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# INFORMATION MEMORANDUM

**Private Offer to Purchase or Exchange Shares**

**targeting the shares of the company**



**initiated by**



**centralised by**



## **TERMS OF THE OFFER:**

**Price: Euros 5.20 for one (1) Eutelsat S.A. share**

**EXCHANGE RATIO: 0.3192 Eutelsat Communications S.A. share for one (1) Eutelsat S.A. share**

**TERM OF THE OFFER: from 23 August to 14 September 2007, inclusive**

## **WARNING**

This information document dated 23 August 2007 has been drawn up for the use of the employees, former employees and corporate officers of the Eutelsat Group in accordance with the provisions of Articles L.341-1 *et seq.* of the French Monetary and Finance Code relating to financial marketing, and the provisions of Articles 212-4(5) and 212-5(6) of the "General Regulation" of the AMF (French financial markets authority, called the "*l'Autorité des marchés financiers*," and hereinafter referred to as the "**AMF**") and 14 of Instruction no. 2005-11 issued on 13 December 2005. Consequently, this document is not subject to an approval or registration process by the AMF.

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<b>1</b>	<b>REASONS BEHIND THE OPERATION .....</b>	<b>4</b>
<b>2</b>	<b>CHARACTERISTICS OF THE OFFER .....</b>	<b>4</b>
2.1	SECURITIES TARGETED BY THE OFFER .....	4
2.2	TERMS OF THE OFFER .....	5
2.2.1	<i>Terms of the Purchase Offer .....</i>	<i>5</i>
2.2.2	<i>Terms of the Exchange Offer.....</i>	<i>5</i>
2.2.3	<i>Possibility of taking part in both the Purchase Offer and the Exchange Offer .....</i>	<i>5</i>
2.3	DIVIDEND ELIGIBILITY DATE AND ENTITLEMENTS ASSOCIATED WITH THE SHARES ASSIGNED OR CONTRIBUTED UNDER THE OFFER .....	6
<b>3</b>	<b>FACTORS IN THE ASSESSMENT OF THE OFFERED PRICE AND THE OFFERED EXCHANGE RATIO.....</b>	<b>6</b>
3.1	FACTORS OF ASSESSMENT OF THE OFFERED PRICE.....	6
3.2	FACTORS OF ASSESSMENT OF THE OFFERED EXCHANGE RATIO.....	6
<b>4</b>	<b>METHODS OF RESPONDING TO THE OFFER .....</b>	<b>7</b>
4.1	RESPONSES TO THE OFFER .....	7
4.2	WITHDRAWAL OPTION.....	7
<b>5</b>	<b>INDICATIVE TIMETABLE OF THE OFFER.....</b>	<b>8</b>
<b>6</b>	<b>RESTRICTIONS OF THE OFFER ABROAD.....</b>	<b>8</b>
<b>7</b>	<b>CHARACTERISTICS OF THE EUTELSAT COMMUNICATIONS SHARES SUBMITTED IN CONNECTION WITH THE EXCHANGE OFFER .....</b>	<b>9</b>
7.1	MAXIMUM NUMBER OF EUTELSAT COMMUNICATIONS SHARES TO BE SUBMITTED IN CONNECTION WITH THE EXCHANGE OFFER.....	9
7.2	SOURCE OF THE EUTELSAT COMMUNICATIONS SHARES TO BE SUBMITTED IN CONNECTION WITH THE EXCHANGE OFFER .....	9
7.3	CHARACTERISTICS OF THE EUTELSAT COMMUNICATIONS SHARES.....	10
7.4	THE RISKS ASSOCIATED WITH THE EUTELSAT COMMUNICATIONS SHARES ISSUED IN CONNECTION WITH THE EXCHANGE OFFER.....	10
7.5	TRADABILITY OF THE EUTELSAT COMMUNICATIONS SHARES ISSUED IN CONNECTION WITH THE EXCHANGE OFFER – LISTING .....	10
7.6	PRESENTATION OF EUTELSAT COMMUNICATIONS.....	10
<b>8</b>	<b>TAXATION .....</b>	<b>10</b>
8.1	TAXATION TREATMENT OF THE OFFER .....	10
8.1.1	<i>Taxation treatment of the Purchase Offer .....</i>	<i>11</i>
8.1.2	<i>Taxation treatment of the Exchange Offer.....</i>	<i>12</i>
8.2	TAXATION TREATMENT OF THE EUTELSAT COMMUNICATIONS SHARES GRANTED IN EXCHANGE FOR THE EUTELSAT S.A. SHARES IN CONNECTION WITH THE EXCHANGE OFFER.....	13
8.2.1	<i>Dividends .....</i>	<i>13</i>
8.2.2	<i>Capital gains .....</i>	<i>14</i>
8.2.3	<i>Taxation treatment of the “PEA” .....</i>	<i>15</i>
8.2.4	<i>Wealth solidarity tax [“ISF”].....</i>	<i>15</i>
8.2.5	<i>Inheritance and donation duties.....</i>	<i>16</i>

*The following translation of the offer document is provided to you for information purposes only and is not intended to substitute the original French language document entitled “Note d’information” made available on Eutelsat Communications web site*

<b>9</b>	<b>MICELLANEOUS.....</b>	<b>16</b>
9.1	CONTRACTUAL RELATIONSHIPS .....	16
9.2	APPLICABLE LAW – DISPUTE SETTLEMENT .....	16
<b>APPENDIX A:</b>	<b>COMMITMENT LETTER.....</b>	<b>17</b>
<b>APPENDIX B:</b>	<b>WITHDRAWAL FORM.....</b>	<b>21</b>
<b>APPENDIX C:</b>	<b>ASSIGNMENT CONTRACT .....</b>	<b>23</b>
<b>APPENDIX D:</b>	<b>CONTRIBUTION CONTRACT.....</b>	<b>29</b>

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Eutelsat Communications, a "société anonyme" (a public limited company) with a share capital of € 217,401,082, recorded on the Paris trade and companies register "RCS" under number 481 043 040, whose registered office is at 70, rue Balard 75015 Paris, and whose shares are traded on the Eurolist market ("Compartiment A," or compartment A) of Euronext Paris S.A. (hereinafter, "**Euronext Paris**") with the ISIN code FR0010221234 (hereinafter, "**Eutelsat Communications**" or the "**Initiator**") is offering the employees, former employees and corporate officers of the Eutelsat Group (the "**Employees, Former Employees and Corporate Officers**") the opportunity to purchase their shares of Eutelsat S.A., a "société anonyme" (a public limited company) with a share capital of € 648,487,302.45, recorded on the Paris trade and companies register "RCS" with number 422 551 176, whose registered office is at 70, rue Balard -75015 Paris (hereinafter, "**Eutelsat S.A.**" or the "**Company**"), under the conditions described below (the "**Offer**").

## 1 REASONS BEHIND THE OPERATION

Eutelsat Communications, whose shares are admitted to trading in the A compartment of the Eurolist market of Euronext Paris, is the holding company of Eutelsat S.A., the leading European company in satellite transmission of video and data services, and one of the top three operators worldwide of Satellite Fixed Services (SFS), of which it directly owns 95.24% of the capital.

The balance of the capital of Eutelsat S.A. is owned by a certain number of telecommunications operators, which are the historical shareholders of Eutelsat S.A. (hereinafter, the "**Telecommunications Operators**"), with a combined share of 4.5% of the share capital, and by the **Employees, Former Employees and Corporate Officers**, who hold a combined share of 0.26% as at 30 June 2007.

In connection with the liquidity commitments given by Eutelsat Communications when it first listed on the stock exchange, certain **Employees, Former Employees and Corporate Officers** enjoy liquidity windows on a half-yearly basis, which enable them to sell the Eutelsat S.A. shares arising out of the exercise of some of their subscription options and stock purchase options.

To enable all of the Employees, Former Employees and Corporate Officers to take advantage of liquidity with respect to all the shares that they own or that they may own as a result of exercising subscription options or stock purchase options in Eutelsat S.A., of which the applicable tax restricted period has expired, and to increase its own stake in this subsidiary, Eutelsat Communications has decided to offer to purchase the Eutelsat S.A. shares of these Employees, Former Employees and Corporate Officers by either purchase or exchange for new Eutelsat Communications shares.

In conjunction with the Offer, the Initiator has also entered into purchase or exchange agreements with certain Telecommunications Operators with respect to their Eutelsat S.A. shares.

