awards	700,000	347,530	448,585	436,639
Number of recipients	619	712	781	759
Features of "Employees" plan				
▸ Number of shares per recipient	600	200	300	300
▸ Performance-related targets	Cumulative EBITDA (3) for 50% Average ROCE (4) for 50%	Cumulative EBITDA for 50% Average ROCE for 50%	Cumulative EBITDA for 50% Average ROCE for 50%	Cumulative EBITDA for 50% Average ROCE for 50%
Features of "Managers" Plan				
▸ Total number of shares	343,750	205,530	214,885	208,939
▸ Performance-related targets	Cumulative EBITDA for 25% Average ROCE for 25% Cumulative EPS (5) for 25% TSR (6) for 25%	Cumulative EBITDA for 25% Average ROCE for 25% Cumulative EPS for 25% TSR for 25%	Cumulative EBITDA for 25% Average ROCE for 25% Cumulative EPS for 25% TSR for 25%	Cumulative EBITDA for 1/3 Average ROCE for 1/3 Relative TSR for 1/3
Share price used as taxation basis for calculating social contributions and employer's charges				
▸ "Employees" Plan	€26.77	€19.73	€23.60	€28.37
▸ "Managers" Plan	€7.48	€6.88	€13.08	€20.12

(1) For foreign subsidiaries, the vesting period is 4 years.

(2) There is no lock-up period for foreign subsidiaries.

(3) EBITDA is defined as the operating result before depreciation and amortisation, impairment of assets, other operating income and charges.

(4) ROCE is Return on Capital Employed = operating result / (shareholders' equity + net debt – goodwill).

(5) EPS is defined as the Group's net earnings per share.

(6) Relative TSR (Total Shareholder Return) is the rate of return on a share against another metric or index over a given period, including dividends received and capital gain earned (i.e. variation in the share price).

The performance objectives are defined on the basis of the Group's consolidated financial statements.

Treasury stock

As of 30 June 2014, the Company holds 263,909 equity shares for 6.1 million euros, recorded as "Cash and marketable securities" (see Note 5 "Cash and marketable securities").

As of 30 June 2015, the Company holds 151,792 equity shares for 3.3 million euros, recorded as "Cash and marketable securities" (see Note 5 "Cash and marketable securities").

NOTE 8. Provisions for risks and expenses

"Provisions for risks and expenses" mainly includes the provision for allocating free shares (see Note 7.2 "Free allocation of Eutelsat Communications shares and Eutelsat Communications' share-based awards") and provisions for litigation.

The change in the provisions for risks and expenses is as follows:

			Reversals		
(in thousands of euros)	30 June 2014	Allowance	(used provisions)	(unused provisions)	30 June 2015
Operating result	224	30	175	-	79
Financial result	-	-	-	-	-
Exceptional result	587	279	-	-	866
TOTAL	**812**	**308**	**175**	**0**	**945**

NOTE 9. Financial debt

Financial information as of 30 June 2014 and 30 June 2015

Loans and bank debt are denominated in euros with a five-year maturity period and are repayable at maturity. Breakdown is as follows:

(in thousands of euros)	30 June 2014	30 June 2015
Loans and financial debt	800,000	600,000
Accrued interest	1,637	775
TOTAL	**801,637**	**600,775**

Maturities of debts are as follows:

(in thousands of euros)	30 June 2014	30 June 2015
2016	800,000	-
2020	-	600,000
TOTAL	**800,000**	**600,000**

Situation as of 30 June 2015:

Eutelsat Communications has access to the following credit facilities:

- a term loan of 600 million euros expiring in March 2020 (with two possible extension facilities of one year each subject to lender agreement) remunerated at a EURIBOR rate plus a margin of between 0.65% and 1.40%;
- a 200 million euro revolving credit line (undrawn as of 30 June 2015) entered into in March 2015 with a five-year maturity (with two possible extension facilities of one year each subject to lender agreement).

The credit agreements include neither a guarantee by the Group, nor the pledging of assets to the lenders, but provide for restrictive clauses (subject to the usual exceptions contained in this type of loan agreement) which limit the capacity of Eutelsat Communications and its subsidiaries, in particular to:

- grant security interests or guarantees;
- enter into agreements resulting in additional liabilities;
- sell assets;
- enter into merger, acquisition, asset disposal, or lease transactions (with the exception of those carried out within the Group and expressly provided for in the loan agreement);
- modify the nature of the business of the Company or its subsidiaries.

The credit agreements allow each lender to request early repayment of all sums due if there is a change in control of the Company and of Eutelsat S.A. or in the event of concerted action. Furthermore, the Company must hold, directly or indirectly, 95% of the capital and voting rights of Eutelsat S.A. for the entire duration of the loan.

The credit agreements provide for a commitment to maintain Launch-plus-one-year insurance policies for any satellite located at 13° East and, for any other satellite, a commitment not to have more than one satellite not covered by a launch insurance policy.

The credit facilities are linked to the following financial covenants, calculated on the basis of the Group's consolidated financial statements presented in accordance with IFRSs:

- Eutelsat Communications is required to maintain a total net debt to annualised EBITDA ratio (as defined contractually) which is less than or equal to 4.0 to 1, this ratio being tested as of 30 June and 31 December each year.

Compliance with banking covenants

As of 30 June 2015, the Company was in compliance with all banking covenants under its credit facilities.

NOTE 10. Tax and employee-related payable

Tax and employee-related payable is composed of the following:

(in thousands of euros)	30 June 2014	30 June 2015
State: accrued liabilities	85	85
Income tax	-	8,774
Output VAT	-	36
Staff: accrued liabilities	778	1,380
Social charges payable	354	536
TOTAL	**1,218**	**10,811**

All tax and employee related-payable mature within one year.

NOTE 11. Personnel

The Company has no employees.

Compensation paid to senior managers is indicated in Note 18.2 "Compensation paid to members of the 'key management personnel'".

NOTE 12. Revenues

Company revenue is generated through reinvoicing of services to its equity investments.

Activities mainly include managing their staff, setting up and implementing their industrial and commercial policies, their strategy and their technical, financial and institutional communication.

Revenue breakdown is as follows:

(in thousands of euros)	30 June 2014	30 June 2015
France	1,548	1,595
Export	(92)	-
REVENUE RECOGNITION	**1,456**	**1,595**

NOTE 13. Financial result

The financial result is made up as follows:

(in thousands of euros)	30 June 2014	30 June 2015
Interest expense	(27,536)	(24,213)
Interest income	664	1,045
Proceeds from equity investments	302,392	281,812
Provisions on investments	317	-
Investment earnings	1	2
Proceeds from mutual fund investments	44	16
Hedging instruments	-	-
Other	61	(56)
TOTAL	**275,943**	**258,607**

The interest expense corresponds to existing loans (see Note 9 "Financial debt"), after taking into account interest received or paid on hedging instruments.

As of 30 June 2015, income from equity investments mainly consists of interim dividends and dividends from the subsidiaries Eutelsat Communications Finance (280 million euros) and Eutelsat S.A. (2 million euros).

For the year ended 30 June 2014, income from investments mainly consists of interim dividends and dividends from the subsidiaries Eutelsat Communications Finance (300 million euros) and Eutelsat S.A. (2 million euros).

NOTE 14. Exceptional result

The exceptional result comprises the following:

(in thousands of euros)	30 June 2014	30 June 2015
Gain on repurchase of treasury stock	823	776
Cost of free share grant invoiced to subsidiaries	-	2 574
Reversal of provisions for tax risks	1,665	-
Exceptional income	**2,487**	**3,349**
Fines and penalties	35	-
Loss on repurchase of treasury stock	458	276
Cost of purchase of free shares allocated	-	2,788
Exceptional depreciation and amortisation	276	279
Exceptional charges	**769**	**3,343**
EXCEPTIONAL RESULT	**1,718**	**6**

NOTE 15. Tax on profits

15.1. Tax consolidation

On 28 June 2006, the Company decided to apply a tax consolidation system to a group consisting of itself and its subsidiary Eutelsat Communications Finance.

Under the tax consolidation agreement, the subsidiaries bear corporate income tax, social contributions and an annual lump sum tax expense equal to the amount that they would have had to bear if there had been no tax consolidation agreement applying to the Group, and on the understanding that it is the Company at the head of the tax consolidation group that bears or benefits from any additional tax expense or tax savings resulting from the application of such a system.

The scope of the tax consolidation group includes the entities Eutelsat S.A., Eutelsat Communications Finance S.A.S., Eutelsat VAS S.A.S, Fransat S.A. and Skylogic France S.A.S.

As of 30 June 2014 and 2015, the tax expense for the tax consolidation group was 155 million euros and 165 million euros respectively, and the amount due by the sub-subsidiaries under the tax consolidation agreement was 174 million euros and 183 million euros respectively, which yielded a profit of 19 million euros for the two periods. As of 30 June 2015, the Company posted current accounts with respect to the tax consolidation system with debit balances for 11 million euros and credit balances for 1.5 million euros.

As a reminder, Eutelsat Communications' losses prior to the tax consolidation system were 43.3 million euros.

15.2. Common law provisions

As of 30 June 2015, the Company's estimated tax liability breaks down into current income and exceptional income, as follows:

(in thousands of euros)	Income before tax	Tax due	Net income
Current	243,757	(15,305)	259,061
Exceptional	6	-	6
TOTAL	**243,763**	**(15,305)**	**259,067**

The corporate tax includes the income tax rate estimated at 38.0% pursuant to the general arrangements for business taxation, and results from the application of the Amended Finance Act for 2012 ("Loi de finances rectificative 2012") which introduced an additional 3% contribution on dividends, and the 2013 Finance Act ("Loi de finances 2013") which caps deductibility of financial expenses at 75%.

15.3. Increases and reductions in future tax liability

(in thousands of euros)	30 June 2014	30 June 2015
Reductions in future tax liability:		
Loss carry-forwards (1)	14,910	14,910
Impairment of assets	-	-
Non-deductible provisions (2)	224	329
TOTAL	**15,134**	**14,519**
Increases in future tax liability:		
Other	-	-
TOTAL	**-**	**-**

(1) Rate used: 34.43%.
(2) Rate used: 38.0%.

NOTE 16. Market risk

The Company has exposure to market risks, particularly with regard to interest rates. Such risks are actively managed by Management. and for this purpose the Company employs a certain number of derivatives, the objective of which is to limit, where appropriate, exposure of revenue and cash flows to interest rate risk. The Company's policy is to use derivatives to manage exposure to such risks. Consequently, the Company does not engage in any speculative financial transactions.

Eutelsat Communications S.A.'s exposure to interest-rate risk is managed by hedging its floating rate debt.

In order to hedge the risk on future cash flow changes related to floating rate coupon payments on its debt, the Company has implemented the following interest rate hedging instruments for hedging the Term Loan facility:

- two swaps for a notional amount of 350 million euros;
- two collars for a notional amount of 350 million euros;
- one cap for a notional amount of 100 million euros.

16.1. Financial-counterpart risk

Counterpart risk includes issuer risk, execution risk in connection with derivatives or monetary instruments, and credit risk related to liquidity and forward investments. The Company minimises its exposure to issuer risk and its exposure to execution and credit risk by acquiring financial products from first-rate financial institutions or banks. Exposure to these risks is closely monitored and maintained within predetermined limits. The Company does not foresee any loss that would result from a failure by its counterparts to respect their commitments under the agreements concluded. The risks to which the Group is exposed are confined neither to the financial sector nor to any particular country.

16.2. Financial information as of 30 June 2014 and 30 June 2015

The following table analyses the contractual or notional amounts and fair values of derivatives by type of contract:

	30 June 2014		30 June 2015	
(in thousands of euros)	Contractual or notional amounts	Fair values	Contractual or notional amounts	Fair values
INSTRUMENTS				
Repricing swap maturing in 2015	175,000	(2,909)	175,000	(1,147)
Repricing swap maturing in 2015	175,000	(2,909)	175,000	(1,147)
Collar maturing in 2015	175,000	(1,994)	175,000	(840)
Collar maturing in 2015	175,000	(1,988)	175,000	(838)
Cap maturing in 2015	100,000	-	100,000	-
TOTAL		**(9,800)**		**(3,972)**

NOTE 17. Other commitments and contingencies

In accordance with the loan agreements referred to in Note 9 "Financial debt", Eutelsat Communications has commitments to perform or not to perform certain actions.

This type of commitment cannot be quantified.

The company's off-balance sheet purchase commitments maturing within less than two years stand at 0.8 million euros.

NOTE 18. Related party transactions

Related parties are defined as any third parties having a direct or indirect capital-based link (not exceeding 99%) with Eutelsat.

More specifically, related party transactions consist of the direct and indirect shareholders who have significant influence (which is presumed where more than 20% of the shares are held or where the investor is a member of the Board of Directors of a subsidiary of the Company, the companies other than subsidiaries in which Eutelsat has an equity and "key management personnel".

The Company considers that the concept of "key management personnel" as applied to the governance of Eutelsat includes members of the administrative and management bodies, namely the Chairman and CEO, the Deputy CEO and the other members of the Board of Directors.

18.1. Related parties that are not members of the "key management personnel"

Amounts due by or owed to related parties and included on the balance sheet within current assets and liabilities are as follows:

(in thousands of euros)	30 June 2014	30 June 2015
Gross receivables (including unbilled revenues)	-	5
Inter-company accounts: receivables (payables)	40,195	10,810
Debt (including accrued invoices)	669	359

Current assets comprise trade receivable balances, inter-company accounts and unbilled revenues, but do not take into account any provisions for bad debts.

Transactions with related parties included in the income statement are as follows:

(in thousands of euros)	30 June 2014	30 June 2015
Revenues	1,456	1,595
Transfer of expenses	-	2,576
Operating charges	2,292	2,340
Financial result	2,428	1,814

18.2. Compensation paid to members of the "key management personnel"

Gross compensation (including employer's contributions) paid by the Company to its Directors and Corporate Officers during the financial period ended 30 June 2015 breaks down as follows:

(in millions of euros)	30 June 2015
Short-term benefits	1.7
Post-employment benefits	Not applicable
Share-based payment	See below

Share-based awards and free share allocation programmes in force as of 30 June 2015

During its meetings of 8 November 2012, 13 February 2014 and 11 February 2015, the Board of Directors approved new free share allocation plans (see Note 7.2 "Free allocation of Eutelsat Communications shares and Eutelsat Communications' share-based awards") and decided to grant a maximum of 105,979 free shares in Eutelsat Communications to members of the Company's administrative and management bodies under the conditions set out in the plan. It also decided to define a 50% holding rate for all fully vested shares during the terms of office of Eutelsat's non-executive directors and corporate officers ("mandataires sociaux").

The value of the benefit granted as of 30 June 2015 has been estimated at 2,108 thousand euros, spread over a three-year vesting period.

Free share allocation plan having expired during the financial year ended 30 June 2015

At the end of the vesting period of the 28 February 2011 free share allocation programme, members of the Company's administrative and management bodies received 8,628 free shares.

Expenses recorded under the free share allocation programmes and share-based awards

The expense recorded under staff expenses for the financial years ended 30 June 2014 and 30 June 2015 was 87 thousand euros and 673 thousand euros respectively.

In July 2014, attendance fees paid to members of the Board of Directors amounted to 522 thousand euros in respect of the financial year 2013-2014.

No payment was made in respect of the financial year ended 30 June 2015.

