

# **Eutelsat Communications Group**

“Société anonyme” with a capital of 232,774,635 euros

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## **CONDENSED CONSOLIDATED HALF-YEAR ACCOUNTS AS OF 31 DECEMBER 2018**

## CONSOLIDATED BALANCE SHEET

(in millions of euros)	Note	30 June 2018 <sup>(1)</sup>	31 December 2018
<b>ASSETS</b>			
<i>Non-current assets</i>			
Goodwill	4	1,197.5	1,203.8
Intangible assets	4	653.6	610.7
Tangible assets and construction in progress	5	4,761.7	3,916.1
Rights of use in respect of leases	6	-	700.0
Investments in associates	7	4.3	-
Non-current financial assets		42.1	43.6
Deferred tax assets		4.6	3.9
<b>Total non-current assets</b>		<b>6,663.8</b>	<b>6,477.9</b>
<i>Current assets</i>			
Inventories		2.1	2.2
Accounts receivable	8	330.9	320.5
Other current assets		42.7	44.7
Current tax receivable		4.5	7.4
Current financial assets		16.9	82.9
Cash and cash equivalents	9	733.5	1,476.9
<b>Total current assets</b>		<b>1,130.6</b>	<b>1,934.5</b>
<b>Total assets</b>		<b>7,794.4</b>	<b>8,412.4</b>

(1) Comparative financial statements have been restated to take into account the effect of retrospective application of IFRS 15. They have not been restated under IFRS 16, as the Group has opted for a modified retrospective application. The impact of the adoption of the two new standards on the Group's financial statements is presented in Note 3.1 "Accounting rules and methods".

(in millions of euros)	Note	30 June 2018 <sup>(1)</sup>	31 December 2018
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<i>Shareholders' equity</i>			
Share capital	10.1	232.8	232.8
Additional paid-in capital		738.1	738.1
Reserves and retained earnings		1,695.5	1,556.3
Non-controlling interests		181.2	178.0
<b>Total shareholders' equity</b>		<b>2,847.4</b>	<b>2,705.1</b>
<i>Non-current liabilities</i>			
Non-current financial debt	11	2,434.8	3,217.7
Non-current lease liabilities	13	-	541.5
Other non-current financial liabilities	13	695.8	175.7
Non-current payables to fixed assets' suppliers		17.9	16.9
Non-current liabilities associated with customer contracts		125.0	120.4
Non-current provisions	12	107.1	105.2
Deferred tax liabilities		264.8	249.1
<b>Total non-current liabilities</b>		<b>3,645.4</b>	<b>4,426.5</b>
<i>Current liabilities</i>			
Current financial debt	11	860.9	895.6
Current lease liabilities	13	-	84.9
Other current payables and financial liabilities	13	216.9	83.3
Accounts payable		56.3	50.6
Current payables to fixed assets' suppliers		44.7	40.2
Taxes payable		10.6	29.9
Current liabilities associated with customer contracts		81.6	70.9
Current provisions	12	30.6	25.5
<b>Total current liabilities</b>		<b>1,301.7</b>	<b>1,280.8</b>
<b>Total liabilities and shareholders' equity</b>		<b>7,794.4</b>	<b>8,412.4</b>

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## CONSOLIDATED INCOME STATEMENT

(in millions of euros, except per share data)	Note	31 December 2017 <sup>(1)</sup>	31 December 2018
<b>Revenues from operations</b>	14	<b>688.1</b>	<b>658.1</b>
Operating costs		(46.0)	(42.9)
Selling, general and administrative expenses		(95.9)	(96.8)
Depreciation and amortisation	4, 5, 6	(254.2)	(257.6)
Other operating income <sup>(2)</sup>		-	48.9
Other operating expenses <sup>(3)</sup>		(10.4)	(13.2)
<b>Operating income</b>		<b>281.7</b>	<b>296.6</b>
Cost of debt	15	(48.3)	(49.3)
Financial income	15	0.4	0.6
Other financial items	15	(7.9)	(4.4)
<b>Financial result</b>		<b>(55.8)</b>	<b>(53.2)</b>
Income from associates		(1.0)	(1.3)
<b>Net income before tax</b>		<b>224.9</b>	<b>242.1</b>
Income tax expense	16	(60.6)	(85.0)
<b>Net income</b>		<b>164.3</b>	<b>157.2</b>
Attributable to the Group		158.0	150.4
Attributable to non-controlling interests		6.3	6.8
<b>Basic and diluted earnings per share attributable to Eutelsat Communications shareholders <sup>(4)</sup></b>	<b>17</b>	<b>0.680</b>	<b>0.647</b>

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(2) "Other operating income" as of 31 December 2018 mainly comprises the capital gain on the disposal of the E25B satellite as of 31 December 2018, as presented in Note 1 "Key events during the financial period".