## 2 CHARACTERISTICS OF THE OFFER

### 2.1 Securities targeted by the Offer

Subject to the terms and conditions of the Offer outlined below, and in particular, to the restrictions described in Section 2.6 "Restrictions concerning the Offer abroad," the Offer relates to all Eutelsat S.A. shares (i) issued or likely to be issued by the Company as a result of the exercise by the **Employees, Former Employees and Corporate Officers** of subscription options allocated under the plans dated 4 July 2001, 25 October 2001, 5 November 2002 and 24 February 2003, and (ii) whose applicable tax restricted period ["*période d'indisponibilité fiscale*"] will have expired as at the Transfer Date (as defined in Section 2.2.1 below), i.e., in all, a maximum of 2,017,084 Eutelsat S.A. shares (hereinafter, the "**Shares**" or a "**Share**").

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## 2.2 **Terms of the Offer**

Eutelsat Communications offers to purchase the Eutelsat S.A. shares of the Employees, Former Employees and Corporate Officers by either purchase and/or exchange for new Eutelsat Communications shares.

### 2.2.1 **Terms of the Purchase Offer**

Eutelsat Communications offers to purchase the shares of the Employees, Former Employees and Corporate Officers (the "**Purchase Offer**") pursuant to the terms and conditions described herein, at the price of five euros and twenty euro cents (€ 5.20) per share (hereinafter, the "**Offered Price**").

The stamp duty amounting to 1.10% of the value of each transaction (capped at € 4,000 per transaction) will be incurred by Eutelsat Communications, which will manage the registration formalities and pay the stamp duty to the tax authority.

This price of € 5.20 per Share will be payable on 15 October 2007 (the "**Transfer Date**").

### 2.2.2 **Terms of the Exchange Offer**

Eutelsat Communications offers to the Employees, Former Employees and Corporate Officers the opportunity to contribute their Shares to it (the "**Exchange Offer**") pursuant to the terms and conditions described herein, and to receive, in consideration of such contribution, shares to be issued by Eutelsat Communications, on the basis of 0.3192 of a share of Eutelsat Communications for each share contributed (hereinafter, the "**Offered Exchange Ratio**").

In the event that the number of Eutelsat Communications shares to be submitted in exchange pursuant to the Offered Exchange Ratio is not a whole number, the portion that exceeds the whole number of Eutelsat Communications shares immediately below will be subject to payment of a balance in cash, the amount of which will be determined by multiplying that portion by the average of the closing prices of the Eutelsat Communications share over the twenty (20) trading days prior to the opening of the Offer (the "**Balance**").

Example: A shareholder that contributed one thousand (1,000) Shares to the Exchange offer will receive:

- 319 Eutelsat Communications shares; and
- € 3.26 (i.e., 0.2 multiplied by € 16.29) as payment of the Balance.

The Eutelsat Communications shares submitted under the Exchange Offer shall be deliverable by registration in the pure nominative form on the books of BNP PARIBAS SECURITIES SERVICES, the financial institution that is performing the securities service of Eutelsat Communications, on the date of transfer of the Eutelsat S.A. shares contributed to the Exchange Offer on the Eutelsat Communications pure nominative account ("*compte nominatif pur*") held on the books of BNP PARIBAS SECURITIES SERVICES, the financial institution that is performing the securities service of Eutelsat S.A. (indicative date of 15 October 2007).

### 2.2.3 **Possibility of taking part in both the Purchase Offer and the Exchange Offer**

The **Employees, Former Employees and Corporate Officers** who are eligible for the Offer and who wish to do so shall be entitled to assign to Eutelsat Communications a portion of their Shares under the Purchase Offer and to contribute to it another portion of their Shares under the Exchange Offer.

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### 2.3 Dividend eligibility date and entitlements associated with the Shares assigned or contributed under the Offer

The assignments or exchanges of Shares in connection with the Offer will take place "inclusive of dividend entitlements." As a result, only the Initiator shall be entitled to:

- any dividend paid in respect of the financial year ended 30 June 2007 and the following financial year, which is attached to the Shares that will be contributed to it or assigned to it under the Offer; and
- any dividend, any special distribution of reserves and, more generally, any amount attached to the Shares that will be contributed to it or assigned to it under the Offer, of which the decision to distribute will occur after the opening date of the Offer and regardless of the date of transfer of ownership of those Shares, including if the **Employees, Former Employees and Corporate Officers** who are assigning these Shares are still the owner thereof at the time of the decision to make such a distribution.

## 3 FACTORS IN THE ASSESSMENT OF THE OFFERED PRICE AND THE OFFERED EXCHANGE RATIO

### 3.1 Factors of assessment of the offered price

The Offered Price was determined by applying the following formula:

$$\text{Offered Price} = \frac{\text{PI Eut. Com} \times 217\,401\,082 + \text{DN}}{997,672,773 \times 95.24\%}$$

in which:

- *"PI Eut. Com."* is the average of the closing price of the Eutelsat Communications share calculated over the twenty (20) trading days prior to the opening of the Offer,
- *"217,401,082"* is the number of shares making up the capital of Eutelsat Communications as at 30 June 2007,
- *"DN"* is total banking liabilities net of excess cash of the companies Eutelsat Communications, Eutelsat Communications Finance, SATBIRDS 2 SAS, WHITEBIRDS FRANCE SAS as at 30 June 2007, or, in numerical terms, € 1,399,644,000,
- *"997,672,773"* is the number of shares making up the capital of Eutelsat S.A. as at 30 June 2007,
- *"95.24"* is the percentage of the capital of Eutelsat S.A. owned both directly and indirectly by Eutelsat Communications as at 30 June 2007.

### 3.2 Factors of assessment of the offered Exchange Ratio

On the basis of the Offered Price as determined by application of the formula stated above, the Offered Exchange Ratio was determined by applying the following formula:

$$\text{Offered Exchange Ratio} = \frac{\text{Offered Price}}{\text{PI Eut. Com}}$$

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in which the terms used have the same meanings as those ascribed to them in the formula for determining the Offered Price (refer to Section 3.1).

## 4 METHODS OF RESPONDING TO THE OFFER

### 4.1 Responses to the Offer

The Initiator has hired BNP Paribas Securities Services, a “*société anonyme*” (a public limited company) with a share capital of € 165,279,835, whose registered office is located at 3, rue d’Antin – 75002 Paris and recorded on the Paris trade and companies register “RCS” under number 552 108 011, to notify the **Employees, Former Employees and Corporate Officers** of the terms of the Offer, and to centralise their responses to the Offer.

To contribute their Shares to the Offer, the **Employees, Former Employees and Corporate Officers** shall complete and sign the contribution commitment letter provided as **Appendix A** (the “**Commitment Letter**”), stating the number of Shares that they wish to contribute to the Purchase Offer and the number of Shares that they wish to contribute to the Exchange Offer.

The Commitment Letter also includes a power of attorney given to Mr Izy Behar so that he may enter into and sign, on behalf of and for the Employee, Former Employee or Corporate Officer concerned, the contract for assignment of shares, the template of which is provided in **Appendix C** hereof (in the case of a contribution to the Purchase Offer) and/or the contract for contribution, the template of which is provided in **Appendix D** hereof (in the case of a contribution to the Exchange Offer) (please refer to Section 9.1 for more details).

The Employees, Former Employees and Corporate Officers may respond to the Offer in either of two ways:

- by hand-delivering the Commitment Letter to the Eutelsat Human Resources Division (the “**Eutelsat HRD**”), in return for a receipt, or
- by sending the Commitment Letter to the Eutelsat Human Resources Division (complying with the sending instructions specified by the Commitment Letter), with the following statement written on the envelope (this is a requirement): “*Réf: Offre de Liquidité*” (i.e., “Ref.: Liquidity Offer”).

Since the Offer is valid from 23 August 2007 to 14 September 2007, inclusive, the Initiator shall validly be entitled to refuse to purchase and/or exchange any Shares for which the Commitment Letter is not sent by letter with confirmation of receipt (or by any equivalent means, such as Federal Express or DHL, for shareholders who reside abroad, the date of proof of deposit bearing witness) or hand-delivered in return for the signature of a receipt, by 14 September 2007 at the latest.

### 4.2 Withdrawal option

Pursuant to Article L.341-16 of the French Monetary and Finance Code, the Employees, Former Employees and Corporate Officers who have responded favourably to the Offer each have an option to withdraw, without needing to give a reason and without incurring penalties, but which must be total regarding the entire Offer. In no circumstances may the withdrawal be partial.

This withdrawal option may be exercised up to (and including) the expiration date of the 14-calendar-day period as of the date of submission by hand or of dispatch by recorded mail (or by any equivalent means, such as Federal Express or DHL, for shareholders who reside abroad), the date of proof of deposit bearing witness, of the Commitment Letter to Eutelsat’s HR Department. In any case, the contribution to the Offer cannot validly take place prior to the expiration of the withdrawal period without the explicit consent of the Employee, Former Employee or Corporate Officer concerned.