NOTE 19. Financial information related to subsidiaries and equity investments

The table below contains the list of investments held by Eutelsat Communications in subsidiaries and other companies as of 30 June 2015:

(in thousands of euros)	Capital	Other components of shareholders' equity as of 30 June (local accounts)	Percentage of ownership *(as a %)*	Last financial period ended	
				Revenues (local accounts)	Net income (local accounts)
Eutelsat Communications Finance RCS no. 490416674 Paris Headquarters in Paris (period ended 30 June 2015)	5,000	2,907,034	100%	-	257,941

The table below provides aggregated information on all investments held by Eutelsat Communications in subsidiaries and other companies as of 30 June 2015:

(in thousands of euros)	Gross book value of investments held	Provision for impairment	Loans and advances	Pledges and guarantees granted	Dividends received
Subsidiaries and equity interests	2,401,488	-	-	-	280,000

NOTE 20. Subsequent events

No significant event occurred between the balance sheet date and the date on which the financial statements were approved by the Board of Directors.

07

OTHER INFORMATION

7.1 Legal information regarding the Group

7.1.1 GROUP HISTORY AND DEVELOPMENT

7.1.1.1 Corporate and trading name

Eutelsat Communications.

7.1.1.2 Commercial and Corporate Registry

Eutelsat Communications is registered with the French *Registre du Commerce et des Sociétés* in Paris (Paris Registry of Trade and Businesses) under number 481 043 040.

7.1.1.3 Incorporation date and duration

The Company was incorporated on 15 February 2005 as a French *société par actions simplifiée* (simplified joint-stock company) and subsequently transformed into a société anonyme (limited company) on 31 August 2005. It was registered on 25 February 2005 for a period of 99 years, expiring on 25 February 2104.

7.1.1.4 Registered office, legal form and applicable legislation

Registered office

70, rue Balard
75015 Paris
France
Telephone: +33 (0)1 53 98 47 47

Legal form and applicable legislation

A *société anonyme* (limited company) under French law with a Board of Directors, governed by the provisions of Book II of the French *Code de commerce*.

7.1.1.5 Key events

The activities of Eutelsat S.A. (the main operating subsidiary of Eutelsat Communications) were originally carried out by an intergovernmental organisation, the European Telecommunications Satellite Organisation (the "IGO"). The IGO was founded by a number of countries in Western Europe in order to develop and operate a satellite telecommunications system for trans-European telecommunications purposes. On 2 July 2001, all the IGO's operating activities were transferred to Eutelsat S.A. (the "Transformation").

The Transformation was motivated mainly by the liberalisation of the telecommunications industry in Europe, under the more specific framework set out by the European Commission in its 1990 Green Paper, which recommended that international satellite telecommunications organisations should be reformed in order to liberalise end-user access to satellite capacity and ensure it could be freely commercialised by operators. The main purpose of the Transformation, therefore, was to position the IGO's operating activity in a competitive environment with a view to an open satellite telecommunications market.

Eutelsat IGO has been maintained as an intergovernmental organisation and currently includes 49 European countries.

In February 2005, Eutelsat Communications was incorporated. In April 2005 it acquired Eutelsat S.A., and in June 2005, it bought out some of Eutelsat S.A.'s non-controlling interests.

On 2 December 2005, Eutelsat Communications was floated on the Paris stock exchange.

In January and February 2007, some of Eutelsat Communications' long-standing shareholders sold their shares to Abertis Telecom, a wholly-owned subsidiary of the Spanish Abertis Group, and to CDC Infrastructure, a wholly-owned subsidiary of the Caisse des Dépôts et Consignations ("CDC").

Furthermore, in 2007, the Group carried out restructuring activities aimed at streamlining its organisational chart, and Eutelsat Communications again repurchased non-controlling interests in Eutelsat S.A. during the financial year 2007-2008.

In July 2009, CDC Infrastructure sold all its shareholding in Eutelsat Communications representing 25.66% of share capital and voting rights to CDC in an off-market transaction. Then, CDC transferred the entirety of its stake in the Company to the Fonds Stratégique d'Investissement ("FSI").

In January 2012, Abertis Telecom announced the disposal of 16.1% of Eutelsat Communications through an Accelerated Book Building ("ABB") with qualified investors. Then Abertis Telecom announced the disposal to China Investment Corporation (CIC) of a 7.00% shareholding in the Group in June 2012. The disposal of a further 1.08% shareholding was announced in February 2013, and in June 2014 5.01% of share capital was sold to qualified investors through an accelerated bookbuilding process. As of the filing date of this Reference Document, Albertis Telecom no longer holds any interest in Eutelsat Communication's capital.

In September 2012, the Group finalised the acquisition of the GE-23 satellite (renamed EUTELSAT 172A) and its associated assets for a total amount of 228 million U.S. dollars.

Since 12 July 2013, in the framework of the establishment of the Banque Publique d'Investissement, the share holding and voting rights of Eutelsat Communications previously held by the FSI are now held by Bpifrance Participations, which is wholly owned by BPI Groupe S.A. (50% owned by the CDC and 50% owned by French government and EPIC BPI Groupe).

On 31 July 2013, the Group announced the acquisition of 100% of the share capital of Satmex, the Mexican satellite operator, for an amount of 831 million U.S. dollars. The transaction was closed on 1 January 2014.

7.1.2 GENERAL INFORMATION ON THE SHARE CAPITAL

7.1.2.1 Share capital

At the filing date of this Reference Document, the share capital stood at 226,972,338 euros, divided into 226,972,338 ordinary shares, each with a par value of one euro.

The Company's shares are fully subscribed, fully paid-up and they are all in the same category.

The Company's shares have been admitted for trading since 2 December 2005 in compartment A of NYSE Euronext Paris under the ISIN code FR0010221234. In September 2015, a Level 1 Sponsored ADR (American Depositary Receipt) programme was put in place, enabling American investors to hold indirectly the shares of Eutelsat Communications and to trade them on the OTC (Over-the-Counter) market in the United States.

7.1.2.2 Securities not representing the share capital

None.

7.1.2.3 Shares held by the Company or for its own account

Share buy-back programme

The Company's Annual General Meeting held on 7 November 2014 authorised the Board of Directors to proceed with purchases of its own shares by the Company pursuant to Articles L. 225-209 *et seq.* of the French *Code de commerce*, within a 10% limit of the share capital (excluding external growth transactions) and for a maximum unit price of 50 euros. The Company's Board of Directors meeting held the same day decided to implement the authorised share buy-back programme, that can be used exclusively for the liquidity contract.

The report on the implementation of the share buy-back programme and the use of the shares, as required under Articles L. 225-211 of the French *Code de commerce* is as follows (excluding the liquidity contract):

- number of shares purchased during the financial year ended 30 June 2015 pursuant to Articles L. 225-208, 209 and 209-1 of the French *Code de commerce*: none;
- number of shares held as treasury stock at 30 June 2015: 151,792;
- estimated value at acquisition price: 3.3 million euros,
- number of shares used during the financial year ended 30 June 2015: 112,117 shares,
- possible reallocations: not applicable,
- portion of capital represented: 10% maximum.

The Company publishes on its website the transactions realised in its own shares (excluding those realised under the liquidity agreement), in compliance with the applicable law.

Shares held under 2011 and 2012 free share allocation plans

As of 30 June 2015, under the free share allocation plans of 28 July 2011 and 8 November 2012, the Company held 151,792 of its own shares.

Shares held under liquidity agreement

In 2007, the Company entrusted Exane BNP Paribas with implementing a liquidity agreement in line with the AMAFI Code of Ethics. This agreement was amended by an addendum in 2011 in order to take into account the updated accepted market practice published by the AMF on 24 March 2011. It was modified again by an addendum on 12 June 2013.

As of 30 June 2015, the liquidity provider held 53,000 shares in the name of and on behalf of the Company, representing a total of 1.6 million euros.

7.1.2.4 Other securities giving access to the share capital

None.

7.1.2.5 Share capital authorised but not issued

The table below summarises the delegations of power and authorisations granted to the Board by the General Meetings of Shareholders on 7 November 2013 and 7 November 2014 and remaining in force at the filing date of this Reference Document:

	Operation concerned	Maximum nominal amount	Duration of authorisation and expiry date
1.	Authorisation granted to the Board of Directors for the purchase by the Company of its own shares (10th resolution – OGM of 7 November 2014).	10% of the share capital except for shares acquired with a view to their retention or future delivery in connection with a merger, demerger or asset-for-share transfer or external growth operations: 5% of share capital.	Maximum duration of 18 months as from the OGM of 7 November 2014.
2.	**Delegation of power to the Board of Directors:**		
	(i) to issue ordinary shares in the Company and/or securities conferring rights to ordinary shares in the Company: **a -** with maintained preferential subscription rights for shareholders (12th resolution OGM of 7 November 2013), **b -** without preferential subscription rights for shareholders in the case of a public offering (13th resolution OGM of 7 November 2013), **c -** without preferential subscription rights for shareholders in the case of a private placement pursuant to chapter II of the Article L. 411-2 of the Financial and Monetary Code (14th resolution OGM of 7 November 2013), **d -** in the event of a public exchange offer initiated by the Company (17th resolution OGM of 7 November 2013), **e -** to remunerate contributions in kind within the limit of 10% of the Company's share capital except public exchange offer initiated by the Company (18th resolution OGM of 7 November 2013);	**a -** 44 million euros (chargeable to the total common ceiling for the 12th to 14th, 17th to 19th and 21st resolutions of the OGM of 7 November 2013); **b, c, d, e -** 22 million euros (chargeable to the total common sub-ceiling for the 13th and 14th, 17th to 19th and 21st resolutions of the OGM of 7 November 2013); **c -** 20% of share capital per year; **e -** 10% of share capital.	Maximum duration of 26 months as from the OGM of 7 November 2013.
	(ii) to increase the share capital through the incorporating of reserves, profits, premiums or other sums whose capitalisation is admitted (11th resolution OGM of 7 November 2013);	44 million euros (separate ceiling).	Maximum duration of 26 months as from the OGM of 7 November 2013.
	(iii) to issue: **a -** ordinary shares as a result of the issuance by the Company's subsidiaries of securities conferring rights to the Company's ordinary shares (19th resolution OGM of 7 November 2013), **b -** securities conferring rights to the allocation of debt securities (20th resolution OGM of 7 November 2013).	**a -** 22 million euros (chargeable to the total common sub-ceiling for the 13th and 14th, 17th to 19th and 21st resolutions of the OGM of 7 November 2013); **b -** 1.5 billion euros (separate ceiling).	Maximum duration of 26 months as from the OGM of 7 November 2013.
3.	Authorisation granted to the Board of Directors to increase the number of shares to be issued in the case of a capital increase with or without preferential subscription right, decided in application of the 12th to 14th resolutions (16th resolution OGM of 7 November 2013).	Ceiling set forth in the resolution under which the initial issue has been decided +15% of initial offering size.	Maximum duration of 26 months as from the OGM of 7 November 2013.
4.	**Authorisation granted to the Board of Directors to:**		
	(i) increase the share capital by issuing ordinary shares and/or securities conferring rights to the Company's capital reserved to members of a Company or Group savings plan (21st resolution OGM of 7 November 2013);	2 million euros (chargeable to the sub-ceiling common to the 13th to 14th, 17th to 19th and 21st resolutions of the OGM of 7 November 2013).	26 months as from the OGM of 7 November 2013.
	(ii) to reduce the share capital by cancelling shares acquired by the Company under its share repurchase programme (11th resolution OGM of 7 November 2014).	10% of the share capital by periods of 24 months.	A maximum of 18 months as from the OGM of 7 November 2014.

During the financial year ended 30 June 2015, the Board of Directors used the authorisation granted under the 10th resolution of the OGM of 7 November 2014 within the framework of the liquidity agreement to stimulate trading in the secondary market.

The table below summarises the delegations of power and authorisations that will be proposed to the General Meeting of Shareholders scheduled on 5 November 2015:

	Transaction concerned	Maximum nominal amount	Duration of the delegation and expiry
1.	Authorisation granted to the Board of Directors with a view to enabling the Company to purchase its own shares (draft resolution No. 13).	10% of the share capital, with the exception of shares purchased with a view to being kept and later delivered as payment or exchange consideration in connection with potential external growth transactions, mergers, demergers or contributions: 5 % of the share capital.	Maximum 18 months following the Shareholders' Meeting
2.	**Delegation of authority to the Board of Directors:**		
	(i) to issue common shares of the Company and/or securities conferring access to common shares of the Company: **a -** subject to the shareholders' preferential subscription rights (draft resolution No. 16), **b -** with cancellation of the shareholders' preferential subscription rights, in connection with a public offering (draft resolution No. 17), **c -** with cancellation of the shareholders' preferential subscription rights, in connection with a private placement as contemplated in paragraph II of Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) (draft resolution No. 18), **d -** in the event of a public exchange offer initiated by the Company (draft resolution No. 21), **e -** as consideration for in-kind contributions, up to a maximum of 10% of the Company's share capital, except in the event of a public exchange offer initiated by the Company (draft resolution No. 22);	**a -** 44 million euros (deductible from the common maximum limit for draft resolutions No. 16 to 18, 21 to 24); **b, c, d, e -** 22 million euros (deductible from the common sub-maximum for draft resolutions No. 17 and 18, 21 to 24); **c -** 20% of the share capital per year; **e -** 10% of the share capital.	Maximum 26 months following the Shareholders' Meeting
	(ii) to increase the share capital by capitalization of reserves, profits, additional paid-in capital or other amounts whose capitalization is permitted (draft resolution No. 15);	44 million euros (independent maximum amount).	Maximum 26 months following the Shareholders' Meeting.
	(iii) to issue common shares further to the issue by the Company's subsidiaries of securities conferring access to common shares of the Company (draft resolution No. 23);	22 million euros (deductible from the sub-maximum amount common to draft resolutions No. 17 and 18, 21 to 24)	Maximum duration of 26 months from the Shareholders' Meeting
3.	Authorization granted to the Board of Directors in the event of an issue without preferential subscription rights, to set the issue price in accordance with the terms and conditions determined by the General Shareholders' Meeting, up to a maximum amount of 10% of the share capital per year (draft resolution No. 19)	10% of the share capital per annum	Maximum 26 months following the Shareholders' Meeting
4.	Authorization granted to the Board of Directors to increase the number of securities to be issued in the event of a share capital increase, with or without preferential subscription rights, decided pursuant to draft resolutions No. 16 to 18 (draft resolution No. 20).	Maximum amount provided in the resolution pursuant to which the initial issue was decided, up to a maximum amount of 15% of the initial issue.	Maximum 26 months following the Shareholders' Meeting
5.	**Authorization granted to the Board of Directors:**		
	(i) to increase the share capital further to the issue of common shares and/or securities conferring access to the share capital of the Company reserved for members of a Company savings plan set up by the Company or its Group (draft resolution No. 24);	2 million euros (deductible from the sub-maximum amount common to draft resolutions No. 17 and 18, 21 to 24).	Maximum 26 months following the Shareholders' Meeting
	(ii) to grant free common shares of the Company to eligible employees and directors and corporate officers (mandataires sociaux) of the Company or of its Group (draft resolution No. 25);	0.5% of the share capital (independent maximum amount).	Maximum 38 months following the Shareholders' Meeting
	(iii) to reduce the share capital by cancelling shares purchased by the Company under its share buy-back programme (draft resolution No. 14).	10% of the share capital in any 24-month period.	Maximum 18 months following the Shareholders' Meeting

7.1.2.6 Options or agreements concerning the share capital of the Company or of a member of the Group

Not applicable.

7.1.2.7 Changes in the share capital up to the filing date of this Reference Document

On December 2014, following the issue of shares to shareholders opting for the payment of the dividend in shares (scrip option) the capital of the Company was increased by 6,858,356 euros *via* the issue of 6,858,356 new shares with a nominal value of 1 euro, each issued at a price of 21.66 euros. The Company's capital henceforth stands at 226,972,338 euros.