(3) Other operating expenses mainly include scrapped assets and disposals, as well as a 7.7 million euro expense as of 31 December 2017 for pre-existing relationships with Noorsat.

(4) There are no dilutive instruments as of 31 December 2017 and 31 December 2018.

## COMPREHENSIVE INCOME STATEMENT

(in millions of euros)	Note	31 December 2017 <sup>(1)</sup>	31 December 2018
<b>Net income</b>		<b>164.3</b>	<b>157.2</b>
<i>Other recyclable items of gain or loss on comprehensive income</i>			
Translation adjustment	10.5	(53.2)	9.2
Tax effect		(12.3)	6.4
Changes in fair value of hedging instruments <sup>(2)</sup>	10.4	(10.1)	(2.0)
Tax effect		3.4	(10.4)
<i>Other non-recyclable items of gain or loss on comprehensive income</i>			
Changes in post-employment benefits	10.6	(10.8)	3.2
Tax effect		1.0	(0.8)
<b>Total of other items of gain or loss on comprehensive income</b>		<b>(81.9)</b>	<b>5.6</b>
<b>Total comprehensive income</b>		<b>82.3</b>	<b>162.9</b>
Attributable to the Group		79.1	155.9
Attributable to non-controlling interests <sup>(3)</sup>		3.2	7.0

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(2) Changes in fair value of hedging instruments cover only cash-flow hedges. Net foreign investment hedges are recorded as translation adjustments.

(3) The portion attributable to non-controlling interests breaks down as follows:

- Net result for 6.3 million euros as of 31 December 2017 and 6.8 million euros as of 31 December 2018;
- Other recyclable items of gain or loss on comprehensive income for (2.8) million euros as of 31 December 2017 and 0.1 million euros as of 31 December 2018;
- Other non-recyclable items of gain or loss on comprehensive income for (0.4) million euros as of 31 December 2017 and 0.1 million euros as of 31 December 2018.

## CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	31 December 2017 <sup>(1)</sup>	31 December 2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income		164.3	157.2
Income from equity investments	7	1.0	1.3
Tax and interest expense, other operating items		137.2	110.2
Depreciation, amortisation and provisions		266.3	275.3
Deferred taxes		(20.4)	(21.1)
Changes in accounts receivable		(25.1)	(1.1)
Changes in other assets		(4.2)	(4.5)
Changes in accounts payable		(6.7)	(12.3)
Changes in other liabilities		(20.6)	(34.2)
Taxes paid		(79.7)	(92.1)
<b>Net cash flows from operating activities</b>		<b>412.1</b>	<b>378.7</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of satellites, other property and equipment and intangibles	4, 5, 6	(26.7)	(82.2)
Acquisition of subsidiaries	3.4	(61.0)	-
Sales	1.1	-	67.5
Dividends received from associates and other items		1.6	0.2
<b>Net cash flows from investing activities</b>		<b>(86.1)</b>	<b>(14.5)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distributions		(295.5)	(310.5)
Increase in borrowings	11	-	800.0
Repayment of borrowings		(11.9)	(11.9)
Repayment of lease liabilities	13	(14.3)	(35.9)
Loan set-up fees		-	(7.6)
Interest and other fees paid		(20.5)	(23.5)
Transactions relating to non-controlling interests <sup>(2)</sup>		(28.0)	-
Premium and termination indemnities on derivatives settled	18	-	(32.9)
Other changes		0.1	(0.4)
<b>Net cash flows from financing activities</b>		<b>(370.1)</b>	<b>377.4</b>
Impact of exchange rate on cash and cash equivalents		(4.0)	1.9
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(48.2)</b>	<b>743.4</b>
<b>Cash and cash equivalents, beginning of period</b>		<b>408.0</b>	<b>733.5</b>
<b>Cash and cash equivalents, end of period</b>	<b>9</b>	<b>359.8</b>	<b>1,476.9</b>
<b>CASH RECONCILIATION</b>			
Cash		359.8	1,476.9
Overdraft included under debt	11	-	-
<b>Cash and cash equivalents per cash flow statement</b>		<b>359.8</b>	<b>1,476.9</b>