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To exercise their right to withdraw, the Employees, Former Employees and Corporate Officers shall complete and validly sign the document attached in Appendix B entitled “**Withdrawal Form**” and send it prior to the end of the withdrawal period stated above to Eutelsat’s HR Department by recorded mail for French residents (or by any equivalent means, such as Federal Express or DHL, for eligible parties who reside abroad), the date of proof of deposit bearing witness.

If the option to withdraw is exercised, all the documents sent by the Employee, Former Employee or Corporate Officer concerned prior to the dispatch of the Withdrawal Form and concerning his/her participation in the Offer will automatically be considered null and void and BNP Paribas Securities Services will be required to keep a copy thereof for archiving purposes. In such a case, the Employee, Former Employee or Corporate Officer concerned shall not be entitled to claim payment of any compensation, on any grounds whatsoever.

## 5 INDICATIVE TIMETABLE OF THE OFFER

<u>23 August 2007</u>	<b>Opening of the Offer</b>
<u>14 September 2007</u>	<b>Closure of the Offer</b>
<u>28 September 2007</u>	End of the withdrawal period for the Employees, Former Employees and Corporate Officers who accepted the Offer on the last day of the period (14 September)
<u>15 October 2007</u>	Meeting of Board of Directors of Eutelsat Communications to approve the contributions in kind made by the Employees, Former Employees and Corporate Officers in connection with the Exchange Offer, and to decide to perform the corresponding capital increase (upon the delegation of the annual general meeting)  Transfer of the Shares assigned by the Employees, Former Employees and Corporate Officers in connection with the Purchase Offer, and payment of the Offered Price by the Initiator

## 6 RESTRICTIONS OF THE OFFER ABROAD

Dissemination of the Offer may be subject to special regulation in some countries. As a result, those individuals who own Eutelsat S.A. shares and wish to assign them or exchange them in connection with the Offer are required to ascertain the local restrictions which may apply, and to comply with them. The Initiator, BNP Paribas Securities Services and all of their respective affiliates decline any liability in the event of a violation by any individual of the legal or regulatory restrictions that apply to him/her.

The Offer is not and will not be made available, directly or indirectly, in the United States of America and may not be accepted, directly or indirectly, from the United States of America, or via letters emanating from the United States of America, or by any other means (including, though this list is not exhaustive, any telephonic or electronic means). As a result, copies of this document and of all the documents relating to the Offer are not and must not be sent by mail, sent or transmitted or otherwise distributed, to or from the United States of America (including, without this being exhaustive, by any legal representative, signing officer or agent) and those persons who receive this Offer document must not distribute, send by mail or transmit this document or any of the documents relating to the Offer to or from the United States of America. Any person who accepts the Offer shall be considered to have represented and warranted to the Initiator that he or she has complied with these restrictions, and any supposed acceptance of the

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Offer that is, directly or indirectly, an infringement of these restrictions, shall be considered invalid and unenforceable.

## 7 CHARACTERISTICS OF THE EUTELSAT COMMUNICATIONS SHARES SUBMITTED IN CONNECTION WITH THE EXCHANGE OFFER

### 7.1 Maximum number of Eutelsat Communications shares to be submitted in connection with the Exchange Offer

A maximum of 643,853 new Eutelsat Communications shares may be submitted in connection with the Exchange Offer (on the assumption that all Shares targeted by the Offer are contributed to the Exchange Offer).

The table below shows the impact of the Exchange Offer on the capital of Eutelsat Communications if these 643,853 new shares were issued in connection with the Offer:

Maximum number of Eutelsat Communications shares that can be issued in connection with the Offer	Maximum number of shares making up the capital of Eutelsat Communications after the closure of the Offer*	Maximum percentage of the capital of Eutelsat Communications owned by the Employees, Former Employees and Corporate Officers after the Offer*
643,853	220,821,258	0.29 %

\* On a non-diluted basis, taking into account the offer made to certain Telecommunications Operators (cf. Section 1, above) and by taking as an assumption that those Telecommunications Operators contributed all of their Eutelsat S.A. shares to the exchange offer that is being made to them by Eutelsat Communications.

### 7.2 Source of the Eutelsat Communications shares to be submitted in connection with the Exchange Offer

The **Employees, Former Employees and Corporate Officers** who choose to contribute their Shares to the Exchange Offer will enter into a contribution contract with Eutelsat Communications, such contract being subject to the approval of the Board of Directors of Eutelsat Communications.

The Eutelsat Communications shares that are submitted in return for the Eutelsat S.A. shares contributed to the Exchange Offer will be issued in connection with an increase of the registered capital of Eutelsat Communications without any preferential subscription rights decided upon by the Board of Directors of Eutelsat Communications. It is specified that pursuant to the provisions of Article L.225-147( 6) of the French Commercial Code, the annual general meeting of shareholders of Eutelsat Communications which met on 6 October 2005 delegated to the Board of Directors, for a term of twenty-six (26) months, the powers required to launch a capital increase to pay for the contributions in kind granted to the company for a capital increase of up to € 14,022,508.90.

The exact value of the capital increase will depend on the number of Eutelsat S.A. shares that are contributed to the Exchange Offer and will be decided upon after the closure of the Offer.

The new Eutelsat Communications shares will be issued in accordance with French law applicable by virtue of the provisions of Articles L.225-127 and seq. of the French Commercial Code and will be subject to all the stipulations set out in the company's articles of association.

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### **7.3 Characteristics of the Eutelsat Communications shares**

The Eutelsat Communications shares that are submitted in exchange for the Eutelsat S.A. shares in connection with the Exchange Offer are ordinary shares with a nominal value of one euro (€ 1.00), all of the same category as the existing shares, to which they will be equivalent from the time of their issuance.

These shares will be issued with current dividend eligibility and will provide entitlement to any dividend or any other form of distribution as of the date of their issuance, including any dividend or any other form of distribution decided upon by the shareholders' meeting ruling on the accounts of the financial year ended 30 June 2007, as long as the Employee, Former Employee or Corporate Officer concerned has the status of shareholder of the Initiator as at the date of such meeting. They shall provide entitlement to the proceeds of any liquidation in proportion to the portion of the share capital that they represent.

### **7.4 The risks associated with the Eutelsat Communications shares issued in connection with the Exchange Offer**

The Employees, Former Employees and Corporate Officers are notified to bear in mind that the Eutelsat Communications shares issued in connection with the Exchange Offer are financial instruments admitted for trading on a regulated market, which have special risk features as a result of their particular characteristics, and whose price depends on fluctuations of the financial markets over which the Initiator has no influence, and further that the past performance of the stock market price of these shares does not provide grounds for predicting future performance.

### **7.5 Tradability of the Eutelsat Communications shares issued in connection with the Exchange Offer – Listing**

There is no provision in the articles of association of Eutelsat Communications that limits the free tradability of the company's shares that will be delivered in connection with the Exchange Offer.

The shares issued under the Exchange Offer will be subject to a request for admission to trading in compartment A of the Eurolist market of Euronext Paris. This request for admission to trading will be made during the Offer period so that it is effective at the date of delivery of the shares delivered in exchange.

### **7.6 Presentation of Eutelsat Communications**

Information about the identity, characteristics, business as well as accounting and financial situation of Eutelsat Communications is available via the company's web site ([www.eutelsat.com](http://www.eutelsat.com)).

The company financial statements and the consolidated statements of Eutelsat Communications, the reports of its auditors and the management reports by its Board of Directors in respect of the last three financial years ended, as well as the articles of association of the company, are available upon simple request to the company's registered office (70, rue Balard -75015 Paris).

## **8 TAXATION**

### **8.1 Taxation treatment of the Offer**

The Employees, Former Employees and Corporate Officers are notified to bear in mind that this outline is a summary of the taxation treatment that applies to individuals who:

- received the Eutelsat S.A. shares upon exercising subscription options or purchase options of shares allocated under option subscription plans or stock option purchase plans governed by Articles L.225-177 to L.225-186 of the French Commercial Code;

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- were French residents for tax purposes at the time the subscription options or purchase options were allocated by Eutelsat S.A.; and
- will remain French residents for tax purposes until the end of the waiver period or, for the Employees, Former Employees and Corporate Officers taking part in the Exchange Offer, until the subsequent assignment of the Eutelsat Communications shares that they will receive in exchange for their Eutelsat S.A. shares.

This summary is not intended to serve as a full analysis of all the taxation effects that may apply to eligible persons’ individual situations. Furthermore, this summary is based on the French legal provisions currently in effect. It is specified that the provisions of the Law no. 2007-1223 dated 21 August 2007 in favour of work, employment and purchasing power as they relate to the taxation treatment of stock options do not apply to the Offer, since the Offer concerns only Eutelsat S.A. shares resulting from subscription or purchase options for shares that were allocated by Eutelsat S.A. prior to 20 June 2007.