7.1.2.8 Pledges, guarantees and securities

Pledges of Company shares

To the best of the Company's knowledge, at the filing date of this Reference Document, no Company share was pledged.

Pledges, guarantees and securities on the Company's assets

To the best of the Company's knowledge, at the filing date of this Reference Document, the Company's assets were neither pledged nor used as collateral or security deposits.

7.1.3 ORGANISATIONAL DOCUMENTS AND BY-LAWS

The provisions described in the following paragraphs provide a summary of the Company's By-laws applicable at the filing date of this Reference Document.

7.1.3.1 Corporate purpose (Article 3 of the by-laws)

The Company's corporate purpose in France and abroad shall be:

- to supply Space Segment capacity, and satellite communications systems and services. To this end, the Company shall undertake any activities relating to the design, development, construction, installation, operation and maintenance of its Space Segment and those satellite systems and services; and
- more generally, to acquire an equity interest in any enterprise or company that has been formed or is to be formed and participate in any transactions of any nature, be they financial, commercial, industrial, civil, real-estate-related or other, pertaining directly or indirectly to that corporate purpose or to any similar, related or complementary purposes, and likely to promote, directly or indirectly, the aims pursued by the Company, its expansion into other fields, its growth and its assets.

The term "Space Segment" shall designate a set of telecommunications satellites, and the tracking, telemetry, command, control, monitoring and related facilities and equipment necessary for the operation of those satellites.

7.1.3.2 Board of Directors, Committees and Observer (Articles 13 to 19 of the By-laws)

The Company is administered by a Board of Directors composed of at least three and at most 12 Board Members, subject to the exceptions stipulated by law. Board Members are appointed for a period of four years by the Ordinary General Meeting of Shareholders.

Board Members may be re-elected and their term of office may be revoked at any time by decision of the Ordinary General Meeting of Shareholders.

No one may be appointed to be a Board Member if he/she has passed the age of 70 and if, as a result of his/her appointment, more than one third of the members of the Board will have exceeded that age.

From among its members, the Board of Directors shall elect a Chairman, who shall be an individual, failing which the appointment shall be null and void.

The Chairman shall be appointed for a period that may not exceed the duration of his/her term of office as a Board Member. He/she may be re-elected.

The Board of Directors may revoke his/her appointment at any time.

No Board Member aged 71 or over may be elected as Chairman of the Board of Directors. The term of office of the Chairman of the Board of Directors will automatically come to an end at the close of the General Meeting of Shareholders held after the date on which the Chairman of the Board of Directors has reached the aforementioned age.

The Chairman of the Board of Directors shall organise and manage the work of the Board, about which he/she shall report to the General Meeting of Shareholders. He/she shall see to it that the bodies of the Company function properly and, specifically, ensure that the Board Members are able to do their work.

Board Meetings

The Board of Directors shall meet as often as required by the Company's interest, in response to a notice from its Chairman. Moreover, if the Board has not met for more than two months, Board Members who together constitute at least one third of the members of the Board may ask the Chairman to convene it for a specific agenda. The Chief Executive Officer may also ask the Chairman to convene the Board for a specific agenda.

Notices of meetings and documents are sent to board members electronically.

Quorum – Majority – Minutes of meetings

The Board of Directors may deliberate validly if at least half of its members are present.

Decisions are made by a majority of the members present or represented.

In the event of a tie, the Chairman's vote shall be decisive.

In accordance with statutory and regulatory provisions and except for transactions indicated specifically by the applicable law, the Internal rules may provide that the Board Members who participate in the meeting by means of video conference or any other telecommunications technologies permitting their identification and guaranteeing their actual participation under the conditions set by the applicable regulations, shall be considered present for calculating the quorum and the majority.

Meetings of the Board of Directors shall be recorded in minutes, written in a special register numbered and initialled and kept at the registered office pursuant to regulatory provisions.

Representation

Any Board Member may, in writing, authorise another Board Member to represent him/her at a meeting of the Board.

During one and the same meeting, each Board Member may hold only one of the proxies received under the preceding paragraph.

These provisions shall be applicable to the permanent representative of a legal entity appointed as a Board Member.

Powers

The Board of Directors determines the priorities for the Company's business activities and ensures that they are implemented. Subject to the powers expressly vested in General Meetings of Shareholders and within the limit of the corporate purpose, it shall take up any question involving the proper operation of the Company and shall settle, by its deliberations, the matters that concern it.

In dealings with third parties, the Company shall be bound even by acts of the Board of Directors that do not fall within the corporate purpose, unless it can prove that the third party knew that the act exceeded that purpose or if the third party could not have been ignorant of that fact considering the circumstances. Mere publication of the By-laws shall not be sufficient to constitute such proof.

Committees

The Board may decide to create committees to study the questions that it or its Chairman submits for examination and opinion. The Board shall determine the composition and powers of the committees, which shall conduct their activity under its responsibility. It shall furthermore determine the remuneration of the persons who are members of the committees.

Compensation

The General Meeting of Shareholders may allocate to Board Members, in consideration for their activities, by way of Board Members' attendance fees, an annual fixed sum that the Meeting determines, without being bound by previous decisions.

The Board of Directors shall freely distribute among its members the total amounts allocated to the Board Members in the form of attendance fees.

The Board of Directors may allocate extraordinary compensation for duties or appointments assigned to Board Members under the conditions provided by law.

Board Members who are bound to the Company by an employment contract may receive compensation on the basis of that employment contract under the conditions provided by law.

The Board of Directors may authorise the reimbursement of travel costs and expenses incurred by the Board Members in the Company's interest.

Observer *(censeur)*

The position of Observer has been created.

This Observer position is reserved for the individual who holds the position of Executive Secretary of Eutelsat IGO and may only be exercised by this individual.

No person may be an Observer if he/she has any direct or indirect relationship with any direct or indirect competitor of any entity of the Eutelsat Group (Eutelsat Group being defined as Eutelsat Communications and all entities controlled directly or indirectly by Eutelsat Communications, including Eutelsat S.A., where "Control" has the meaning ascribed to such term in Article L. 233-3 of the French *Code de commerce*).

In the event of a vacancy in the position of Executive Secretary of Eutelsat IGO, the Observer's position shall remain vacant as long as the Executive Secretary position remains vacant.

The Observer shall be called to and may attend meetings of the Board of Directors and express his/her point of view on any item on the agenda, but he/she may not take part in the voting.

The Observer may not be represented at a meeting of the Board of Directors except, if it is impossible for him/her to attend a meeting, with the approval of the Chairman of the Board.

The Observer shall receive the same information and the same documentation as the Board Members, the afore-mentioned information and documentation being sent concurrently to the Board Members and Observer.

All the information brought to the attention of the Observer in connection with his/her duties shall be considered strictly confidential and he/she shall be bound by the same obligations as the Board Members (unless such information has fallen into the public domain).

No confidential information may be disclosed to a third party by the Observer without first having been authorised by the Chairman of the Board of Directors, the CEO if the latter is not the Chairman, or the Deputy CEO.

7.1.3.3 Form of shares – Identification of shareholders (Article 10 of the By-laws)

The shares shall be in registered or bearer form, at the option of each shareholder. They shall be recorded in an account pursuant to laws and regulations.

For purposes of identifying the holders of bearer shares, the Company shall have the right, at any time, in return for compensation at its expense, to ask the central depositary that keeps the Company's securities account, under current statutory and regulatory conditions, for information about the holders of shares that immediately or ultimately confer the right to vote at Meetings of Shareholders and the number of shares held by each of them and any restrictions that may affect such shares.

7.1.3.4 Rights and obligations attached to shares (Article 12 of the By-laws)

The shares shall be indivisible with respect to the Company.

The co-owners of undivided shares shall be represented at General Meetings of Shareholders by one of them or a single agent. In the event of disagreement, the agent shall be designated by a court of law at the request of the co-owner who acts first.

In order to draw the consequences of Article L. 225-123 paragraph 3 of the French *Code de commerce*, as amended by Law No. 2014-384 of 29 March 2014 "which is aimed at regaining the real economy", pursuant to which "In companies whose shares are admitted to trading on a regulated market, double voting rights [laid down in the first paragraph] are automatic, unless otherwise provided for in the articles of association by a decision adopted after the enactment of [said law], for all fully paid-up shares that have been registered for two years in the name of the same owner (...)",the General Shareholders' Meeting of 7 November 2014 amended the Article 12 paragraph three of the articles of association designed to confirm that each share gives entitlement to one single vote within General Shareholder's Meetings.

The By-laws impose no limit on voting rights.

The voting right shall belong to the beneficial owner at Ordinary General Meetings and to the owner of title at Extraordinary General Meetings. However, shareholders may agree among themselves to any other distribution for exercising the voting right at General Meetings of Shareholders, provided that the beneficial owner is not deprived of the right to vote on decisions concerning the profits. In this case, they must bring their agreement to the Company's attention by registered letter with acknowledgement of receipt sent to the head office. The Company shall be required to respect that agreement for any General Meetings held at least five days after receipt of the notice of that agreement.

Even deprived of the voting right, the owner of title of the shares shall always have the right to participate in General Meetings of Shareholders.

Each share shall give the right to a stake in the Company's assets, the liquidation surplus and the profits, in proportion to the percentage of the share capital that it represents.

Possession of a share shall automatically entail adherence to these By-laws and the resolutions duly adopted by the General Meeting of Shareholders.

Whenever it is necessary to own several shares in order to exercise any right, the owners of isolated shares or a number of shares less than the required number may exercise those rights only on the condition that they personally see to the pooling and, possibly, the purchase or sale of the required number of shares.

Each share is entitled, if applicable, to the dividend approved by the Annual General Meeting of Shareholders.

7.1.3.5 Modification of the rights attached to shares

Modification of the rights attached to shares is subject to legal requirements, as the Company's By-laws do not contain any specific provisions in this respect.

7.1.3.6 General Meetings of Shareholders (Article 21 of the By-laws)

The collective decisions of the shareholders shall be made in General Meetings of Shareholders under the conditions defined by law. Any General Meeting duly convened shall represent all shareholders of the Company.

The resolutions of the General Meetings shall be binding on all shareholders, even those who are absent, dissenting or deemed legally incapable.

General Meetings shall be called and convened under the conditions set by law and the regulations.

Meetings shall take place at the registered office or at any other location stated in the convening notice.

Shareholders will have to produce evidence of their right to take part in General Meetings of the Company in accordance with the applicable regulations.

If not attending the General Meetings in person, a shareholder may choose between one of the following three options: give a proxy to any person of his choice, or vote by mail, or send a proxy to the Company without indicating any agent, under the conditions provided in the law and regulations.

An intermediary who has satisfied the applicable statutory provisions may, under a general power of attorney for management of securities, convey for a General Meeting the vote or the proxy of an owner of shares who does not have his/her domicile in French territory.

The Company shall have the right to ask the intermediary indicated in the preceding paragraph to furnish a list of the non-resident owners of the shares to which those voting rights are attached and the number of shares held by each of them.

According to the version of the By-laws in force at the date of filing of this Reference Document:

- under the conditions set by law and regulations, shareholders may send their proxy and voting forms concerning any General Meeting of Shareholders either in paper form or, by decision of the Board of Directors indicated in the convening notice, by remote transmission;
- in the event of remote voting, only the forms received by the Company by 3:00 p.m. (Paris time), at the latest on the day before the General Meeting is held, shall be counted;
- the Board of Directors may shorten or eliminate the time period indicated in the preceding Section.

In order to streamline the procedures for voting by correspondence by shareholders at General Meetings and to thereby promote participation in corporate life, the General Shareholders' Meeting of 7 November 2014 amended the Article 21, paragraph 9 of the articles of association in order to allow shareholders, under conditions provided for by law and regulations, to send their proxy and correspondence voting form concerning any Shareholders' Meeting, either in paper form, or, upon decision by the Board of Directors, by electronic means of telecommunications until 3:00 p.m. (Paris time) the day before the General Meeting; the mailing procedures will be specified by the Board of Directors in the meeting notice and convening letter. The correspondence or proxy voting forms, along with the certificate of participation, may be established using electronic media duly signed under conditions set forth by the applicable legal and regulatory provisions. To this end, the form may be completed and electronically signed on the Internet site set up by the centralising agent of the Shareholders' Meeting.

Legal representatives of shareholders deemed legally incapable and individuals representing legal-entity shareholders shall participate at the General Meetings, irrespective of whether or not they are themselves shareholders.

General Meetings of Shareholders shall be chaired by the Chairman of the Board of Directors or, in his absence, by a Board Member specially delegated for that purpose by the Board. Otherwise, the General Meeting itself shall elect its Chairman.

The duties of scrutineers shall be performed by the two members of the General Meeting present and accepting those duties, who have the largest number of votes. A secretary shall be designated who may be chosen from those who are not shareholders.

An attendance sheet shall be kept under the conditions provided by law and regulations.

Minutes shall be kept and copies or extracts of the resolutions shall be issued and certified pursuant to the law and regulations.

Ordinary General Meetings and Extraordinary General Meetings shall meet on first call and, if applicable, on second call under the quorum conditions provided by law.

Resolutions of General Meetings shall be adopted under the majority conditions provided for by law.

Shareholders who participate in the Meeting by video conference or by telecommunications media making it possible to identify them under the conditions set by the regulations applicable at the time of its use shall also be considered present for calculating the quorum and majority.

Ordinary General Meetings and Extraordinary General Meetings shall exercise their respective powers under the conditions provided by law.

7.1.3.7 Crossing of statutory thresholds (Article 11 of the By-laws)

The shares shall be freely transferable, subject to statutory and regulatory provisions.

The assignment of shares, regardless of their form, shall occur by transfer from account to account under the conditions and according to the terms provided by law.

In addition to the legal obligations to report the crossing of thresholds or declaration of intent, any individual or legal entity, acting alone or in concert, that comes to possess, in any way, pursuant to Articles L. 233-7 *et seq.* of the French *Code de commerce*, directly or indirectly, a number of shares representing a stake equal to 1% of the capital and/or voting rights of the Company, must inform the Company of the total number of shares and voting rights that it possesses, and the number of securities that it owns that ultimately give access to the capital and the voting rights that are attached thereto, by registered letter with acknowledgement of receipt sent to the head office, or by any equivalent means for shareholders or bearers of securities domiciled outside France, within five stock exchange business days after that threshold is crossed. This information shall be renewed for the holding of each additional stake of 1% of the capital or voting rights without limitation.

This disclosure obligation shall apply under the same conditions as those stipulated above whenever the percentage of the share capital and/or voting rights possessed becomes less than a multiple of 1% of the capital or voting rights.

If not duly disclosed under the conditions stipulated above, the shares that exceed the percentage that should have been reported shall, upon request, be recorded in the minutes of the General Meeting, from one or more shareholders holding a percentage of the capital or the voting rights of the Company at least equal to 1%, be deprived of the voting right for any General Meeting of Shareholders that is held until the expiry of a period of two years following the date of rectification of the notice.

7.1.3.8 Changes in the share capital (Article 8 of the Company's By-laws)

The share capital may be increased, reduced or redeemed under the conditions set by law.

7.2 Other operational information

7.2.1 SATELLITE AND COMMUNICATIONS CONTROL

The majority of the Group's fleet is operated from control centres at the Group's head office in Paris and at the Rambouillet teleport, which the Group acquired from France Telecom in September 2004. There is full back-up between the Paris and Rambouillet facilities. The first control centre handles satellite telemetry and remote control ("Satellite Control Centre") and the second is responsible for managing traffic on the space segment ("Communications Control Centre"). All software used to control the satellite platforms and communications payload was developed by companies in accordance with the Group's specifications.