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(2) Transactions related to non-controlling interests as of 31 December 2017 relate to the purchase by Eutelsat of Inframed's equity investment in Broadband4Africa.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros, except share data)	Common stock			Reserves and retained earnings	Shareholders' equity Groupshare	Non-controlling interests	Total
	Number	Amount	Additional paid in capital				
<b>As of 30 June 2017 <sup>(1)</sup></b>	<b>232,774,635</b>	<b>232.8</b>	<b>738.1</b>	<b>1,740.3</b>	<b>2,711.1</b>	<b>202.4</b>	<b>2,913.5</b>
Net income for the period				157.9	157.9	6.3	164.3
Other items of gain or loss on comprehensive income <sup>(2)</sup>				(78.9)	(78.9)	(3.0)	(81.9)
<b>Total comprehensive income</b>				<b>79.1</b>	<b>79.1</b>	<b>3.2</b>	<b>82.3</b>
Treasury stock				0.8	0.8	-	0.8
Distributions				(281.4)	(281.4)	(14.1)	(295.4)
Benefits for employees upon exercising options and free shares granted				-	-	-	-
Transactions with non-controlling interests and others				(6.4)	(6.4)	(17.0)	(23.4)
<b>As of 31 December 2017 <sup>(1)</sup></b>	<b>232,774,635</b>	<b>232.8</b>	<b>738.1</b>	<b>1,532.4</b>	<b>2,503.3</b>	<b>174.5</b>	<b>2,677.8</b>
<b>As of 30 June 2018 <sup>(1)</sup></b>	<b>232,774,635</b>	<b>232.8</b>	<b>738.1</b>	<b>1,695.5</b>	<b>2,666.3</b>	<b>181.2</b>	<b>2,847.4</b>
Net income for the period				150.4	150.4	6.8	157.2
Other items of gain or loss on comprehensive income <sup>(2)</sup>				5.4	5.4	0.2	5.6
<b>Total comprehensive income</b>				<b>155.9</b>	<b>155.9</b>	<b>7.0</b>	<b>162.9</b>
Treasury stock				0.2	0.2	-	0.2
Distributions				(295.3)	(295.3)	(15.3)	(310.5)
Benefits for employees upon exercising options and free shares granted				0.4	0.4	-	0.4
Transactions with non-controlling interests and others				(0.4)	(0.4)	5.0	4.7
<b>As of 31 December 2018</b>	<b>232,774,635</b>	<b>232.8</b>	<b>738.1</b>	<b>1,556.3</b>	<b>2,527.1</b>	<b>178.0</b>	<b>2,705.1</b>

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(2) Changes in other items of gain and loss on comprehensive income are detailed in Note 10.4 - Change in the revaluation surplus of financial instruments, Note 10.5 - Translation reserve and Note 10.6 - Actuarial gains and losses.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## NOTE 1. KEY EVENTS DURING THE PERIOD

### 1.1 DISPOSAL OF THE STAKE IN THE E25B SATELLITE

In August 2018, the Group sold its interest in the EUTELSAT 25B satellite operated at 25.5 degrees East to the co-owner of the satellite, Es'hailSat, for a consideration of 135 million euros. The divestment of this non-core asset is in line with the strategy of optimising the Group's portfolio of businesses in the context of its overall policy of maximizing cash generation. The corresponding gain or loss recognised in the Group's accounts amounted to 46.6 million euros (28.3 million euros after tax).

### 1.2 SEVEN-YEAR BOND ISSUANCE

In October 2018, the Group issued a seven-year 800-million euro bond on the Luxembourg Stock Exchange regulated market, due 2025. The bond was issued by the Eutelsat S.A. subsidiary. The bond carries a coupon of 2.0% per annum. It will enable Eutelsat to redeem at maturity the outstanding bonds issued on 14 December 2011 for a total principal amount of 800 million euros, bearing interest on its principal amount at a fixed rate of 5.0% per annum and due January 2019.

### 1.3 FRENCH FINANCE BILL FOR 2019

Under the French Finance Bill for 2019 dated 30 December 2018, a new article 247 of the French General Tax Code (FTC) was enacted to specify the methods for determining the taxable income in France of companies operating geostationary telecommunications satellites. Given the current uncertainties regarding the terms and conditions for implementing this new regulation, the tax expense for the half-year ended 31 December 2018 was determined by applying to pre-tax income for the period the estimated effective tax rate for the period, without taking into account the possible impact of the new FTC provision, which cannot be reliably estimated at the time the interim accounts are closed. However Eutelsat considers that the application of Article 247 of the FTC is likely to have a significant positive impact on the Group's tax expense and current and deferred tax positions for the financial year ended 30 June 2019.