The Employees, Former Employees and Corporate Officers taking part in the Offer are advised to consult their usual taxation advisor to examine their specific situation with him/her.

In particular, the Employees, Former Employees and Corporate Officers who are subject to tax regime other than that specified above and who are taking part in the Offer, particularly Employees, Former Employees and Corporate Officers who have changed tax residence since the allocation of the options, are advised to examine their specific situation with their usual taxation advisor.

#### **8.1.1 Taxation treatment of the Purchase Offer**

In accordance with Article 163 bis C I of the French General Taxation Code (“CGI”), taking into account the procedures of the Purchase Offer (in particular, the fact that the Offer concerns only the Eutelsat S.A. shares arising out of subscription or purchase options for shares that were issued by Eutelsat S.A. more than four years previous in the scope of plans governed by Articles L.225-177 to L.255-186 of the French Commercial Code and retained since the exercise of the options in registered form), the Employees, Former Employees and Corporate Officers will have the benefit of the taxation and social security treatment described below in respect of the capital gain realised upon contribution of the Eutelsat S.A. shares to the Purchase Offer. Such capital gain is broken down into a gain on purchase and a gain on sale.

##### *(a) Gain on purchase*

The gain on purchase, equivalent to the difference between (i) the value of the Eutelsat S.A. share on the date of exercise of the option and (ii) the exercise price of the option, plus – if applicable – the fraction of any discount taxed as salary on option exercise date will be taxed, upon contribution of the Eutelsat S.A. shares to the Purchase Offer, under the conditions laid down in Article 150-0A of the CGI, i.e., among other things, subject to the annual amount of the sales of marketable securities, corporate entitlements or similar securities performed by all the members of the tax household of the Employee, Former Employee or Corporate Officer exceeds a threshold set at € 20,000 for the assessment of income for 2007.

If this threshold is exceeded, and unless there is an option for taxation as salary at the progressive income tax rate, the gain on purchase will be subject to tax at the rates specified in Article 200 A 6 Paragraph 2 of the CGI, i.e. at:

- 30% for the annual portion of the gain that does not exceed € 152,000, and 40% in excess of that; or
- 16% for the annual portion of the gain that does not exceed € 152,000, and 30% in excess of that, if the shares were kept until the expiration of a carrying period of at least two years. This carrying period is defined as the period during which the shares will have been kept, after the expiration of the applicable restricted period of four years as of the allocation of the options (the “**Carrying Period**”).

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For the assessment of the above-mentioned € 20,000 threshold, two items will not be taken into account: sales of securities owned in connection with the company savings plan as mentioned in articles L.221-30 and L.221-31 of the French Monetary and Finance Code (“**PEA**”) and the exchanges of shares that are eligible for a suspension of taxation specified in Article 150-0 B of the CGI, including therefore the exchanges of Eutelsat S.A. shares made in connection with the Exchange Offer (cf. Section 8.2.2 below).

Under the same condition pertaining to the annual amount of the sales of securities certificates, corporate entitlements or similar securities, the gain upon acquisition will also be subject to the following social security deductions, charged at the total rate of 11%:

- the generalised social security contribution (“**CSG**”) at the rate of 8.2%, not deductible from the basis for taxation on income;
- the social security deduction of 2%, not deductible from the basis for taxation on income;
- the additional contribution of 0.3% on top of the 2% social security deduction, not deductible from the basis for taxation on income; and
- the contribution for the reimbursement of the social security debt (“**CRDS**”) at the rate of 0.5%, not deductible from the basis for taxation on income.

The gain on purchase will not be subject to the corporate subscriptions (medical / disability insurance, retirement).

(b) *Gain on sale*

Subject to the threshold in 2007 of the above-mentioned € 20,000 threshold, equivalent to the difference between the Offered Price and the value of the Eutelsat S.A. share as at the date of exercise of the other, shall be subject to , from the very first euro, to taxation on income at the rate of 16% and to the social security deductions stated above (cf. Section 8.1.1.(a)) at the total rate of 11%.

### 8.1.2 **Taxation treatment of the Exchange Offer**

In accordance with Article 150-0B of the French General Taxation Code (“**CGI**”), the capital gains realised in respect of the exchange of shares without balance (or with a balance that does not exceed 10% of the nominal value of the shares received in exchange) in connection with a contribution of securities to a company subject to corporation tax (“**IS**”), are not taxed in the year of the contribution. Upon the later sale of the shares granted in exchange, the capital gain on the sale is calculated with reference to the cost price of the shares contributed to the exchange.

Taking into account the terms of the Exchange Offer, the Employees, Former Employees and Corporate Officers who contribute their Eutelsat S.A. shares to the Exchange Offer are likely to receive, as compensation for their contribution, Eutelsat Communications shares and a Balance in cash of a maximum value of € 16.28. Subject to the Balance being less than 10% of the nominal value of the Eutelsat Communications shares received, the contribution by the Employees, Former Employees and Corporate Officers of Eutelsat S.A. shares to the Exchange Offer should be eligible for the provisions cited above in the Article 150-0B of the CGI. The Balance received will then be included in the capital gain from exchange benefiting from the suspension of taxation specified in Article 150-0B of the CGI and will therefore not be taxable upon the contribution.

The capital gain on exchange realised by by the Employees, Former Employees and Corporate Officers upon the contribution to the Exchange Offer should be eligible for the above-mentioned suspension of taxation, both in respect of the gain on sale (equivalent to the difference between (i) the first listed price of the Eutelsat S.A. share on the date of the capital increase of Eutelsat Communications, plus the Balance, and (ii) the value of the Eutelsat S.A. share on the exercise date of the option) and in respect of the gain on purchase (as defined above in Section 8.1.1.).

Please note that the possibility of being eligible for the suspension of taxation specified by Article 150-0B of the CGI in respect of the portion of the capital gain on exchange corresponding to the gain on purchase is not explicitly provided for by the applicable texts. However, since the Eutelsat

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S.A. shares contributed to the Exchange Offer will necessarily have been owned in nominative form up to the expiration of a period of four years as of the allocation of the options, the gain on purchase made by the Employees, Former Employees and Corporate Officers should, pursuant to Article 163 bis C I of the CGI, be subject to the taxation treatment of capital gains on the sale of marketable securities and therefore be eligible for the suspension of taxation specified in Article 150-0B of the CGI.

The Employees, Former Employees and Corporate Officers should bear in mind that the contribution of the Eutelsat S.A. shares to the Exchange Offer is likely to be considered as a transaction that interrupts the Carrying Period. As a result, upon the later sale of the Eutelsat Communications shares received in exchange, the portion of the capital gain on later sale which would correspond to the gain on purchase defined above could potentially not be eligible for the taxation at the reduced rates of 16% and 30%, as specified by Article 200 A 6(2) of the CGI (cf. Section 8.2.2.). The Employees, Former Employees and Corporate Officers who will not have kept their Eutelsat S.A. shares for a Carrying Period of two years and who nonetheless wish to take advantage of the abovementioned reduced taxation rates of 16% and 30% may therefore find it more advantageous, in taxation terms, not to contribute their Eutelsat S.A. shares to the Exchange Offer and to sell their Eutelsat S.A. shares after the expiration of this two-year Carrying Period in connection with the half-yearly liquidity windows from which they benefit in any case.

## **8.2 Taxation treatment of the Eutelsat Communications shares granted in exchange for the Eutelsat S.A. shares in connection with the Exchange Offer**

The Employees, Former Employees and Corporate Officers should bear in mind that this outline is a summary of the taxation treatment that applies to individuals who:

- received the Eutelsat S.A. shares at the conclusion of the exercise of subscription options or purchase options of shares allocated under option subscription plans or stock option purchase plans governed by Articles L.225-177 to L.225-186 of the French Commercial Code;
- will receive Eutelsat Communications shares following the contribution of those Eutelsat S.A. shares to the Exchange Offer,
- were French residents for tax purposes at the time in which the subscription options or purchase options were allocated by Eutelsat S.A.; and
- will remain French residents for tax purposes until the later assignment of the Eutelsat Communications shares that they will receive in exchange for their Eutelsat S.A. shares.