The Group monitors its satellites and communications 24 hours a day, 365 days a year and, as at 30 June 2015, employed more than 100 expert technicians and engineers for this purpose.

Eutelsat S.A.'s satellite and communications control activities are certified ISO 9001 (quality management system) and ISO 27001 (management of information security system).

Satellites under the responsibility of Eutelsat Americas (EUTELSAT 113 West A, 115 West A and 117 West A) are operated from the Group's control centres locatel in Iztapalapa, Mexico City (Mexico) and in Hermosillo (Mexico). These centres are redundant and they have the same functions as the centres located in France. Their activities are also certified ISO 9001.

Activities of the Satellite Control Centre

The Group managed the in-orbit satellites it owned at 30 June 2015 (including the three Eutelsat Americas Satellites controlled from Mexico), with support from a contractor for EUTELSAT 12 West A. Telstar 12 is controlled by Telesat, Express-AT1, Express-AT2 and EXPRESS-AM6 (on which the Group operates certain transponders under the name EUTELSAT 53A) are controlled by the RSCC, ASTRA 2E, ASTRA 2F and ASTRA 2G (on which certain transponders are operated by the Group respectively under the names EUTELSAT 28E, EUTELSAT 28F and EUTELSAT 28G) are controlled by SES.

The Group's engineers regularly make minor positioning adjustments on each of the satellites controlled by the Group and perform East-West and North-South station-keeping manoeuvres. In addition, it is also possible to change the orbital position of a satellite so that it is able to serve new markets or provide in-orbit back-up capacity to another satellite.

Daily operations on the satellites, including the configuration of payloads and management of electrical power and propulsion systems, are controlled (*via* the Telemetry, Command and Ranging (TCR) station network) from the Satellite Control Centre.

The satellite control centre is connected to a TCR station network to communicate with the satellites. The Rambouillet teleport contains the largest number of TCR stations. Furthermore, the Group has entered into long-term service agreements with five operators who provide capacity at their transmission/reception earth stations and perform telemetry and in-orbit monitoring operations. These contracts also cover the operation and maintenance of the Group's equipment installed at their sites. Under these contracts, the Group has extended control and supervision rights. These services are currently provided from TCR stations located in Sintra in Portugal, Dubna in Russia, Caniçal in Madeira, Makarios in Cyprus and Fucino in Italy. The different stations and control centres are all linked up with a network of protected and redundant voice/data lines. The network and the location of the sites were selected so that operations could be continued even if one of the sites were to become unavailable. For satellites controlled from Mexico, TCR stations are located on the same sites as the main control centreq in Iztapalapa and Hermosillo.

The Rambouillet teleport is also used for in-orbit positioning of new satellites joining the Group's fleet. LEOP ("Launch and Early Orbit Phase") operations on a geostationary satellite were successfully performed for the first time from Rambouillet for the EUTELSAT 7A satellite in March and April 2004. Since then, LEOP operations have been carried out from the Rambouillet site for all satellites except for EUTELSAT 16A and EUTELSAT 25B, for which LEOP operations were conducted by the manufacturers Thales Alenia Space and Space Systems Loral respectively, following their launch in October 2011 and August 2013. For satellites controlled from Mexico, positioning operations were performed by the satellite manufacturer (Boeing and Loral).

Activities of the Communications Control Centre (CSC)

Payload control is carried out for all satellites and transponders whose capacity is marketed by the Group, including satellites owned by other companies. For this purpose, the Group has a set of facilities at its Paris and Rambouillet sites and at Iztapalapa and Hermosillo. In addition to these facilities, the Group has service contracts with operators of 16 sites worldwide, selected according to the geographical coverage of the satellites. These sites are in São Paulo (Brazil) for South America, Hauppauge (New York, USA) for North America, Makarios (Cyprus) for the Eastern Mediterranean and Middle-East regions, Dubna (Russia), Khabarosk (Far East Russia), Hartebeesthoek (South Africa) for Sub-Saharan Africa, Singapore for the Far East, Yaoundé (Cameroon) for Western Africa, Dubai (United Arab Emirates) for beams covering North Africa and the Arabian peninsula, Mauritius for the Indian Ocean, Cagliari (Sardinia) – owned and operated by the Group's subsidiary Skylogic Mediterraneo S.r.l – for the Western Mediterranean and North Africa, Yamaguchi in Japan for the North of the Pacific Ocean and the West of Asia, Noumea in New Caledonia for the South of the Pacific Ocean and Madagascar, Mayotte and La Réunion in order to provide multi-site redundant monitoring. The last three sites are heavily impacted by violent weather conditions. At each site, the Group has installed the equipment needed to monitor the quality of services provided to its customers. Service contracts cover the hosting of this equipment and first-level work performed by site operators.

In addition to this infrastructure, Eutelsat also operates nine other sites dedicated to the control of KA-SAT.

All equipment is managed automatically and centrally by the Communications Control Centre (CSC), which has been based at the Rambouillet teleport since December 2007, with a back-up centre in Paris (except for the satellites managed from Mexico). The two centres are connected to each other and to each monitoring site *via* a network of protected and redundant voice/data communication lines.

7.2.2 TECHNICAL FAILURES AND LOSS OF EQUIPMENT

The theoretical length of operation in stable orbit of the Group's satellites is generally between 12 and 15 years. However, because of the launch configuration and the remaining estimated propellant on-board after positioning the satellite, the operational lives of the Group's most recently launched satellites were estimated between approximately 14 years and more than 20 years once they became operational. A number of factors can reduce the operating life of a satellite and/or affect its transmission capability, including:

- defects in the quality of the satellite's on-board components or equipment;
- defects concerning construction or operability;
- excessive fuel consumption in reaching the desired orbital position and maintaining the satellite on station or relocating it to a new orbital position; and
- damage caused by electrostatic or solar storms, or by collision with micro-meteorites or space debris.

The Group believes that on the whole, its fleet of satellites is in good operating condition. Some of the Group's satellites, however, have experienced equipment failure and are currently operating with their back-up equipment.

Technical failures and loss of equipment in-orbit for Group-owned satellites

In 1999, the Group experienced operational anomalies on its EUTELSAT 16B and EUTELSAT 25A satellites due to a faster-than-expected deterioration in some solar panels (the power source for satellites). To date, these defects have only had a limited impact on the satellites (four transponders were shut down on each satellite).

The EUTELSAT 12 West A satellite has suffered a number of failures since it began operational service in October 2002. All necessary measures have been taken to solve the problems encountered.

Additionally, the EUTELSAT 5 West A and EUTELSAT HOT BIRD 13A satellites experienced a minor reduction in battery power (the reduction in battery power of EUTELSAT 5 West A was caused by the loss of six cells out of 108 during the eclipse period in March-April 2004). These batteries provide satellites with energy during the two annual eclipse periods. A loss of cells leads to a reduction in the electrical power of satellites and may result in reduced transmission capabilities during such periods. To date, these failures have only had a very limited impact on the overall performance of satellites during eclipses.

On 16 June 2008, EUTELSAT 70A suffered an anomaly in one of its power generation sub-systems. The satellite's power sub-system was stabilised following a technical investigation carried out jointly with the manufacturer, Thales Alenia Space. However, the default reduced the satellite's capacity from 24 to 20 transponders in current operating conditions, and reduced its estimated remaining in-orbit life by 12 months.

The performance of the EUTELSAT 48D satellite, which was launched on 20 December 2008, does not comply with the specifications established with its manufacturer EADS Astrium/ISRO Antrix because of a major anomaly affecting its electrical power sub-system. This default came to light on 22 January 2009 while the satellite was being transferred from its test position to its planned operational position. A claim for total loss was filed with the insurance company, which refunded the total claim during the financial year 2008-2009.

In-orbit testing of EUTELSAT 10A's S-band payload belonging to Solaris Mobile Ltd (which was a joint venture with SES Astra and which has since been sold) revealed an anomaly with this payload's coverage and power. This required further testing to be carried out with Thales Alenia Space manufacturer. Since the satellite's S-band payload does not comply with its contractual specifications, Solaris Mobile Ltd filed a claim for constructive total loss with its insurers, who refunded the full claim during the financial year 2009. This incident does not affect the non-S-band operations and performance of the satellite.

On 18 April 2012, the EUTELSAT 33A satellite (which has since been relocated and renamed EUTELSAT 31A) lost one of two telemetry transmitters that also function as beacons transmitted by this satellite. The loss of this equipment has no impact on the quality of service provided by the satellite. Should the remaining transmitter be lost, EUTELSAT 33A's mission would be terminated.

On 4 September 2012, a 42-minute transmission cut occurred on EUTELSAT 16A. The cut was due to the excessively sensitive on-board system used for detecting pointing loss. The on-board software has been modified to avoid such excessive sensitivity on the satellite as well as on other satellites of the fleet equipped with the same on-board software.

On 28 November 2012, EUTELSAT 3C suffered an anomaly on one of the sensors used to detect earth. The on-board software automatically replaced the sensor with the redundant equipment. Eutelsat is developing methods for stabilising the satellite in order to be protected in case of possible problems with the active sensor. EUTELSAT 70B experienced the same anomaly on 1 March 2014.

In January 2014, EUTELSAT 8 West C experienced an anomaly to an onboard power transmission assembly. Subsequently, the Group evaluated the damage incurred and reassessed the value of future cash flows generated by this satellite. As a result, the Group recognised an impairment charge amounting to 6.4 million euros.

Launch failures

Since it began its activities (including the period prior to the Transformation), the Group has lost three satellites as a result of launch failures (Eutelsat I-F3 in September 1985, Eutelsat II-F5 in January 1994 and HOT BIRD 7 in December 2002).

In October 2010, the Group reported the loss of the W3B satellite following an operating malfunction on the satellite's propulsion sub-system after its launch.

Technical failures and loss of equipment affecting satellites leased by the Group

The Group has no knowledge of technical defaults or loss of equipment affecting satellites leased from third parties.

Under its capacity lease agreements, the Group can request compensation if there is any interruption in the availability of capacity or deterioration in the transponders. The amount of such compensation, which is limited to a certain amount per year, is calculated on the basis of the frequency and duration of the interruptions affecting the transponders leased. Moreover, certain agreements provide that the Group may, in the event of specific malfunctions and if no other capacity is provided, terminate the entire allotment agreement or the lease covering the affected transponder without penalties being incurred. In such cases, the Group can request reimbursement of that part of the lease cost corresponding to the period in which it was unable to make use of the capacity.

7.2.3 SATELLITE END-OF-LIFE

After remaining fuel has been used up, satellites at the end of their operational lives are de-orbited and placed in a graveyard orbit situated above the geostationary satellite orbit.

The Group complies with the principles discussed at an international level by the Inter-Institution Coordination Committee on Space Debris and the United Nations Committee on the Peaceful Uses of Outer Space as well as the new French Space Operations Act, which came into force in December 2010.

During the financial year ended 30 June 2015, EUTELSAT 48C and EUTELSAT 16B were de-orbited respectively in November 2014 and February 2015, after reaching the end of their operational lifes, in accordance with the principles mentioned above.

7.2.4 TIMING OF PAYMENTS TO SUPPLIERS

As of 30 June 2015, payments to suppliers pursuant to the Law on Modernising the Economy were as follows:

(in thousands of euros)	Under 30 days	Between 30 and 60 days	Over 60 days	Total
Payables due	186	-	53	239
Payables to come	223	-	-	223

7.3 Principal shareholders

7.3.1 BREAKDOWN OF OWNERSHIP AND STRUCTURE AND VOTING RIGHTS

The following table shows the changes to Eutelsat Communications' ownership structure reported to the Company over the past three financial years:

	30 June 2015		30 June 2014		30 June 2013	
Shareholders	Number of shares and voting rights	As a percentage	Number of shares and voting rights	As a percentage	Number of shares and voting rights	As a percentage
Bpifrance Participations (since 12 July 2013, previously Fonds Stratégique d'Investissement)	59,081,638	26.03%	56,399,660	25.62%	56,399,660	25.62%
China Investment Corporation (CIC)	15,526,530	6.84%	15,541,767	7.06%	15,541,767	7.06%
Other minority shareholders [(1)]	3,085,600	1.36%	3,177,077	1.44%	3,227,077	1.47%
Entreprise des Postes et Télécoms (Luxemburg)	2,492,728	1.10%	2,395,886	1.09%	2,395,886	1.09%
Employees and senior managers	1,711,898	0.75%	1,866,768	0.85%	2,139,922	0.97%
Radio Televizija Slovenia	1,022,000	0.45%	1,212,000	0.55%	1,212,000	0.55%
Abertis Telecom S.A.U.	-	0.00%	-	0.0%	11,027,890	5.01%
Free float [(2)]	144,051,944	63.47%	139,520,824	63.39%	128,169,780	58.23%
TOTAL SHARES	**226,972,338**	**100%**	**220,113,982**	**100%**	**220,113,982**	**100%**

(1) *This category includes a number of Eutelsat Communications minority shareholders notably ministries and public entities from various European countries as well as telecom operators.*

(2) *Of which 204,794 treasury shares as of 30 June 2015.*

At the filing date of this Reference Document, the share capital is made up of ordinary shares, all of the same class, entitling the bearer to one vote per share. For this reason, the main shareholders in the Company do not enjoy preferential voting rights.

To the best of the Company's knowledge, no other shareholders own, directly or indirectly, more than 5% of its share capital or voting rights at the date of this Reference Document.

To the best of the Company's knowledge, there are no other shareholders holding registered shares who own more than 1% of the Company's share capital at the date of this Reference Document. However, other bearer shareholders have reported to the Company that they have crossed thresholds exceeding 1% of the share capital and may therefore hold at least 1% of the Company's capital.

7.3.2 CROSSING OF DISCLOSURE THRESHOLDS

To the best of the Company's knowledge, no shareholder, acting alone or in concert, holds more than 50% of the shares bearing voting rights in the Company, and no shareholder, alone or in concert, controls the Company within the meaning of Article L. 233 *et seq.* of the French *Code de commerce*.

Pursuant to Article 12 of the By-laws, the Company has been notified of the following crossings of threshold:

Crossing of disclosure thresholds	
31 July 2015	Notification of the upward crossing of the 1% threshold in terms of Company capital by Cohen & Steers Inc, which owns 2,489,258 shares (and 2,241,320 voting rights) representing 1.10% of the Company's share capital.
26 February 2015	Notification of the upward crossing of the 1% threshold in terms of Company capital by Crédit Suisse Group AG, which owns 2,303,903 shares representing 1.02% of the Company's share capital.
17 February 2015	Notification of the downward crossing of the 1% threshold in terms of Company capital by Commonwealth Bank of Australia "CBA", which owns 2,240,476 shares representing 0.98% of the Company's share capital.
2 February 2015	Notification of the upward crossing of the 2%, threshold in terms of Company capital by AMUNDI Asset Management, which owns 4,612,998 shares representing 2.03% of the Company's share capital.
6 January 2015	Notification of the upward crossing of the 1% threshold in terms of Company capital by AMUNDI Asset Management, which owns 2,563,376 shares, representing 1.12% of the Company's share capital.
11 December 2014	Notification of the upward crossing of the 26% threshold, in terms of Company capital and voting rights, by Bpifrance Participations, which owns 59,081,638 shares representing 26.03% of the Company's share capital.
11 December 2014	Notification of the downward crossing of the 7% threshold, in terms of Company capital and voting rights, by China Investment Corporation "CIC", which owns 15,526,530 shares representing 6.84% of the Company's share capital.
1 December 2014	Notification of the downward crossing of the 1%, threshold, in terms of Company capital and voting rights, by UBS Investment Bank, Wealth Management and Corporate Centre, which owns 749,188 shares representing 0.34% of the Company's share capital.
24 November 2014	Notification of the downward crossing of the 2% threshold in terms of Company capital and voting rights, by UBS Investment Bank, Wealth Management and Corporate Centre, which owns 4,323,422 shares representing 1.96% of the Company's share capital.
20 November 2014	Notification of the downward crossing of the 3% threshold, in terms of Company capital and voting rights, by UBS Investment Bank, Wealth Management and Corporate Centre, which owns 6,370,247 shares representing 2.89% of the Company's share capital.
13 November 2014	Notification of the upward crossing of the 3% threshold in terms of Company capital and voting rights, by UBS Investment Bank, Wealth Management and Corporate Centre, which owns 7,093,341 shares representing 3.22% of the Company's share capital.
30 October 2014	Notification of the upward crossing of the 2% threshold in terms of Company capital and voting rights, by UBS Investment Bank, Wealth Management and Corporate Centre, which owns 4,987,305 shares representing 2.27% of the Company's share capital.
16 October 2014	Notification of the downward crossing of the 1% threshold in terms of Company capital by Crédit Suisse Group AG, which owns 1,917,325 shares representing 0.87% of the Company's share capital.
5 September 2014	Notification of the upward crossing of the 2% threshold in terms of Company capital and voting rights by Deutsche Bank AG, which owns 4,607,325 shares, representing 2.09 % of the Company's share capital.
3 September 2014	Notification of the downward crossing of the 2% threshold in terms of Company capital by Crédit Suisse Group AG, which owns 4,343,067 shares, representing 1.97% of the Company's share capital.
26 August 2014	Notification of the downward crossing of the 2% threshold in terms of Company capital and voting rights by Deutsche Bank AG, which owns 4,271,728 shares, representing 1.94% of the Company's share capital.
21 August 2014	Notification of the upward crossing of the 2% threshold in terms of Company capital by Crédit Suisse Group AG, which owns 4,539,447 shares, representing 2.06% of the Company's share capital.
21 August 2014	Notification of the upward crossing of the 1% threshold in terms of Company capital and voting rights by International Value Advisers, which owns 2,945,112 shares (and has 2,726,698 voting rights), representing 1.34% of the Company's share capital.

At the filing date of this document, the Company had not been notified of any other crossings, whether upwards or downwards, of legal or statutory disclosure thresholds in the Company's capital.

7.3.3 SECURITIES TRANSACTIONS BY SENIOR MANAGEMENT

The following transactions ocured during the financial year ended 30 June 2015:

- on 30 July 2014, in the framework of the Free Share allocation plan on 28 July 2011, Michel de Rosen was definitively allocated 5,341 free shares;
- in the framework of the exercise the scrip dividend option, Michel de Rosen received 4,459 shares on 11 December 2014;
- on 30 July 2014, in the framework of the Free Share allocation plan on 28 July 2011, Michel Azibert was definitively allocated 3,287 free shares;
- Michel Azibert has acquired, on 16 September 2014, 19,000 shares of Eutelsat Communications;
- in the framework of the exercise the scrip dividend option, Michel Azibert received 99 shares on 11 December 2014;
- Michel Azibert has acquired, on 7 January 2015, 2,650 shares of Eutelsat Communications.

7.3.4 SHAREHOLDERS' AGREEMENTS

To the best of the Company's knowledge, there are no shareholders' agreements.

7.3.5 AGREEMENTS LIKELY TO LEAD TO A CHANGE IN CONTROL OF THE COMPANY

At the filing date of this Reference Document, the Company has no knowledge of any agreement, shareholders' agreement, or clause of any convention providing for preferential conditions for disposing of or acquiring shares in the Company involving at least 5% of the capital or voting rights in the Company, the implementation of which could lead, at a later date, to the Company being taken over.

7.4 Organisational chart

During the financial year ended 30 June 2015,

- the Group finalised, in July 2014, the sale agreed in May 2014, subject to normal closing conditions, with M7A Group S.A., operating as M7 Deutschland, shares in its German subsidiary, Eutelsat visAvision GmbH, in charge of the operation of the KabelKiosk platform;
- the Group effected in July 2014 the merger-absorption by its Mexican subsidiary, Satélites Mexicanos, S.A. de C.V. (operating under commercial name Eutelsat Americas) of its intermediary holding company, Holdsat Mexico;
- the Group acquired several non-trading companies, aimed at carrying its investments in the context of acquisition projects not yet realised: in September 2014 two UK companies, and in May 2015 an Italian company these companies had no activity during the financial year;
- the signature of an agreement in June 2015 with Ymagis according to the term of which Ymagis subsidiary, Smartjog Ymagis Logistics, will operate the portfolio of activities of DSAT, under the control of DSAT's board of directors. Eutelsat S.A. and dcinex will maintain their existing shares in the capital of DSAT for a period of 15 months. At the end of this period, Ymagis will be able to acquire the shares held by Eutelsat S.A. in DSAT, at a price linked to the latter's financial performance.

Since 30 June 2015:

- the liquidation, in July 2015, of Skylogic Polska, wholly owned sub-subsidiary, which was not completed as of 30 June 2015, has been completed in July 2015.

At 30 June 2015, the Company owned directly or indirectly 41 subsidiaries and nine participations.

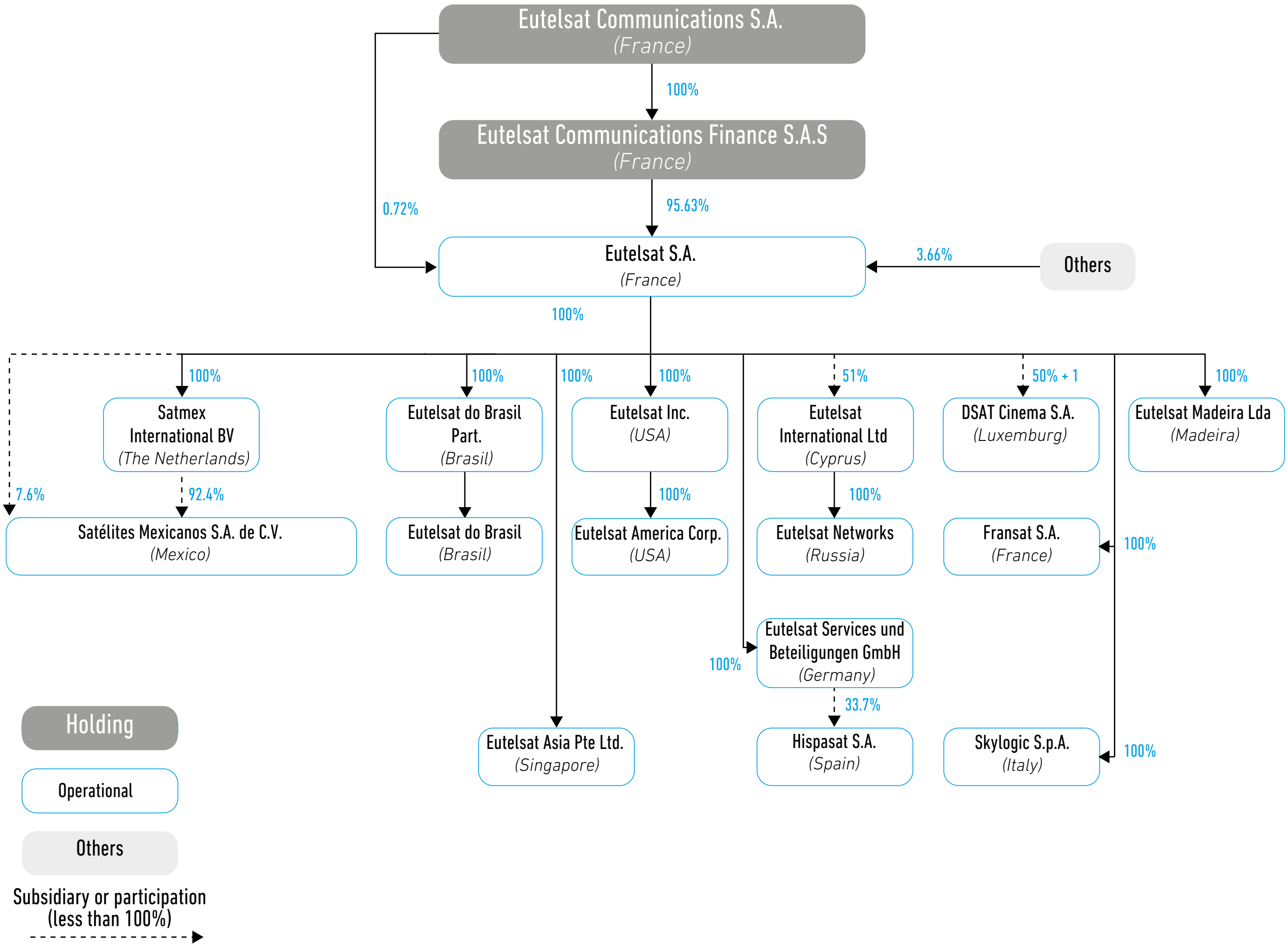
The simplified organisational chart below reflects the Group at 30 June 2015. The complete list of the companies consolidated within Eutelsat Communications as at 30 June 2015 is in Note 30 of the Group's consolidated accounts in appendix to this report.

The companies' revenues and results shown in Section 7.4.2 "Main subsidiaries and equity interests" are based on these companies' annual accounts.

The list of offices held by the Management of the Company within the Group is provided in Section 2.2 "Key management personnel" of this Reference Document.

7.4.1 THE GROUP'S SIMPLIFIED ORGANISATIONAL CHART

The simplified organisational chart below depicts the Eutelsat Group at 30 June 2015



Information on the agreements between the Company and its various subsidiaries is provided in Section 7.9 "Related Party Transactions" in this Reference Document.

7.4.2 MAIN SUBSIDIARIES AND EQUITY INTERESTS

The Group's main operating companies are

- Eutelsat S.A. (France), Skylogic S.p.A. (Italy), Eutelsat Madeira Lda (Madeira), Eutelsat Services und Beteiligungen GmbH (Germany), Eutelsat Asia Pte (Singapore) and Fransat S.A. (France), which are all 100% directly-owned by Eutelsat S.A.,
- Eutelsat do Brasil Ltda, Eutelsat America Corp. (United States of America) and Satélites Mexicanos, S.A. de C.V (Mexico), which are 100% owned indirectly by Eutelsat;
- as well as DSAT Cinema S.A. (Luxemburg) and Eutelsat International (Cyprus), majority participations directly held by Eutelsat S.A.

Hispasat S.A. (Spain) is the main equity holding of the Group in terms of contribution to the net result. It is a minority holding of 33.7% held by the German subsidiary of Eutelsat S.A., Eutelsat Services und Beteiligungen GmbH.

Furthermore, the Group owns a number of other operating subsidiaries for developing its activities that represent and promote the services of Eutelsat S.A. Revenues and net income from these subsidiaries are not significant.

7.4.2.1 Eutelsat Communications Finance S.A.S. and Eutelsat S.A.

Eutelsat Communications Finance S.A. (France)

Established in June 2006 and fully-owned (100%) by Eutelsat Communications, Eutelsat Communications Finance S.A.S is a simplified stock corporation domiciled at 70 rue Balard – 75015 Paris. Its purpose is to hold a stake of the capital of Eutelsat S.A, which amounts to 95.63% as of 30 June 2015.

Based on the projected results of Eutelsat Communications Finance S.A.S. for the financial year 2014-2015, an interim dividend of 280 million euros was paid to Eutelsat Communications during the financial year, under a decision dated 12 November 2014, based on interim financial statements at 31 October 2014 showing distributable income of 291.13 million euros.

Eutelsat S.A. (France)

Eutelsat S.A. is the main operating company of the Group. It is a "société anonyme" and its head office is located at 70 rue Balard – 75015 Paris.

As of 30 June 2015, Eutelsat Communications owned directly and indirectly 96.34% of the capital of Eutelsat S.A., through which it controls several subsidiaries and equity interests.

Revenues and net result of Eutelsat Communications Finance S.A.S. and Eutelsat S.A.

The table below presents the revenues and net income contributions at 30 June 2015 of Eutelsat Communications Finance S.A.S. and Eutelsat S.A.

	30 June 2015	
(in millions of euros)	Eutelsat Communications Finance	Eutelsat S.A.
Revenues	-	1,048.1
Group share of net income	(4.3)	257.2

7.4.2.2 Main subsidiaries of Eutelsat S.A.

Eutelsat America Corp. (United States of America)

Incorporated in November 2006, Eutelsat America Corp.'s role is to distribute Eutelsat satellite capacity in the North-American market. Eutelsat America Corp. is a 100% indirectly-owned subsidiary of Eutelsat S.A. It is held 100% *via* the subsidiary, Eutelsat Inc.

Skylogic S.p.A. (Italy)

Initially, Skylogic S.p.A, a wholly-owned subsidiary of Eutelsat S.A. was responsible for operating Value-Added Services, in particular the D-STAR™ satellite Internet access system as well as Tooway.

As of 31 December 2012, Skylogic S.p.A. transferred its business related to D-STAR™ and Tooway to Eutelsat S.A.

As of 30 June 2015, Skylogic S.p.A. owns 11 subsidiaries and five equity interests, among which:

- Skylogic Mediterraneo S.r.l. (Italy), a directly-owned 100% subsidiary of Skylogic SpA that operates a teleport in Sardinia;
- seven directly-owned subsidiaries of Skylogic S.p.A., incorporated in each country (outside Italy) where the gateways required for the operations of the KA-SAT satellite have been deployed (France, Germany, Ireland, Cyprus, Finland, Greece and Spain);
- Wins Ltd (Malta), direct equity interest held 70% by Skylogic S.p.A. and 30% by Maltese operator MaltaSat, is responsible for marketing the D-STAR™ service to cruise ships and ferries in the Mediterranean Basin, providing them with telephony services (GSM) and broadband access.

Eutelsat do Madeira Lda (Portugal)

Incorporated in June 2008, Eutelsat Madeira Lda is a 100% directly-owned subsidiary of Eutelsat S.A. It is responsible for marketing the fully-owned satellite capacity on EUTELSAT 10A in C- and Ku-band since April 2009 for Africa and the Portuguese-speaking regions, and in January 2012 on the EUTELSAT 16A satellite in Ku-band, for Africa and the Indian Ocean islands. Since 1 July 2014, Eutelsat Madeira Lda also markets Eutelsat S.A.'s capacity on the satellite EUTELSAT 3B in C- and Ku- bands for the sub-Saharan Africa zone.

Eutelsat Services und Beteiligungen GmbH (Germany)

Eutelsat Services und Beteiligungen GmbH is a 100% directly-owned subsidiary of Eutelsat S.A. This subsidiary owned until May 2014 (when the agreement for the sale of the shares to M7 Group S.A. was signed, subject to conditions precedent) Eutelsat visAvision GmbH (Germany), which is in charge of promoting the KabelKiosk, a platform of digital channels and interactive services for cable and IPTV networks in Germany.

Since 2003, Eutelsat Services und Beteiligungen GmbH also owns the Group's equity interest in the Spanish non-listed satellite operator Hispasat S.A. This interest was initially acquired by Eutelsat S.A. in 2001. It was then increased in 2002 to 27.69% of the share capital and then transferred in full to Eutelsat Services und Beteiligungen GmbH in 2003. In April 2013, its interest in Hispasat's S.A. share capital was increased to 33.69%, through the exercise of its pre-emption right.