This summary is not intended to serve as a full analysis of all taxation effects that may apply to eligible persons' individual situations. Furthermore, this summary is based on the French legal provisions currently in effect. It is specified that the provisions of Law no. 2007-1223 dated 21 August 2007 in favour of work, employment and purchasing power as they relate to the taxation treatment of stock options do not apply to the Offer, since the Offer concerns only Eutelsat S.A. shares that come about through subscription or purchase options for shares that were allocated by Eutelsat S.A. prior to 20 June 2007. The Employees, Former Employees and Corporate Officers taking part in the Offer are advised to consult their usual taxation advisor in order to examine their specific situation. In particular, the Employees, Former Employees and Corporate Officers who are subject to a tax regime other than that specified above and who are taking part in the Exchange Offer, particularly Employees, Former Employees and Corporate Officers who have changed tax residence since the allocation of the share subscription options, are advised to examine their specific situation with their usual taxation advisor.

### **8.2.1 Dividends**

The dividends paid out by Eutelsat Communications shall be included in the taxable income of the shareholder in the category of investment revenues in respect of the year in which they are received.

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These dividends will be subject to income tax on a progressive scale after the application of a general uncapped deduction of 40% of the revenues distributed, then, after taking into account the deductible costs and charges, of a second fixed annual deduction. This second deduction amounts to € 3,050 for married couples and partners in a civil partnership ["PACS"] who are subject to joint taxation and € 1,525 for single individuals, widows, divorcees, and married couples and partners in a civil partnership who are subject to separate taxation.

These dividends also benefit from a tax credit, equal to 50% of the amount of the dividends received, prior to application of the two deductions mentioned above, and capped annually at € 230 for married couples and partners in a civil partnership ["PACS"] who are subject to joint taxation and € 115 for single individuals, widows, divorcees, and married couples or partners in a civil partnership who are subject to separate taxation. This tax credit may be charged against the total amount of taxation on income to be paid in respect of the year of receipt of the dividends and is refundable in the case of an excess that is greater than or equal to eight euros (€ 8.00).

Lastly, the dividends paid out by Eutelsat Communications, prior to application of the two deductions mentioned above, but after deduction of the expenses for purchase and retention of the revenue, will also be subject to the social security deductions stated above at the total rate of 11% (CSG, CRDS, social security deduction of 2%, and additional contribution to the social security deduction of 0.3%).

### 8.2.2 **Capital gains**

The sale of the Eutelsat Communications shares granted in exchange relating to the Exchange Offer may terminate the taxation suspension specified in Article 150-0B of the CGI for which the Employees, Former Employees and Corporate Officers should be eligible upon the contribution of Eutelsat S.A. shares to the Exchange Offer. As a result, the capital gain on sale of the Eutelsat Communications shares will be calculated according to the price of the Eutelsat S.A. shares contributed to the Exchange Offer. Such capital gain on sale will be broken down into a gain on purchase and a gain on sale.

#### (a) *Gain on purchase*

Subject to the annual threshold of sales of securities and corporate entitlements stated in Article 150-0A of the CGI (set at € 20,000 for 2007) being exceeded, the year of sale of the Eutelsat Communications shares, the gain on purchase made by the Employees, Former Employees and Corporate Officers who were eligible for the suspension of taxation upon the contribution of the Eutelsat S.A. shares to the Exchange Offer will be taxable in respect of the year of the sale of the Eutelsat Communications shares.

As stated above (cf. Section 8.1.1.), this gain on purchase will be equal to the difference between (i) the value of the Eutelsat S.A. share on the date of exercise of the option and (ii) the exercise price of the option.

This gain on purchase should be subject to income tax at the rates set forth in Article 200 A 6 of the CGI, except for option for the taxation as salary at the progressive rate of income tax. It is noted that the contribution of the Eutelsat S.A. shares to the Exchange Offer may be considered by the tax authority as a transaction that interrupted the Carrying Period.

Hence, except for option for the taxation as salary at the progressive rate of income tax, the gain on purchase should be subject to taxation at the rate of:

- 27% for the annual portion of the gain not in excess of € 152,000 and at 41% beyond that, inclusive of the social security deductions at the rate of 11%, if the Eutelsat S.A. shares were contributed to the Exchange Offer after being kept for a Carrying Period of two (2) years;
- 41% for the annual portion of the gain not in excess of € 152,000 and at 51% beyond that, inclusive of the social security deductions at the rate of 11%, in other cases.

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(b) *Gain on sale*

Subject to the annual threshold of sales of marketable securities and corporate entitlements stated in Article 150-0A of the CGI (set at € 20,000 for 2007) being exceeded, the year of sale of the Eutelsat Communications shares, the Balance of the capital gain achieved in respect of the sale of the Eutelsat Communications shares, plus the Balance received upon the to the Exchange Offer, and the value of the Eutelsat S.A. shares on the date of exercise of the option, will be subject, as of the first euro, to income tax at the rate of 16% and to the social security deductions, at the total rate of 11% stated above (cf. Section 8.1.1).

For the calculation of the income tax at the proportional rate of 16%, the gain on sale will be reduced by a deduction of one third for each year of holding of the Eutelsat Communications shares beyond the fifth, subject to the taxpayer being able to prove the term and the continuous nature of the holding of the shares sold.

Since the Eutelsat Communications shares will have been received during a transaction involving the contribution of securities, which benefited from the suspension of taxation set forth in Article 150-0B of the CGI, the holding period, for the application of that deduction, will be counted from 1<sup>st</sup> January 2006 or, if that date is later, as of 1<sup>st</sup> January of the year of subscription or purchase of the Eutelsat S.A. shares contributed to the Exchange Offer (i.e., as of 1<sup>st</sup> January 2007).

The deduction does not extend to the calculation of the social security deductions mentioned above, which remain payable at the total rate of 11% on the entire gain on sale.

The capital loss on sale that may be sustained upon the sale of the Eutelsat Communications shares should be able to be charged against the gain on purchase mentioned above and against the capital gains of similar kind made during the year of sale or the ten subsequent years, on the proviso that the annual threshold of the sales of securities and corporate entitlements stated in Article 105-0A of the CGI was exceeded in the year of occurrence of the capital loss.

However, it is specified that, for the determination of income tax, the deduction for the holding term stated above applies to the capital losses as well as to the capital gains on sale, so that the capital loss realised on the sale of Eutelsat Communications shares should only be able to be charged against the above-mentioned gain on purchase and on the capital gains of the same kind at the level of its amount reduced by the deduction for holding period, if any. Hence, a capital loss made upon the sale of Eutelsat Communications shares held for more than eight (8) years should not be able to be charged against the gain on purchase, or on the capital gains made during that same year, or on the capital gains made over the next ten years.

### **8.2.3 Taxation treatment of the “PEA”**

The Eutelsat Communications shares received in exchange for Eutelsat S.A. shares contributed to the Exchange Offer will not be eligible for the taxation treatment of the PEA stock savings scheme.

### **8.2.4 Wealth solidarity tax [“ISF”]**

The Eutelsat Communications shares owned by the Employees, Former Employees and Corporate Officers within the scope of their private assets will be included in their taxable assets and, as appropriate, subject to the wealth solidarity tax (“*impôt de solidarité sur la fortune*” or “*ISF*”). However, the Eutelsat Communications shares owned by the Employees and Corporate Officers are likely to be eligible for an exemption from the wealth solidarity tax at the level three quarters of their value, under certain conditions, and in particular on the proviso that the Employee or Corporate Officer keeps these shares for six (6) years as of 1<sup>st</sup> January of the year for which the exemption is requested for the first time. However, the Employees and Corporate Officers are advised to consult their usual taxation advisor to determine whether and under which conditions such exemption would apply to them.

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#### 8.2.5 **Inheritance and donation duties**

The Eutelsat Communications shares that may be transferred via inheritance or donation would trigger the application of estate tax or gift tax in France.

## 9 MICELLANEOUS

### 9.1 **Contractual relationships**

The Employees, Former Employees and Corporate Officers who choose to sell their Eutelsat S.A. securities to Eutelsat Communications in connection with the Purchase Offer will provide a power of attorney to Mr Izy Behar so that he may, on their behalf and for them, enter into a contract for sale of shares with Eutelsat Communications according to the model for such provided in Appendix B hereof (hereinafter, the “**Assignment Contract**”).

The Employees, Former Employees and Corporate Officers who choose to contribute their Eutelsat S.A. securities to Eutelsat Communications in connection with the Exchange Offer in return for Eutelsat Communications shares to be issued will provide a power of attorney to Mr Izy Behar so that he may, on their behalf and for them, enter into a contract for contribution of shares, which will be submitted for the approval by the Board of Directors of Eutelsat Communications, according to the model provided in Appendix C hereof (hereinafter, the “**Contribution Contract**”).

The Assignment Contract and the Contribution Contract will be entered into in Paris upon the expiration of the withdrawal right specified in Section 4.2, “Withdrawal Right” above.

This document and all of the contractual documents drawn up in connection with this Offer will be produced solely in French.