Eutelsat Asia Pte Ltd. (Singapore)

Incorporated in 2012, Eutelsat Asia Pte Ltd. Is a wholly directly-owned subsidiary of Eutelsat S.A. This company holds and controls the EUTELSAT 172A satellite.

Fransat S.A. (France)

Incorporated in 2009, Fransat S.A. is a 100% directly-owned subsidiary of Eutelsat S.A. It is responsible (i) for developing and operating the FRANSAT offer on the EUTELSAT 5 West A satellite (this free-to-air offering includes all the French free-to-air DTT channels), (ii) for promoting this offer towards broadcasters with a view to include additional free-to-air channels, and (iii) to provide the technical means to integrate new channels (free-to-air or not) as a complement to the FRANSAT offering.

Satélites Mexicanos S.A. de C.V. (Mexico)

Acquired by the Group in January 2014, Satélites Mexicanos, S.A. de C.V. was initially held by Eutelsat S.A., both directly and indirectly *via* two holidng companies: Satmex International BV and Holdsat Mexico. The latter was absorbed by Satélites Mexicanos, S.A. de C.V. in July 2014.

The company has been operating since March 2014 under the commercial name Eutelsat Americas. It is based in Mexico City and operates the follows satellites: EUTELSAT 113 WEST A (previously Satmex 6), at 113° West EUTELSAT 115 WEST A (previously Satmex 5) in inclined orbit at 114.9° West, and which will be replaced by EUTELSAT 115 West B (previously Satmex 7), launched in March 2015 and EUTELSAT 117 WEST A (previoulsy Satmex 8) at 116.8° West. These satellites cover 90% of the population of the American continent. The satellite EUTELSAT 117 West B (previously Satmex 9), expected to launch in the first quarter of 2016 at 116.8° West (co-localised with EUTELSAT 117 West A) has been transferred to Eutelsat Latin America (Panama) with effect from 1 January 2015.

Eutelsat do Brasil Participatoes Ltda. and Eutelsat do Brasil Ltda. (Brasil)

Eutelsat do Brasil Participatoes Ltda. is the holding company with a 100% interest in Eutelsat do Brasil.

Eutelsat do Brasil Ltda. was initially granted landing rights by the Brazilian authorities enabling it to offer capacity on satellites EUTELSAT 12 West A and EUTELSAT 8 West A in order to meet Brazilian market needs. In June 2013, the Brazilian telecommunications regulation authority granted Eutelsat do Brasil Ltda. an additional licence for a set of C-, Ku- and Ka-band frequencies at 65° West. Eutelsat do Brasil Ltda also signed a 15-year contract with Hughes, subsidiary of EchoStar, for the rental of all Ka-band capacity covering Brazil on satellite EUTELSAT 65 West currently under construction. In order to ensure this contract, a part of the satellite will be owned by Eutelsat do Brasil Ltda.

Eutelsat International (Cyprus) and Eutelsat Networks (Russia)

Since May 2013, has been holding a 51% interest in Eutelsat International Ltd., the remaining capital being owned by a partner company incorporated under Cypriot law, Managekept Investments Ltd. Eutelsat International Ltd. is notably in charge of marketing Ku-band capacity on the Express AT1 satellite launched in March 2014 at orbital position 56° East.

Held at 100% by Eutelsat, International Ltd. Eutelsat Networks is a Russian company that will market Ka-band capacity on the EUTELSAT 36C satellite which will be launched in 2015 at orbital position 36° East.

DSAT Cinema S.A. (Luxemburg)

In November 2012, the Group, alongside Belgian company dcinex, leader in the European digital cinema market, created a joint venture called DSAT Cinema S.A., in order to develop the market for the live digital distribution of films and events across Europe; with its capital allocations 50% + 1 share for the Group, and 50% - 1 share for dcinex. In March 2013, the company's capitalization operation was finalised through a contribution in kind of a business segment by Eutelsat S.A. and a cash contribution by dcinex. In June 2015, Eutelsat concluded an agreement withwith Ymagis according to the term of which Ymagis subsidiary, Smartjog Ymagis Logistics, will operate the portfolio of activities of DSAT, under the control of DSAT's board of directors. Eutelsat S.A. and dcinex will maintain their existing shares in the capital of DSAT for a period of 15 months. At the end of this period, Ymagis will be able to acquire the shares held by Eutelsat S.A. in DSAT, at a price linked to the latter's financial performance.

The following table shows the Revenues and net income contributions for the main subsidiaries of Eutelsat S.A. as of 30 June 2015:

(in millions of euros)	Eutelsat America Corp.	Skylogic S.p.A.	Eutelsat Madeira Lda.	Eutelsat Services und Beteiligungen GmbH	Fransat S.A.	Eutelsat Asia Pte Ltd.	Satélites Mexicanos S.A. de C.V.	Eutelsat do Brasil Ltda.
Revenues	162.6	9.2	33.2	0	4.9	24.4	120.2	13.1
Group share of net income	2.7	3.1	12.8	1.8	(0.1)	14.6	73.3	4.1

(in millions of euros)	DSAT Cinema S.A.	Eutelsat Networks
Revenues	4.5	0
Group share of net income	(0.7)	(0.1)

7.4.2.3 Main equity interests of Eutelsat S.A.

Hispasat S.A. (Spain)

As of 30 June 2015, Eutelsat S.A. indirectly owned through its subsidiary, Eutelsat Services und Beteiligungen GmbH, 33.69% of Hispasat's share capital and voting rights. At 31 December 2014, Hispasat S.A. posted revenues of 199.7 million euros and net income of 46.9 million euros.

The following table shows a summary of Hispasat group's annual data for the year ended 31 December 2013 and 2014 (latest data published by Hispasat S.A.):

(in million of euros)	31 December 2013	31 December 2014
Assets	1,225.6	1,235.5
Net assets	675.2	660.8
Operating revenues	201.4	199.7
Net income	54.3	46.9

7.4.3 GROUP CASH FLOW

At the filing date of this Reference Document, there are no contractual relationships generating significant cash flow aside from the cash flows generated under the service agreements and centralised cash management agreements signed within the Group. Cash flows having been the subject of regulated agreements and commitments are presented in the Statutory Auditors' report figuring in Appendix 5 of this Reference Document.

The following table summarises relations between the Company and its subsidiaries as of 30 June 2015:

Consolidated items (except dividends) *(in millions of euros)*	Eutelsat S.A. (sub-group)	Eutelsat Communications Finance	Eutelsat Communications	Consolidated total
Non-current assets (incl. goodwill)	6,848.8	-	6.3	6,855.1
Debt (owed to non-Group entities)	3,112.8	-	600.0	3,712.8
Cash assets on balance sheet	416.2	0.2	3.9	420.3
Cash flow from operating activities	974.4	37.4	22.8	1,034.6
Dividends paid to the Company	1.8	280.0	-	281.8

7.5 Legal and arbitration proceedings

In the course of its business activities, the Group has been involved in legal actions and commercial disputes. Consequently, the Group has exercised its judgement to assess the risks incurred on a case-by-case basis and a provision was recorded to cover an expected outflow of resources. In cases viewed as unsubstantiated or insufficiently argued, no provision was recognised. Legal actions and business disputes underway are described in the Note 27.4 of the notes to the consolidated financial statements.

To the Company's knowledge, there are no other governmental, judicial or arbitration proceedings pending or threatened against the Company that are likely to have a material impact on the financial position or profitability of the Company and/or the Group, or that effectively had such a material impact over the past 12 months.

7.6 Group property and equipment

The registered office of the Company and of Eutelsat S.A. is located at 70, rue Balard, 75015 Paris.

In August 2009, Eutelsat S.A. negotiated the early renewal of the lease on the building for a nine-year period, including a fixed term of six years and five months during which the lease cannot be terminated. During the year ended 30 June 2014, the Group renegotiated the lease on its registered office and concluded a new lease contract for a firm nine-year period, starting on 1 July 2014.

Eutelsat entered on 1 August 2012 into a lease agreement for one floor at the Tour Cristal, a building situated at 21, quai André-Citroën, 75015 Paris, with an exit option as of 31 December 2015. Eutelsat exercised its exit right at 31 December 2015 and signed a new lease commencing on 1 September 2015 with La Foncière des Regions for a duration of seven years and 10 months. These new premises, over two floors, are located at Ponant 21/27, rue Leblanc, 75015 Paris.

The Rambouillet teleport, owned by Eutelsat since 2004, notably serves as a back-up control and satellite telecommunications centre, to be used in the event of a failure at the control centres located in Eutelsat S.A.'s technical control facility in Paris. This teleport also has the technical resources required to deliver Value-Added Services. It hosts, amongst other things, a D-STAR™ platform and the EutelTRACS platform. Furthermore, this teleport enables the Group to offer uplink/downlink services to its clients, including for Video Applications or hosting operator platforms for satellite communications networks.

Skylogic S.p.A. has owned a teleport in Turin (Italy) since 2005. Skylogic Mediterraneo S.r.l., a company based in Cagliari (Italy) and wholly owned by Skylogic S.p.A. also owns a teleport which operates, notably, C-band, Ku-band, Ka-band and S-band services.

Since early 2009, Eutelsat do Madeira has occupied a 5,000 m^2 site in Eastern Madeira where it has built a satellite control centre whose first phase was completed in June 2010.

Satmex rents two floors (circa 1,500 m^2) located at Avenida Paseo de la Reforma 222, Pisos 20 and 21, Colonia Juárez, Mexico City, Federal District of Mexico, C.P. 06600. The lease is for a firm term of five years starting from 1 October 2013. Satmex rents from Mexican government two control centres: one in Iztapalapa, Mexico City (Mexico) and another one in Hermosillo, Sonora (Mexico). The concession granted by the Mexican government is valid for a period of 40 years, from the 15 October 1997.

As of 30 June 2015, the Group also operates 37 geostationary satellites in stable orbit, which are described in Section 1.3 "In-orbit operations".

7.7 Research and development, patents and licenses

When the IGO was operating as an intergovernmental organisation, its strategy was to secure for itself and for its signatories, on conditions that varied in accordance with the use of intellectual property, a free licence for any intellectual property (notably in respect of invention patents and software) developed under contracts financed by the IGO. Its status as an international organisation prevented it from filing patent applications for technologies developed jointly with third parties. At the time of the Transformation on 2 July 2001, all intellectual property developed by the IGO was transferred to Eutelsat S.A., which is now the owner thereof.

As regards trademarks, the IGO had assembled a portfolio prior to July 2001. This portfolio was transferred to Eutelsat S.A. under the contribution agreement.

At the date of this Reference Document, the Group owned 50 patent families, one of which is held on a co-ownership basis with Invacom Ltd (UK), one of which in co-ownership with the company Calearo Antenne S.p.A. (Italy), and one of which in co-ownership with the *Commissariat à l'énergie et aux énergies alternatives* (France).

At the date of this Reference Document, the Group owns 63 trademarks.

The Group spent 12.5 million euros on research and development during the financial period ended 30 June 2015, including 8.6 million euros on development costs recorded as intangible assets.

As of 30 June 2015, patents, licenses and brands were accounted for as intangible assets for a total amount of 120.3 million euros.

7.8 Important contracts

7.8.1 CONTRACTS CONCERNING SATELLITES

In FY 2014-2015, the Group ordered the EUTELSAT 172B satellite, which is described in the Section 1.3 "In-orbit operations" of this document.

In FY 2012-2013 the Group signed the following satellite procurement contracts:

- in September 2012, EUTELSAT 8 West B was ordered from Thales Alenia Space. It was launched in August 2015;
- in November 2012 and in June 2013, the Group signed long-term lease agreements with RSCC for capacities on the satellites Express-AT1, Express-AT2 and EUTELSAT 36C;
- in June 2013, EUTELSAT 65 West A was ordered from Space Systems/ Loral.

Furthermore, in July 2015, the first "Eutelsat Quantum" satellite was ordered from Airbus Defence and Space.

Main provisions of satellite procurement and launch contracts

The Group is entitled to closely monitor all the tasks carried out as part of these manufacturing contracts, including the design, assembly and testing phases as well as construction. To this end, some engineers of the Group are assigned to the production site. Such supervision allows the Group to ensure that its high standards concerning quality and its technical specifications are met at all stages of the satellite's construction. Furthermore, by virtue of these procurement contracts, the constructors provide a number of in-orbit support services.

In-orbit incentive payments

The Group's satellite procurement contracts also contain a provision for in-orbit incentive payments whereby the manufacturer is paid a portion of the procurement cost throughout the estimated contractual life of the satellite on the basis of the satellite's compliance with the technical and contractual specifications.

In the most recent contracts, the Group has agreed to pay the price for the satellite in full, including the amount allocated for incentive payments and the acceptance review at the time the satellite is brought into operation. However, the Group is entitled to reimbursement of part of the sums paid if the satellite does not meet the technical specifications, or in the event of malfunction.

Satellite procurement contracts also contain penalty clauses which become applicable in the event of late delivery.

Launch service contracts

The Group has entrusted the launch services for satellites under construction, future satellites or satellites which were launched during the last financial year to Arianespace, International Launch Services and Space Exploration Technologies Corp.

Under the terms of these launch service contracts, the Group can delay or cancel a launch with or without giving reasons. In the event of a cancellation supported by a reason, the Group is entitled to full reimbursement of any sums paid to the launch service provider.

During the financial year 2014-2015, the satellite EUTELSAT 115 WEST B was launched by a Falcon 9 rocket operated by SpaceX.. Furthermore the satellite EUTELSAT 8 WEST B was launched by an Ariane 5 rocket in August 2015.

7.8.2 ALLOTMENT AGREEMENT WITH THIRD PARTIES

These agreements are described in Section 1.3 "In-orbit operations" of this Reference Document.

7.8.3 FINANCING AGREEMENTS

The Group has entered into a number of financing agreements it considers significant. These financing agreements, together with the bonds issued by Eutelsat S.A., are described in Section 6.1.3.3 "Changes in debt and the Group's financing structure".

7.9 Related party transactions

The disclosures with regard to related party agreements cited in Article L. 225-38 of the French *Code de commerce* may be found in the special Statutory Auditors' report on regulated agreements and commitments in the Appendices of this Reference Document.

Service agreements within the Group and other conventions

The Company and its subsidiaries maintain contractual relationships linked to the organisation and operations of the Group. These operations mainly relate to the division of common administrative expenses, centralised cash management, the existence of a tax group and the chargeback agreement in the event of share purchases as part of the implementation of the free share allocation plans.

7.10 Significant changes in financial and commercial position

None.

7.11 Relations and conflicts of interest within the administrative and management bodies

7.11.1 RELATIONS WITH THE ADMINISTRATIVE AND MANAGEMENT BODIES

To the best of the Company's knowledge, there are no family ties between the Company's Corporate Officers.

Furthermore, to the Company's knowledge, no Corporate Officer has been the subject of a:

- conviction for fraud within at least the last five years;
- bankruptcy, sequestration or liquidation within at least the last five years;
- official public charges and/or sanctions handed down by statutory or regulatory authorities within at least the last five years.

Finally, to the best of the Company's knowledge, no Corporate Officer has been barred by a court from acting as a member of an administrative, management or supervisory body of an issuer, or from taking part in the management or running of the affairs of an issuer within at least the last five years.

7.11.2 CONFLICTS OF INTEREST WITHIN THE ADMINISTRATIVE AND MANAGEMENT BODIES

To the best of the Company's knowledge, at the filing date of this Reference Document, there are no potential conflicts of interest between the duties carried out on behalf of the Company by Corporate Officers and their private interests.

7.12 Statutory Auditors

7.12.1 STATUTORY AUDITORS

Ernst & Young et Autres

Member of the *Compagnie régionale des commissaires aux comptes de Versailles* (Regional Association of Statutory Auditors of Versailles).
1/2, place des Saisons
92400 Courbevoie
Paris-La Défense 1
France

The Combined Ordinary and Extraordinary General Meeting of 9 November 2009, having duly noted the expiry of the term of office of Ernst & Young Audit as first Statutory Auditor, appointed the firm of Ernst & Young et Autres as Statutory Auditor for a term of six financial years. This term expires at the end of the Ordinary General Meeting approving the financial statements for the financial year ending 30 June 2015.

Mazars

Member of the *Compagnie régionale des commissaires aux comptes de Versailles* (Versailles Regional Association of Statutory Auditors).
61, rue Henri-Regnault
92400 Courbevoie
France

The Combined Ordinary and Extraordinary General Meeting of 8 November 2011, having duly noted the expiry of the term of office of Mazars as Statutory Auditor, appointed the firm of Mazars as Statutory Auditor for a term of six financial years. This term expires at the end of the Ordinary General Meeting approving the financial statements for the financial year ending 30 June 2017.

7.12.2 ALTERNATE STATUTORY AUDITORS

Auditex

1/2, place des Saisons
92400 Courbevoie
Paris-La Défense 1
France

The Combined Ordinary and Extraordinary General Meeting of 9 November 2009, having duly noted the expiry of the term of office of Mr Thierry Gorlin as Alternate Statutory Auditor, appointed Auditex as alternate Statutory Auditor for a term of six financial years. This term expires at the end of the Ordinary General Meeting approving the financial statements for the financial year ending 30 June 2015.

Mr Gilles Rainaut

39, rue de Wattignies
75012 Paris
France

The Combined Ordinary and Extraordinary General Meeting of 8 November 2011, having duly noted the expiry of the term of office of Mr Gilles Rainaut as Alternate Statutory Auditor, appointed Gilles Rainaut as Alternate Statutory Auditor for a term of six financial years.

This term expires at the end of the Ordinary General Meeting approving the financial statements for the financial year ending 30 June 2017.

7.12.3 AUDITOR FEES

See Section 6.2 "Eutelsat Communications' consolidated financial statements prepared under IFRS for the financial year ended 30 June 2015", Note 32 "Statutory Auditors' fees", in the Notes to the consolidated financial statements of Eutelsat Communications for the financial year ended 30 June 2015.

7.13 Documents available to the public

For the life of this document, the following documents (or copies), may be inspected at the registered office of the Company:

- the By-laws of the Company;
- the minutes of the meetings of the shareholders and other corporate documents of the Company, which are required to be made available to shareholders pursuant to applicable regulation, as well as, where applicable, all audits or statements provided by experts at the request of the Company of which an extract is inserted or mentioned in this document;
- the historical financial information of the Company and its group for each of the three financial years preceding the publication of this document.

Regulated information within the meaning of the provisions of the General Regulations of the French *Autorité des marchés financiers* is available on the Company website (www.eutelsat.com).

7.14 Responsible persons

7.14.1 RESPONSIBLE PERSON FOR THE REFERENCE DOCUMENT

Mr Michel de Rosen, Chairman and Chief Executive Officer of Eutelsat Communications.

7.14.2 CERTIFICATION BY THE RESPONSIBLE PERSON FOR THE REFERENCE DOCUMENT

I hereby certify, after having taken all reasonable care to ensure that such is the case, that the information contained in this Reference Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby certify that, to the best of my knowledge, the accounts have been drafted in accordance with the applicable accounting standards and that they constitute a true and fair view of the assets and liabilities, the financial position and results of the Company and the consolidated Group of companies, and that the management report contained in this document presents an accurate picture of developments in the business, results and financial position of the Company and the consolidated group of companies as well as a description of the main risks and uncertainties that these companies face.

I have received a letter from the Statutory Auditors certifying that they have verified the financial and accounting information given in this Reference Document and that they have read the document in its entirety.

The financial information presented herein has been the subject of Statutory Auditors' reports figuring in appendices 3 and 4.

Paris, 14 October 2015

Michel de Rosen
Chairman and Chief Executive Officer

Responsible person for information

Joanna Darlington
Head of Investor Relations
70, rue Balard – 75015 Paris – France

Provisional timetable for financial reporting

The following dates are provided for information only and may be changed at any time by the Company:

- 28 October 2015: publication of first-quarter revenues for the financial year 2015-2016;
- 5 November 2015: Combined Ordinary and Extraordinary General Meeting of Shareholders;
- 17 February 2016: publication of half-year results for the financial year 2015-2016;
- 12 May 2016: publication of third-quarter revenues for the financial year 2015-2016;
- 29 July 2016: publication of the full year results for the financial year 2015-2016.


MADEIRA
WASHINGTON DC
HERMOSILLO
TAMPA
MIAMI
MEXICO CITY
BEIJING
DUBAI
SINGAPORE

APPENDICES

A1

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH *CODE DE COMMERCE*, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF EUTELSAT COMMUNICATIONS

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with and construed in accordance with, French law and professional standards applicable in France.

Year ended 30 June 2015

To the shareholders,

In our capacity as Statutory Auditors of Eutelsat Communications and in accordance with Article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code (*Code de commerce*) for the year ended 30 June 2015.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on the internal control and risk management procedures implemented by the Company and to provide the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- confirm that the report also includes the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code (*Code de commerce*).

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*).

Courbevoie and Paris-La Défense, 29 July 2015

The Statutory Auditors
French original signed by

MAZARS	ERNST & YOUNG et Autres
Isabelle Sapet	Jeremy Thurbin

A2

VERIFICATION REPORT OF SOCIAL AND ENVIRONMENTAL INFORMATION

At the request of Eutelsat Communications, SGS ICS conducted the verification of information contained in the management report established for the financial year which ended on 30 June 2015, in accordance with the provisions of Article L. 225-102-1 Commercial Code (Grenelle II of 12 July 2010) and Decree No. 2012-557 of 24 April 2012 on the transparency obligations of corporate social and environmental responsibility. With regards to the application of Article 225 of Law No 2010-788 of 12 July 2010 and Article 12 of Law No. 2012-387 of 22 March 2012 which amended Article L. 225-102-1 of the commercial code and with regards to the decree of 13 May 2013 which determines the manner in which the independent third party should lead its mission.

It is the responsibility of the Board of Directors to prepare a report on the management of the Company including social, environmental and societal information, to define the appropriate standard(s) used for the establishment of qualitative or quantitative data, and to ensure its provision.

SGS ICS's responsibility, as an independent third party, accredited by COFRAC (N° 3-1086, scope available on www.cofrac.fr) is to verify that the management report includes all of the information prescribed in Article R. 225-105-1, to give a reasoned opinion as to the accuracy of the information and to the explanations given by the Company regarding the absence of certain information, and to indicate the procedures implemented to accomplish our verification assignment.

Nature and scope of the verification

SGS ICS's verification process consists of:

- reviewing the statement on sustainable development policies in relation to the social and environmental impacts of the Company's business activities, its societal commitments and the actions that stem from these policies and commitments;
- comparing the list of information mentioned in Eutelsat Communications' 2014-2015 management report against the list set forth under Article R. 225-105-1 and noting, where applicable, any missing information not accompanied by explanations as mentioned under the third paragraph of Article R. 225-105;
- verifying that the Company has a data collection process in place to ensure that the information mentioned in the management report is complete and consistent and identifying any irregularities.

Verification procedures

SGS ICS carried out its assignment to Eutelsat Communications including its subsidiaries and companies in which it has a controlling interest, on an international scale, as Eutelsat Communications draws up consolidated accounts.

SGS ICS carried out its assignments from 9 June to 17 July 2015 (10 days worked) conducting interviews with individuals involved in the collection, validation and publication of quantitative and qualitative data from within the Holding Company and two of its subsidiaries, Eutelsat SA and Skylogic, representing 71.78% of the staff.

- SGS ICS has reviewed the reliability of the internal standards, procedures and internal control systems for the aggregation of data and information on each site.
- Regarding the quantitative data a suitable sample was selected for evaluation at each site. These evaluations consisted of verifying formulas and data reconciliation with supporting documents. Eighteen indicators were selected in terms of their relevance (conformity with the law and taking into account the sector activity), their reliability, neutrality and completeness,
  - Social component (Coverage rate: 72%): headcount – policies implemented regarding training – number of training hours – annual performance review – staff turnover – frequency and severity of accidents at work – diversity.
  - Environmental component (Coverage rate: 72%): electricity consumption – diesel consumption – water consumption – paper consumption – measures to improve energy efficiency and use of renewable energy – waste – prevention, recycling and waste disposal – biodiversity.
  - Societal component (Coverage rate: 57%): responsible purchasing policy – territorial, economic and social impact – prevention of corruption.
- Random checks were performed on the remaining quantitative and qualitative data in the final phase of consolidation.
- Three assessors were assigned to this verification assignment.
- Seven interviews were conducted with the Financial Department, the Human Resources Department, the Purchasing Department, the General Services Department, the Information Services Department, the Institutional Affairs Department and the Engineering Department.

Declaration of independence and competence

SGS is the world's leading inspection, verification, testing and certification company. We are recognized as the global benchmark for quality and integrity. With more than 80,000 employees, we operate a network of more than 1,500 offices and laboratories around the world.

SGS ICS is the French subsidiary 100% owned by the SGS Group. SGS ICS states that its assignment and its opinion has been developed in complete independence and impartiality from Eutelsat Communications and that the accomplished work has been conducted in line with SGS Group's Code of Ethics and in accordance with good professional practice of an independent third party organisation.

Assessors are authorized and mandated on every assignment on the basis of their knowledge, experience and qualifications.

Certification and reasoned opinion

Based on the statement of guidelines for sustainable development of Eutelsat Communications, the social and environmental impacts associated with its activities, and its societal commitments and procedures,

- we certify that information included in Eutelsat Communications' 2014-2015 management report are in compliance with the list set forth under Article R. 225-105-1 and that any exceptions have been duly justified;
- we declare that we have not identified any significant anomalies likely to call into question the fair representation of the information contained in the 2014-2015 management report.

Completed the 21 July 2015, in Arcueil,
SGS ICS France
29, avenue Aristide-Briand
94111 ARCUEIL Cedex
FRANCE
Téléphone: +33 (0) 1 41 24 88 72
Fax: +33 (0) 1 41 24 71 29
www.sgs.com
Technical Director of Inspection,
Stéphane LANGLOIS

A3

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Year ended 30 June 2015

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended 30 June 2015, on:

- the audit of the accompanying consolidated financial statements of Eutelsat Communications;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 30 June 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French *Code de commerce* relating to the justification of our assessments, we bring to your attention the following matters:

- As explained in Note 4.7 to the consolidated financial statements, your Company performs an annual review of the remaining useful lives of its in-orbit satellites on the basis of both their forecasted utilization and their technically assessed life time. We assessed the reasonableness of the assumptions used.
- As explained in Note 4.8 to the consolidated financial statements, the carrying-values of long-life assets including goodwill, tangible assets, the satellites and equity investments are subjected to review for impairment. Your Company compares the carrying-value of these assets to the estimated recoverable value based on discounted future cash flows. We assessed the reasonableness of the assumptions used by your Company to prepare the business plans and the resulting evaluations.
- As explained in Note 3.5 to the consolidated financial statements, your Company has exercised its judgment on litigations as described in Note 27.4 to the consolidated financial statements. We assessed the reasonableness of this judgment.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to our audit opinion expressed in the first part of this report.

III. Specific verification

As required by law, we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Courbevoie and Paris-La Défense, 29 July 2015

The Statutory Auditors
French original signed by

MAZARS	ERNST & YOUNG et Autres
Isabelle Sapet	Jeremy Thurbin

A4

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.
This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.
This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Year ended 30 June 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended 30 June 2015, on:

- the audit of the accompanying financial statements of Eutelsat Communications;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 30 June 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Code de commerce relating to the justification of our assessments, we bring to your attention the following matters:
Your Company evaluates its financial investments according to the method described in Note 2.3 to the financial statements. Based on available information, we have assessed the methods and assumptions adopted by your Company to estimate the value of its investments. We have also performed some tests to control the correct application of these methods. As part of the justification of our assessments, we have assessed reasonableness of these assumptions.

These assessments were made as part of our audit of the financial statements taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French *Code de commerce* relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or being controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Courbevoie and Paris-La Défense, 18 September 2015

The Statutory Auditors
French original signed by

MAZARS	ERNST & YOUNG ET AUTRES
Isabelle SAPET	Jeremy Thurbin

A5

STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

General Meeting of Shareholders to approve the financial statements for the year ended 30 June 2015

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the General Meeting of Shareholders

We hereby inform you that we have not been advised of any agreements or commitments authorized in the course of the year to be submitted to the General Meeting of Shareholders for approval in accordance with Article L. 225-38 of the French Commercial Code (*Code de commerce*).

Agreements and commitments already approved by the General Meeting of Shareholders

In accordance with Article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

1. With Eutelsat S.A., Eutelsat Inc, Eutelsat America Corp, Eutelsat do Brasil, Eutelsat Madeira Unipessoal Lda, Eutelsat Polska, Eutelsat Services und Beteiligung GmbH, Eutelsat visAvision GmbH, Eutelsat UK Ltd, Skylogic S.p.A., Skylogic Espana SAU and Skylogic Mediterraneo S.r.l, Eutelsat Italia, Eutelsat Asia Pte Ltd., Eutelsat Middle-East and Skylogic Eurasia Ltd

Persons concerned

Eutelsat S.A., Eutelsat America Corp., Eutelsat Madeira,Eutelsat UK Ltd, Mr Michel de Rosen (Chairman and Chief Executive Officer of Eutelsat Communications and Eutelsat S.A.), Mr Michel Azibert (Deputy CEO of Eutelsat Communications and Eutelsat S.A.), Messrs Jean-Paul Brillaud and Bertrand Mabille (Board members of Eutelsat Communications and Eutelsat S.A.) and BPI France Participations (Board member of Eutelsat Communications and Eutelsat S.A.).

Nature and purpose

Reinvoicing agreement in case of purchase of shares under free share plans.

Conditions

On 22 June 2010 an agreement was signed between Eutelsat S.A. and several subsidiaries of the Group to reinvoice the costs of any shares purchased on the market by your Company in the context of the implementation of plans for the free allotment of shares in your Company to employees of the Eutelsat Group.

During the year ended 30 June 2015, your Company did not purchase any shares on the market. Your Company has invoiced 101.656 shares to its subsidiaries for the free allotment of shares plan of 28 July 2011.

2. With Eutelsat S.A., Eutelsat VAS S.A.S., Eutelsat Communications Finances S.A.S., Fransat S.A., and Skylogic France S.A.S.

Persons concerned

Mr Michel de Rosen (Chairman and Chief Executive Officer of Eutelsat Communications and Eutelsat S.A.), Mr Michel Azibert (Deputy CEO of Eutelsat Communications and Eutelsat S.A.), Messrs Jean-Paul Brillaud and Bertrand Mabille (Board members of Eutelsat Communications and Eutelsat S.A.) and BPI France Participations (Board member of Eutelsat Communications and Eutelsat S.A.).

Nature and purpose

Tax Consolidation Agreement.