### 9.2 **Applicable law – Dispute settlement**

This document and all of the contractual documents drawn up in connection with this Offer shall be governed by French law and all disputes that may arise in connection with the Offer shall fall within the jurisdiction of the appropriate court that reports to the Paris Court of Appeal [*“Cour d’Appel”*].

No extra-judicial process for complaint or appeal is specified in respect of the contractual relationships arising out of the Offer.

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## APPENDIX A: COMMITMENT LETTER

**TO BE HAND-DELIVERED OR SENT TO:**

**Eutelsat Communications**

70, rue Balard

75015 Paris

**Stating on the envelope (this is a requirement): "Réf: Offre de Liquidité" (i.e., "Ref.: Liquidity Offer")**

Recorded-mail letter / Hand-delivered letter <sup>1</sup>

**Re: Letter of commitment to sell and/or contribute my Eutelsat S.A. shares to Eutelsat Communications**

**Identification form**

<b><i>I, the undersigned,</i></b>	<b>Surname:</b> <b>First name:</b>
<b><i>Born on</i></b>	
<b><i>With address for service at</i></b>	<b>Street/Bvd./Av. :</b> <b>Municipality:</b> <b>Postcode:</b>
<b><i>Shareholder number</i></b>	

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<sup>1</sup> Delete the statement that does not apply.

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**1. Commitment to sell and/or contribute my Eutelsat S.A. shares to Eutelsat Communications**

**Represent** that I wish to take part in the purchase offer of my shares in the company Eutelsat S.A., a “société anonyme” (a kind of public limited company) whose registered office is at 70, rue Balard, 75015 Paris and which is recorded on the Paris trade and companies register [“RCS”] with number 422 551 176 (hereinafter, “**Eutelsat S.A.**”), which was made to me by the company Eutelsat Communications, a “société anonyme” with capital of € 217,401,082, whose registered office is at 70, rue Balard, 75015 Paris, and recorded on the Paris trade and companies register [“RCS”] with number 481 043 040 (hereinafter, “**Eutelsat Communications**”) in accordance with the offer document that was sent to me;

**Represent** that I have taken note:

- of the terms and conditions of the private offer of exchange and/or of purchase of shares specifying the shares of the company Eutelsat S.A. and initiated by Eutelsat Communications; and
- of the terms and conditions of the template contribution agreement and of the template sale agreement for the Eutelsat S.A. shares (provided in Appendices C and D of the information memorandum that was provided to me);

**Represent that I shall adhere strictly to the terms and conditions of the sale contract or exchange contract of the Eutelsat S.A. shares, as the case may be, and consequently**

**Represent** that I make a commitment:

- to sell to Eutelsat Communications in connection with the Purchase Offer at a price of five euros and twenty euro cents (€ 5.20) per Eutelsat S.A. share:

<p>. [.....] (in figures)</p>	<p>[..... .....] (in words)</p>	<p>Eutelsat S.A. shares coming from the exercise of my share subscription options in the 4 July 2001 Plan</p>
<p>. [.....] (in figures)</p>	<p>[..... .....] (in words)</p>	<p>Eutelsat S.A. shares coming from the exercise of my share subscription options in the 25 October 2001 Plan</p>
<p>. [.....] (in figures)</p>	<p>[..... .....] (in words)</p>	<p>Eutelsat S.A. shares coming from the exercise of my share subscription options in the 5 November 2002 Plan</p>

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	. [.....] (in figures)	[.....] .....] (in words)	Eutelsat S.A. shares coming from the exercise of my share subscription options in the 24 February 2003 Plan
<hr/>			
Total	[.....]	[.....]	Eutelsat S.A. shares <sup>2</sup>

- to contribute to Eutelsat Communications in connection with the Exchange Offer pursuant to an exchange ratio of 0.3192 of a Eutelsat Communications share for one Eutelsat S.A. share:

	. [.....] (in figures)	[.....] .....] (in words)	Eutelsat S.A. shares coming from the exercise of my share subscription options in the 04 July 2001 Plan
	. [.....] (in figures)	[.....] .....] (in words)	Eutelsat S.A. shares coming from the exercise of my share subscription options in the 25 October 2001 Plan
	. [.....] (in figures)	[.....] .....] (in words)	Eutelsat S.A. shares coming from the exercise of my share subscription options in the 5 November 2002 Plan
	. [.....] (in figures)	[.....] .....] (in words)	Eutelsat S.A. shares coming from the exercise of my share subscription options in the 24 February 2003 Plan
Total	[.....]	[.....]	Eutelsat S.A. shares <sup>3</sup>

**Acknowledge** that this commitment is granted subject to the withdrawal option specified by Article L.341-16 of the French Monetary and Finance Code that I have, a withdrawal option that I may exercise by returning to Eutelsat Communications (with the following statement written on the envelope (this is a requirement): "*Réf: Offre de Liquidité*" (i.e., "Ref.: Liquidity Offer") the form attached in the appendix hereto, duly filled in, within fourteen (14) calendar days as of the date of hand delivery or dispatch via recorded mail (or by any equivalent means, such as Federal Express or DHL, for shareholders who reside abroad), the date of proof of deposit bearing witness, of this instrument.

<sup>2</sup> If no specification, the Eutelsat S.A. shares sold will be taken in the order of their purchase according to the "first in, first out" method.

<sup>3</sup> If no specification, the Eutelsat S.A. shares contributed will be taken in the order of their purchase according to the "first in, first out" method.

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## **2. Powers**

To implement my commitment, I give all powers to:

**Mr Izy BEHAR**

**Human Resources Manager**

(hereinafter referred to as “**the Agent**”)

to sign on my behalf and for me the contract for sale of shares (in the case of a contribution to the Purchase Offer) and/or the contribution agreement (in the case of a contribution to the Exchange Offer) in a form substantially conforming to the draft appended to the offer document that was sent to me, and to perform any act and fulfil any formality helpful or necessary and more generally to do all that is required to enable the implementation of my commitment stated at para. 1 hereof, above.

## **3. Bank account details**

To ensure the proper conclusion of the purchase and exchange transactions, I – by necessity – attach hereto a **slip providing bank account details**.

Executed in \_\_\_\_\_, on \_\_\_\_\_

(Signature)<sup>4</sup> \_\_\_\_\_

**Please retain a copy of this document**

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<sup>4</sup> Before the signature, please hand-write “*bon pour engagement de céder et/ou d’apporter mes actions Eutelsat S.A. comme mentionné ci-dessus et bon pour pouvoir*” (which means “good for commitment to sell and/or contribute my Eutelsat S.A. shares, as stated above and good for power of attorney”).

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## APPENDIX B: WITHDRAWAL FORM

### Withdrawal Form

**Private Offer to Purchase or Exchange Shares  
targeting the shares of Eutelsat S.A.  
initiated by Eutelsat Communications**

It is noted that in the case of exercise of the withdrawal option, this form must – to be considered – be returned **by recorded mail solely** (or by any equivalent means, such as Federal Express or DHL, for shareholders who reside abroad), duly **filled in and signed**, to the following address:

**Eutelsat Communications**

70, rue Balard

75015 Paris

**Stating on the envelope (this is a requirement): “Réf: Offre de Liquidité” (i.e., “Ref.: Liquidity Offer”)**

**no later than** the expiration date of the 14-calendar-day period as of the date of submission by hand or of dispatch by recorded mail (or by any equivalent means, such as Federal Express or DHL, for shareholders who reside abroad), the date of proof of deposit bearing witness, of the Commitment Letter to the Human Resources Division of Eutelsat S.A.

I, the undersigned **(1)** .....

**REPRESENT** that I have made a commitment to:

- sell **(2)** .....  
Eutelsat S.A. shares in connection with the Purchase Offer and/or
- exchange **(2)** .....  
Eutelsat S.A. shares in connection with the Exchange Offer.

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**REPRESENT** that I am exercising the withdrawal option that is granted to me (i) by Article L.341-16 I of the French Monetary and Finance Code and (ii) by the terms of the Offer. I therefore hereby waive the entire Offer.

Executed in **(1)** ....., on **(1)** .....

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Signature

**(1)** *This must be filled in.*

**(2)** *This must be filled in, in both words and figures.*

**Please notify the Eutelsat Human Resources Division  
(on +33 (0)1.53.98.47.47) as soon as you have sent your withdrawal form.**

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**APPENDIX C: ASSIGNMENT CONTRACT**

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**CONTRACT FOR THE ASSIGNMENT OF SHARES**

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**BETWEEN**

**EUTELSAT COMMUNICATIONS**

**AND**

**THE ASSIGNORS**

**DATED [10 OCTOBER] 2007**

## THE FOLLOWING PARTIES

- 2 **EUTELSAT COMMUNICATIONS**, a "*société anonyme*" (a kind of public limited company) with capital of € 217,401,082, recorded on the Paris trade and companies register ["RCS"] with number 481 043 040, represented for the purposes hereof by Mr Giuliano Berretta;

Hereinafter referred to as the "**Purchaser**"

**PARTY OF THE FIRST PART,**

## AND

- 3 The persons identified in Appendix A hereto, represented for the purposes hereof by Mr Izy Behar by virtue of a power of attorney.

Hereinafter referred to jointly as the "**Assignors**" and individually as an "**Assignor**"

**PARTY OF THE SECOND PART,**

The Purchaser and the Assignors are hereinafter individually referred to as a "**Party**" and jointly as the "**Parties**".

## WHEREAS:

- (A) Eutelsat S.A. (the "**Company**") is a "*société anonyme*" (a kind of public limited company) whose registered office is at 70, rue Balard, 75015 Paris and which is recorded on the Paris trade and companies register ["RCS"] with number 422 551 176;
- (B) As at the date of this instrument, the registered capital of the Company amounted to [●] euros (€ [●]), divided into [●] shares of the same category of a nominal value of € 0.65 each;
- (C) As at the date of this instrument, the Assignors jointly own, according to a distribution specified in Appendix A, [●] shares representing [●] per cent ([●]%) of the Company's capital and voting rights;
- (D) Eutelsat Communications offered to purchase the shares of the Assignors in the Company in connection with a sale in return for cash, or a contribution in kind compensated in new shares of Eutelsat Communications to be issued, at the choice of the Assignors;
- (E) The Assignors have expressed their intention to assign the shares of the Company that they own to Eutelsat Communications (the "**Assigned Shares**");
- (F) Each Assignor has entered into a letter of commitment under the terms of which s/he has made a commitment to assign to Eutelsat Communications the number of Eutelsat S.A. shares stated opposite her/his name in Appendix A, and has given power of attorney to Mr Izy Behar to enter into this contract for the assignment of shares on her/his behalf and for her/him. Furthermore, each Assignor acknowledges that s/he has received the contractual conditions and the information required by law concerning direct selling in the banking and finance sector, as well as by the General Regulation of the AMF, and Instruction no. 2005-11 also from the AMF dated 13 December 2005;
- (G) Each Assignor acknowledges that s/he has, pursuant to Article L.341-16 of the Monetary and Finance Code, a withdrawal period of fourteen (14) full calendar days as of the date of signature of the commitment letter specified in Section F above, and confirms that s/he has not made use of this withdrawal option;

- (H) The purpose of this contract is to lay out the terms and conditions of the assignment of the Assigned Shares by the Assignors to the Purchaser.

## **HAVE AGREED AS FOLLOWS:**

### **ARTICLE 1: SALE AND PURCHASE OF THE SHARES**

Pursuant to the terms and conditions of this Agreement, the Assignors assign and the Purchaser purchases the Assigned Shares, in full ownership and free of any personal or real surety, easement or lien.

The transfer of the Assigned Shares will take place on the Transfer date (as defined in Article 5) pursuant to the provisions of Article 5, below.

### **ARTICLE 2: OWNERSHIP AND POSSESSION OF THE SHARES**

The Purchaser shall have full ownership of the Assigned Shares and of all the rights and entitlements that are or may in the future attach to them, in particular, all rights to dividends and interest that are attaching to the Shares, as of the Transfer Date.

To this purpose, the Purchaser shall be substituted into all the rights and obligations of the Assignor with reference to the Assigned Shares as of the Transfer Date.

### **ARTICLE 3: ASSIGNMENT PRICE**

The Assigned Shares are assigned by the Assignors to the Purchaser for a price of five euros and twenty euro cents (€ 5.20) per Assigned Share, making a total of [●] euros (€ [●]) (the “**Assignment Price**”).

This distribution of the Assignment Price among the Assignors is stated in Appendix A hereto.

As at the Transfer Date, the Purchaser shall pay in cash to each of the Assignors the amount stated opposite her/his name in Appendix A by bank transfer to the account, the details of which have been supplied by each of the Assignors to BNP Paribas Securities Services.

### **ARTICLE 4: REPRESENTATIONS AND WARRANTIES OF THE ASSIGNOR**

Each of the Assignors represents and warrants to the Purchaser that, as regards himself/herself, each of the representations and warranties that follow are accurate and complete as at the date hereof and will be accurate and complete on the Transfer Date:

- 4.1** The Assigned Shares were validly issued, subscribed, are entirely paid up and have not been bought back or refunded by the Company;
- 4.2** As at the Transfer Date, the Assigned Shares will be free of all commitments, third party rights or sureties, and will not be encumbered by any recording whatsoever, and in particular will not be subject to any pledge;

In particular, the Assignors represent that the applicable tax restricted period of four (4) years specified in Article 163 bis C 1 of the French General Taxation Code ("**CGI**") governing options for the subscription or purchase of shares expired as at the Date of Final Completion of the Contribution;

- 4.3** As at the Transfer Date, no hindrance will exist that may hamper the free transfer of the Assigned Shares;
- 4.4** He/she has full capacity to assign to Eutelsat Communications the Assigned Shares pursuant to the terms of this contract. This contract constitutes valid obligations for him/her that bind him/her in accordance with its terms.

#### **ARTICLE 5: TRANSFER OF THE SHARES**

The transfer of ownership and possession of the Assigned Shares will take place on [15 October 2007], unless the Parties agree to postpone such date (the "**Transfer Date**").

As of the Transfer Date:

- The Purchaser shall deliver to Mr Izy Behar, acting in his capacity as agent of the Assignors, a copy of the irrevocable instructions for electronic transfer of the Assignment Price to the bank accounts of the Assignors; and
- Mr Izy Behar will deliver to the Purchaser the transfer orders duly signed relating to the transfer in favour of the Purchaser of all the Assigned Shares.

#### **ARTICLE 6: TRANSFER, SUBSTITUTION**

The rights and obligations arising out of this Contract may not be transferred by any of the Parties without the prior written consent of the other Party. However, the Purchaser shall have the option of substituting any company that s/he controls (as defined by Article L.233-3 of the French Commercial Code), either directly or indirectly, into all her/his rights and obligations arising out of this Contract.

#### **ARTICLE 7: COSTS**

Each of the Parties shall cover all the costs and expenses incurred by it in connection with this instrument and the transactions specified herein, including but not restricted to, the fees for service and out-of-pocket expenses of any lawyer, advisor, certified accountant or any other person or entity whose services were used by that Party. The stamp duty will be paid by the Purchaser.

#### **ARTICLE 8: APPLICABLE LAW AND COURTS WITH JURISDICTION**

This Contract is governed by French Law.

All disputes that may arise relating to the interpretation or performance of this Contract will come under the jurisdiction of the competent court that reports to the Paris Court of Appeal [*"Cour d'Appel"*].

Executed in [●],

in as many originals as there are parties, plus one original for registration purposes.

Dated [10 October] 2007

**Eutelsat Communications**

Represented by:

Mr Giuliano Berretta

**The Assignors**

Represented by:

Mr Izy Behar



**AGREEMENT FOR THE CONTRIBUTION OF SHARES**

**BETWEEN**

**EUTELSAT COMMUNICATIONS**

**AND**

**THE CONTRIBUTORS**

**DATED [10 OCTOBER] 2007**

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## AGREEMENT FOR THE CONTRIBUTION OF SHARES

### BETWEEN:

### THE FOLLOWING PARTIES

**EUTELSAT COMMUNICATIONS**, a “*société anonyme*” (a kind of public limited company) with capital of € 217,401,082, recorded on the Paris trade and companies register [“RCS”] with number 481 043 040, represented for the purposes hereof by Mr Giuliano Berretta;

Hereinafter referred to as “**Eutelsat Communications**,”

**PARTY OF THE FIRST PART,**

### AND

The persons identified in Appendix A hereto, represented for the purposes hereof by Mr Izy Behar by virtue of a power of attorney.

Hereinafter referred to jointly as the “**Contributors**” and individually as a “**Contributor**”

**PARTY OF THE SECOND PART,**

Eutelsat Communications and the Contributors are hereinafter individually referred to as a “**Party**” and jointly as the “**Parties**”.