Conditions

A tax consolidation agreement approved by the Board of Directors on 28 June 2007 and dated 2 July 2007 continued during the period.

In accordance with this agreement, your Company recognized tax income in the amount of 18.6 million euros during the period ended 30 June 2015.

Courbevoie and Paris-La Défense, 29 July 2015

The Statutory Auditors
French original signed by

MAZARS	ERNST & YOUNG et Autres
Isabelle Sapet	Jeremy Thurbin

A6

CROSS-REFERENCE TABLE OF THE ANNUAL FINANCIAL REPORT

This Reference Document incorporates all information required for the annual financial report as mentioned in Article L. 451-1-2 of the French Monetary and Financial Code and in Article 222-3 of the General Regulations of the *Autorité des marchés financiers* (French financial markets regulator, AMF).

The documents mentioned in Article 222-3 of the AMF General Regulations and the corresponding sections in this Reference Document are as follows:

▸ AMF's General Regulations – Article 222-3

	Reference Document	
No. Section	Reference	Pages
1. Annual financial statements of Eutelsat Communications	Section 6.3	148-162
2. Consolidated financial statements of the Eutelsat Group	Section 6.2	110-147
3 Management report		
Review of business trends, financial position and earnings	Chapter 1	4-21
	Section 1.1	4-5
	Section 1.2	6-13
	Section 6.1	99-109
Indications concerning the use of financial instruments by the business	Section 2.4.4.14	47
	Section 4.3	78-81
	Section 4.5	84-85
	Section 6.1.3	104-109
Description of the main risks and uncertainties	Chapter 4	69-85
Factors likely to have an influence in the event of a public offer	Section 6.1.3.3	105-107
	Section 2.3	31-40
	Section 2.4.3.2	44
	Chapter 7	163-182
Purchase and sale of treasury shares	Section 7.1.2.3	164
Summary table of delegations of powers currently valid	Section 7.1.2.5	165
4. Certification of the person responsible for the annual financial report	Section 7.14.2	181, 182
5. Statutory Auditors' report on the annual financial statements	Appendix 4	188
6. Statutory Auditors' report on the consolidated financial statements	Appendix 3	187

A7

CROSS-REFERENCE TABLE OF THE REFERENCE DOCUMENT

		Page No. of the Reference Document
1.	**Person responsible**	
1.1.	Person responsible for information	181
1.2.	Statement by person responsible	181
2.	**Legal controllers**	
2.1.	Names and addresses	180
2.2.	Resignations/non renewals	N/A
3.	**Selected financial information**	
3.1.	Presentation for each year of the period covered	5
3.2.	Intermediate periods	N/A
4.	**Risk factors**	**69-85**
5.	**Information concerning the issuing Company**	
5.1.	History and development of the Company	163
5.1.1.	Legal and commercial name	163
5.1.2.	Place of registration and registration number	163
5.1.3.	Date of incorporation and length of life	163
5.1.4.	Domicile, legal form and legislation applicable	163
5.1.5.	Important events in the development of the business	163
5.2.	Investments	
5.2.1.	Principal past investments	14
5.2.2.	Major investments in progress	14-15
5.2.3.	Major future investments	14-15
6.	**Overview of activities**	
6.1.	Principal activities	6-8
6.2.	Major markets	8-11
6.3.	Exceptional events	N/A
6.4.	Dependence with regard to patents, licences or contracts	83-88, 178
6.5.	Competitive position	9
7.	**Flow chart**	
7.1.	Description of the Group	174-175
7.2.	List of subsidiaries	146-176, 177
8.	**Real estate, plants and equipment**	
8.1.	Significant tangible fixed assets	178
8.2.	Environmental issues	49-68
9.	**Examination of financial position and earnings**	
9.1.	Financial position	99-109
9.2.	Operating income	
9.2.1.	Significant factors materially affecting income from operations	N/A
9.2.2.	Reasons for material changes in revenues	101-102
9.2.3.	Strategy or other factors that have materially affected, or could materially affect operations	N/A

G

GLOSSARY

Analogue
Format of a broadcast signal where a continuously varying physical quantity precisely describes the variation of the information it represents.

Bandwidth
Band of frequencies used for an RF transmission (*e.g.* 36 MHz).

Beam
Term used to describe the radiation pattern of a satellite antenna. The intersection of a satellite beam with the surface of the earth is called the footprint (of the beam).

Broadcast Satellite Service (BSS)
Communications service in which signals transmitted or retransmitted by satellite are intended for direct reception by the general public. Use of the corresponding frequencies is governed by international regulations, with the aim of allowing all countries to offer services of this kind. In Europe, the downlink frequency range for the BSS is 11.7 to 12.5 GHz.

C-band
Frequency range assigned to satellite communication systems, approximately 4 GHz for the downlink and 6 GHz for the uplink. The associated transmit power is relatively low in comparison with Ku-band, for example. Large antennae are therefore required for C-band operations.

Capacity
Quantity of information transmitted. As an analogy, there is often reference to spectrum width and to the associated power needed to transmit such a quantity of information.

Digital
Format for recording, processing, transmitting and broadcasting data *via* a binary signal (and not by a continuously varying signal).

Direct broadcasting
Direct reception of satellite signals by the user, *via* DTH or community reception facilities (satellite dish).

Downlink
Path travelled by the signal in the direction space-earth.

DSL
Digital Subscriber Line. Technologies that make it possible to use the copper lines connecting customers of the switched telephone network for purposes of broadband transmission in packet mode (digital).

DVB
Digital Video Broadcasting. A set of European standards for the broadcasting and reception of digital TV signals by satellite (DVB-S), cable (DVB-C) or terrestrial means (DVB-T), developed within the framework of the Digital Video Broadcasting project and formalised by the European Telecommunications Standards Institute (ETSI). These European standards have been adopted by many countries throughout the world.

Earth segment
A series of earth stations operated in a given satellite system or network (synonym: ground segment).

Earth station
Installation required in order to receive a signal from a satellite and/or transmit a signal to a satellite. The facility consists essentially of an antenna and communication equipment on the ground (synonym: ground station).

Fixed Satellite Service (FSS)
Communications service between earth stations located at fixed points, such points being determined when one or more satellites are used. However, this expression frequently refers to “unplanned” frequency bands, that are not subject to international regulations governing the use of BSS frequencies. In Europe, the downlink FSS frequencies are 10.7-11.7 GHz and 12.5-12.75 GHz.

Frequency
Number of vibrations produced by unit of time during a given period. Frequency relates to the rate of variation per second of the carrier wave or modulating signal. Satellite transmissions are generally in GHz (see C-band, Ka-band and Ku-band).

High throughput satellite or payload (HTS)
Satellite or payload that provides more throughput than a classic satellite for the same amount of spectrum thanks to frequency reuse, thus with a lower cost per megabit.

Internet backbone
The communications networks on which the Internet is based.

IP
Internet Protocol.

Ka-band
Frequency range assigned to satellite communication systems, approximately 20 GHz for the downlink and 30 GHz for the uplink. These frequencies have the shortest wavelength of the three principal frequency bands used by geostationary satellites. Although small antennae can be used, Ka-band requires the use of beams that are tightly concentrated over fairly small geographical areas.

Ku-band
Frequency range assigned to satellite communications systems, approximately 14 GHz for the uplink and 11 GHz for the downlink. Used for radio and TV, this band is the most widespread in Europe, owing to the small size of the antennae needed for reception.

MPEG
Moving Pictures Experts Group. Working Group charged by the ISO with the task of developing international standards for the compression, decompression, processing and encoding of video, audio and any combination thereof, such as to ensure a wide range of applications. Name also given to the compression and digital broadcasting standard for TV, resulting from the deliberations of this group of experts.

MPEG 2 is the second-generation standard designed for TV broadcasting and MPEG 4 provides a smaller compression format compared with MPEG 2 that can carry all new Video Applications.

Operating period
Period during which a satellite is able to function. The operating period of a satellite in-orbit depends in particular on the quantity of fuel it carries for station-keeping.

Passband
Range of frequencies permitted for an RF transmission (see “Bandwidth”).

Payload
Set of satellite equipment used for reception, frequency conversion, processing, and retransmission of the communications signals after they have been amplified, but excluding add-on equipment, for example the platform (physical structure and sub-systems such as electrical and thermal control, attitude control, etc.).

Radio frequency
Electromagnetic frequency generally higher than 20 kHz, used to transmit information.

Redundancy
Architecture based on the use of several identical components, each able to replace any of the others in the event of failure.

Regular capacity
Capacity which is not HTS capacity (see above).

RF relay
Professional terrestrial RF link generally used between the studios of a radio or TV station and the antennae transmitting the programmes to customers’ homes.

S-band
Frequency range assigned to satellite communication systems, approximately 2 GHz for the uplink. Frequency adjacent to UMTS frequencies.

Signal
Variation of a physical value of any kind carrying information.

Simulcasting
Simultaneous transmission of a programme or service using two transmission standards or media. This technique developed by Eutelsat under the name of Simulcast makes it possible to transmit a carrier wave in analogue mode and a digital TV signal on a single satellite transponder which could normally only transmit the carrier wave of the analogue signal.

Space segment
Satellites in a satellite communications system belonging to an operator.

Steerable beam
Beam of a satellite antenna that can be directed onto a particular geographical region using ground-based controls.

Telemetry
Encoded communication sent by the satellite to the earth station to transmit the results of measurements related to the satellite's operation and configuration.

Transponder
Name given to the retransmitter on-board a satellite, whose function is to retransmit the signals received from the earth uplink station to a specific part of the globe.

Uplink
Path travelled by the signal in the direction earth-space.

VSAT Terminal
Microterminal connected to a fixed antenna and making satellite reception or transmission possible.

SPACE FOR A DIGITAL WORLD

In this Reference Document, the terms "Eutelsat Communications" and the "Company" mean Eutelsat Communications S.A. "Eutelsat S.A." means the company Eutelsat S.A., which is the Company's main operating subsidiary. "Group" or "Eutelsat Group" means the group of companies consisting of the Company and all its subsidiaries. "IGO" means the European Satellite Telecommunications Organisation before the Transformation (the "Transformation" – see Section 7.1.1.5 "Key events" and Section 5.6 "Other provisions applicable to the Group") and "Eutelsat IGO" means the same organisation after the Transformation.

This Reference Document contains the Group's consolidated financial statements and data for the year ended 30 June 2015 prepared in accordance with International Financial Reporting Standards (IFRS) and incorporates for reference purposes the IFRS consolidated financial statements for the years ended 30 June 2013 and 30 June 2014.

This Reference Document also includes the Company's financial statements for the year ended 30 June 2015 as presented in Section 6.3 "Eutelsat Communications' annual financial statements for the year ended 30 June 2015".

Unless otherwise stated, the figures presented in this Reference Document are based on the consolidated financial statements for the year ended 30 June 2015 and the consolidated financial statements presented in Section 6.2 of this Reference Document for the year ended 30 June 2015.

Investors are invited to read carefully and take into account the risk factors described in Chapter 4 ("Risk factors") of the Reference Document before making any investment decision, since the occurrence of one or all of these risks may have a negative impact on the Group's activity, financial position, results or ability to achieve its objectives.

This Reference Document contains information on the Group's objectives and forward-looking statements. These statements are sometimes identified by the use of the future tense or conditional mood, as well as terms such as "estimate", "believe", "have the objective of", "intend to", "expect", "contemplate", "should" and other similar expressions. These forward-looking statements and information about objectives depend on circumstances or facts likely to occur in the future, and must not be interpreted as guarantees that the facts and data mentioned will occur or that objectives will be attained. These forward-looking statements and information about objectives are based on data and assumptions that may be affected by the realisation of known and unknown risks, uncertainties and other factors, including those relating to the economic, financial, competitive and regulatory environment.

A glossary defining the main technical terms used in this Reference Document is provided at the end of the document.

Unofficial translation of the French-language "Document de référence 2014-2015" of Eutelsat Communications, for information purposes only.

This document is an unofficial translation of the French *document de référence* filed with the *Autorité des marchés financiers* ("AMF") on 14 October 2015 in accordance with Article 212-13 of the AMF General Regulations. The French *document de référence* may be used in connection with a financial transaction if supplemented with an offering memorandum (*note d'opération*) approved by the AMF.

In the event of any ambiguity or discrepancy between this unofficial translation and the French *document de référence*, the French version shall prevail. The French version was drafted by the issuer and holds the signatories thereof liable.

Pursuant to Article 28 of EC Regulation No. 809/2004, the following information is included for reference purposes in this Reference Document:

- the consolidated financial statements of Eutelsat Communications prepared in accordance with IFRSs for the financial year ended 30 June 2014 and the related Statutory Auditors' report figuring, respectively, in Sections 6.2 and in Appendix 3 of Eutelsat Communications' 2013-2014 *document de référence* registered under No. D.14-0982 by the AMF on 16 October 2014 (the "2013-2014 Reference Document");
- the consolidated financial statements of Eutelsat Communications prepared in accordance with IFRSs for the financial year ended 30 June 2013 and the related Statutory Auditors' report figuring, respectively, in Sections 6.2 and Appendix 3 of Eutelsat Communications' 2012-2013 *document de référence* registered under No. D.13-0973 by the AMF on 10 October 2013 (the "2012-2013 Reference Document");
- information on the Eutelsat Group's financial situation and results for the financial years ended 30 June 2014 and 2013 figuring, respectively, in Section 6.1 of the 2012-2013 *document de référence* and 2013-2014 *document de référence*.

Parts not included in this or these document(s) are either irrelevant to the investor or included elsewhere in this Reference Document.

As of the date of this Reference Document, no additional financial information (neither quarterly nor half yearly) has been published since the financial statements for the year ended 30 June 2015, provided in Sections 6.2 and 6.3 of this Reference Document.

Copies of this Reference Document are available free of charge at the registered office of Eutelsat Communications, 70, rue Balard, 75015 Paris, France or on the websites of Eutelsat Communications (www.eutelsat.com) or the *Autorité des marchés financiers* (www.amf-france.org).

Photos credits:

Cover illustration, JonOne*
Photos inside front cover, pages 1 and 4, Eutelsat copyright
Photo page 2, Denis Allard/REA
Photo page 3, Space X
Photo pages 14-15, Thales Alenia Space
Photos of the Committee members page 20, Philippe Couette copyright for Eutelsat
Photo page 21, Shutterstock

***JonOne**

Born in New York, USA in 1963.
Lives and works in Paris, France.
JonOne was born and raised in the burgeoning graffiti New York scene.
When he moved to France in the 80s, John Andrew Perello a.k.a. JonOne has shown all around Europe, becoming a key figure of the Parisian graffiti scene. Nonetheless, he kept strong roots in New York, enriched by this culture he has contributed to import to Europe.
True to its origins, he continues to produce powerful works and spread this urban culture. JonOne differs with other graffiti artist in his abstract style, his unique calligraphy but also his talent as a colorist. He stands out with his style.
In 2009, he was part of the "Born in the Streets" show at the Fondation Cartier in Paris. His works are shown from Milan to Shanghai via Paris, Bologna, Los Angeles, Tokyo or New York.
In 2015, he received the Légion d'honneur *and created a work for the collection of the* Assemblée Nationale.

Conception & production:

Ruban Blanc

eutelsat COMMUNICATIONS

Société anonyme **(limited company) with a share capital of 226,972,338 euros**

Registered office: 70, rue Balard – 75015 Paris – France

481 043 040 RCS Paris

T: + 33 1 53 98 47 47 - F: + 33 1 53 98 37 00

Eutelsat
70 rue Balard
75015 Paris
France

T: +33 1 53 98 47 47

www.eutelsat.com