### WHEREAS:

- (A) Eutelsat S.A. (the “**Company**”) is a “*société anonyme*” (a kind of public limited company) whose registered office is at 70, rue Balard, 75015 Paris, and which is recorded on the Paris trade and companies register [“RCS”] with number 422 551 176;
- (B) As at the date of this instrument, the registered capital of the Company amounted to [●] euros (€ [●]), divided into [●] shares of the same category of a nominal value of € 0.65 each;
- (C) As at the date of this instrument, the Contributors jointly own, according to a distribution specified in Appendix A hereto, [●] shares representing [●] per cent ([●]%) of the Company’s capital and voting rights;
- (D) Eutelsat Communications offered to purchase the shares of the Contributors in the Company in connection with a sale in return for cash, or a contribution in kind compensated in new shares of Eutelsat Communications to be issued, at the choice of the Contributors;
- (E) The Contributors have expressed their intention to assign the shares of the Company that they own to Eutelsat Communications (the “**Contributed Shares**”);

- (F) Pursuant to the provisions of Articles L.225-147, R.225-7, R.225-8 and R.225-136 of the French Commercial Code, Mr Dominique Ledouble and Mr Jean-Charles de Lasteyrie on 13 August 2007 were appointed “*commissaires aux apports*,” or commissioners for the contributions, by order of the Presiding Judge of the Paris Commercial Court [“*Tribunal de Commerce de Paris*”];
- (G) Each Contributor has entered into a letter of commitment under the terms of which s/he has made a commitment to contribute to Eutelsat Communications the number of Eutelsat S.A. shares stated opposite her/his name in Appendix A, and has given power of attorney to Mr Izy Behar to enter into this contribution agreement on her/his behalf and for her/him. Furthermore, each Contributor acknowledges that s/he has received the contractual conditions and the information required by law concerning direct selling in the banking and finance sector, as well as by the General Regulation of the AMF, and Instruction no. 2005-11 also from the AMF dated 13 December 2005;
- (H) Each Contributor acknowledges that s/he has, pursuant to Article L.341-16 of the Monetary and Finance Code, a withdrawal period of fourteen (14) full calendar days as of the date of signature of the commitment letter specified in Section H above, and confirms that s/he has not made use of this withdrawal option;
- (I) The purpose of this agreement is to lay out the terms and conditions of this contribution in kind (the “**Contribution Agreement**”).

## **HAVE AGREED AS FOLLOWS:**

### **ARTICLE 1. CONTRIBUTION AND VALUATION**

- 1.1 Subject to the fulfilment of the conditions precedent stipulated at Article 5, below, the Contributors contribute the Contributed Shares to Eutelsat Communications, to which Eutelsat Communications agrees, in consideration of the compensation stipulated in Article 2 below (hereinafter, the “**Contribution**” or the “**Contributions**”).
- 1.2 The Contribution is subject to the regular codified law concerning contributions in kind.
- 1.3 The Parties agree to use as the valuation of the Contributed Shares the total amount price of [●] euros (€ [●]) (i.e., five euros and twenty euro cents (€ 5.20) per Contributed Share).

### **ARTICLE 2. COMPENSATION FOR THE CONTRIBUTION**

#### **2.1 CAPITAL INCREASE OF EUTELSAT COMMUNICATIONS AND CONTRIBUTION PREMIUM**

On the basis of the value of the Contributed Shares, estimated at € 5.20, the Contribution is granted and agreed to in consideration of (i) the issuance by Eutelsat Communications in favour of the Contributors, as at the Date of Final Completion of the Contribution (as defined below), of [●] new shares (hereinafter, jointly, the “**New Shares**”), of a nominal value of one euro (€ 1.00) each, fully paid up, to be issued by Eutelsat Communications as a capital increase, at the unit price of [●] euros (€ [●]), i.e., with a contribution premium of [●] euros (€ [●]) per New Share issued in this way, and (ii) in the event of a portion of New Share, of payment of a balance to the Contributors concerned.

The distribution of the New Shares and of the Balance among the Contributors is detailed in Appendix A hereto.

As a result, in compensation for the Contributions made to it by the Contributors, Eutelsat Communications will increase its capital by a total amount of [●] New Shares, of a nominal value of one euro (€ 1.00), with a total contribution premium of [●] euros (€ [●]), to which all the rights of all the shareholders will relate. This amount will be recorded on a special account called the “*contribution premium*” entered into the liabilities of the balance sheet of Eutelsat Communications.

The contribution premium will receive all allocations decided by the general meeting of shareholders of Eutelsat Communications.

## **2.2 CREATION OF THE NEW SHARES**

**2.2.1** The New Shares will possess current dividend eligibility, will be fully paid up and will immediately be treated in the same way as the existing Eutelsat Communications shares, and will be subject to all the provisions of the articles of association and to the decisions of the general shareholders’ meetings of Eutelsat Communications. They will provide entitlement to the payment of any dividend that may be decided after their creation.

**2.2.2** The New Shares will be negotiable from the Date of Final Completion of the Contribution (as defined in Article 5, below) and will be subject to a request for admission to trading on the Eurolist market of Euronext Paris in the same line of listing as the existing Eutelsat Communications shares.

## **ARTICLE 3. OWNERSHIP AND POSSESSION OF THE CONTRIBUTED SHARES**

**3.1** Eutelsat Communications will have full and entire ownership of the Contributed Shares as of the Date of Final Completion of the Contribution.

The New Shares will be contributed possessing current dividend eligibility, with all the same rights that will or may in the future attach to them, in particular all rights to the dividends attaching to the Contributed Shares, as of the Date of Final Completion of the Contribution.

**3.2** Eutelsat Communications will be substituted into the rights and obligations attaching to the Contributed Shares as of the Date of Final Completion of the Contribution.

## **ARTICLE 4. REPRESENTATIONS, WARRANTIES AND COMMITMENTS OF THE CONTRIBUTORS**

Each of the Contributors represents and warrants to Eutelsat Communications that, as regards himself/herself, each of the representations and warranties that follow are accurate and complete as at the date hereof and will be accurate and complete on the Date of Final Completion of the Contribution:

**4.1** The Contributed Shares were validly issued, subscribed, are entirely paid up and have not been bought back or refunded by the Company;

**4.2** As at the Date of Final Completion of the Contribution, the Contributed Shares will be free of all commitments, third party rights or sureties, and will not be encumbered by any recording whatsoever, and in particular will not be subject to any pledge;

In particular, the Contributors represent that the applicable tax restricted period of four (4) years specified in Article 163 bis C 1 of the French General Taxation Code (“CGI”) governing options for the subscription or purchase of shares expired as at the Date of Final Completion of the Contribution;

**4.3** As at the Date of Final Completion of the Contribution, no hindrance will exist that may hamper the free transfer of the Contributed Shares;

**4.5** He/she has full capacity to contribute to Eutelsat Communications the Contributed Shares pursuant to the terms of this Contribution Agreement. This Contribution Agreement constitutes valid obligations for him/her that bind him/her in accordance with its terms.

**ARTICLE 5.      CONDITION PRECEDENT**

**5.1**    The Contribution is subject to the fulfilment of the following condition precedent:

**5.1.1** The approval by the Board of Directors of Eutelsat Communications, on the delegation of the annual general meeting of shareholders which was held on 6 October 2005, which ruled, especially in light of the report by the commissioners for the contributions, who were appointed on 13 August 2007 by order of the Presiding Judge of the Paris Commercial Court [*"Tribunal de Commerce de Paris"*] and of the Contribution Agreement, (i) of the Contribution and (ii) of the increase in the capital of Eutelsat Communications in compensation of the Contribution by issuance of [●] New Shares, of a nominal value of one euro (€ 1.00) each;

**5.2**    The Contribution of each Contributor will be performed in a final manner only as of the fulfilment of the condition precedent specified in Article 5.1 above. The date on which the condition precedent will be fulfilled is hereinafter referred to as the **"Date of Final Completion of the Contribution."**

In the event that the condition precedent stated in Article 5.1, above, is not fulfilled by 31 October 2007, at the latest, the Contribution Agreement will be terminated automatically, unless the Parties agree otherwise, and all the rights and obligations arising out of the Contribution Agreement will be considered invalid and without effect, with no compensation being payable by or to either Party.

**ARTICLE 6.      STAMP DUTY**

This Contribution, with respect to stamp duty, will be subject to a flat fee of five hundred euros (€ 500), as specified by Article 810 of the CGI.

**ARTICLE 7.      APPLICABLE LAW – DISPUTE SETTLEMENT**

**7.1**    The Contribution Agreement will be governed and construed according to French law.

**7.2**    Any dispute that may arise between the Parties with respect to the validity, interpretation or performance of this Contribution Agreement will come within the jurisdiction of the Paris Commercial Court [*"Tribunal de Commerce de Paris"*].

To make all filings, publications, service of instruments, notices and generally all the formalities laid down by law and by regulation, all powers are given to the bearer of an original, a certified copy or certified extract of the Contribution Agreement.

Executed in Paris, on [10 October] 2007,

in as many originals as there are parties, plus one original for registration purposes.

**Eutelsat Communications**

Represented by:

Mr Giuliano Berretta

**The Contributors**

Represented by:

Mr Izy Behar