## NOTE 2. APPROVAL OF THE ACCOUNTS

The condensed consolidated half-year accounts as of 31 December 2018 have been prepared under the responsibility of the Board of Directors, which approved them at its meeting held on 14 February 2019.

## NOTE 3. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED HALF-YEAR ACCOUNTS

### 3.1 ACCOUNTING RULES AND METHODS

The condensed consolidated half-year financial statements as of 31 December 2018 have been prepared in accordance with IAS 34 "Interim Financial Reporting" in a condensed format. The accounts as presented do not contain all the information and Notes required under IFRS for the preparation of consolidated full-year financial statements and must be read in conjunction with the consolidated full-year financial statements for the financial year ended 30 June 2018.

The accounting methods and rules used in preparing these condensed interim accounts are identical to those used for the consolidated full-year financial statements for the year ended 30 June 2018, with the exception of the new standards and interpretations which are adopted by the European Union and are to be applied after 1 July 2018.

- IFRS 15 "Revenue from Contracts with Customers";
- IFRS 9 "Financial Instruments";
- Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions";
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration";
- Improvements to IFRSs (2014-2016 cycle).

In addition, the Group has decided to early adopt IFRS 16 "Leases" as from 1 July 2018.

Applying these new standards, amendments and interpretations had no significant impact on the Group's financial statements, except for IFRS 15 and IFRS 16 whose impacts are presented below.

- **IFRS 15**

IFRS 15 introduces a new five-step model for recognizing revenue from customer contracts. Revenue is recognized for the amount reflecting the consideration received in exchange for the transfer of control of goods and services to a customer.

The Group has elected to adopt this standard retrospectively by restating the disclosed comparative period. The impacts on the statement of financial position as of 30 June 2018 are as follows:

(in millions of euros)	30 June 2018 as reported	Reclassification	Restated	30 June 2018 restated
Deferred tax assets	4.5	-	0.1	4.6
Other non-current assets	6,634.5	-	24.7	6,659.2
<b>Total non-current assets</b>	<b>6,639.0</b>	<b>-</b>	<b>24.8</b>	<b>6,663.8</b>
Trade debtors and related accounts	330.3	-	0.6	330.9
Prepaid expenses and other current assets	35.7	-	7.0	42.7
Other current assets	757.0	-	-	757.0
<b>Total current assets</b>	<b>1,123.0</b>	<b>-</b>	<b>7.6</b>	<b>1,130.6</b>
<b>Total assets</b>	<b>7,762.0</b>	<b>-</b>	<b>32.4</b>	<b>7,794.4</b>
<b>Total shareholders' equity</b>	<b>2,843.7</b>	<b>-</b>	<b>3.7</b>	<b>2,847.4</b>
Non-current deferred revenues	101.3	(101.3)	-	-
Non-current liabilities associated with customer contracts	-	101.3	23.7	125.0
Other non-current liabilities	3,520.4	-	-	3,520.4
<b>Total non-current liabilities</b>	<b>3,621.7</b>	<b>-</b>	<b>23.7</b>	<b>3,645.4</b>
Other current payables and financial liabilities	293.5	(76.5)	-	216.9
Current liabilities associated with customer contracts	-	76.5	5.1	81.6
Other current liabilities	1,003.1	-	-	1,003.1
<b>Total current liabilities</b>	<b>1,296.5</b>	<b>-</b>	<b>5.1</b>	<b>1,301.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>7,762.0</b>	<b>-</b>	<b>32.4</b>	<b>7,794.4</b>

The impacts on the consolidated income statement for the half-year period ended 31 December 2017 (six months) are as follows:

(in millions of euros, excl. data per share)	Half-year ended 31 December 2017		
	Reported data	Restated for IFRS 15	Restated data
<b>Revenues from operations</b>	<b>696.6</b>	<b>(8.5)</b>	<b>688.1</b>
Operating costs	(46.0)	-	(46.0)
Selling, general and administrative expenses	(106.0)	10.1	(95.9)
Depreciation and amortisation	(254.2)	-	(254.2)
Other operating expenses	(10.4)	-	(10.4)
<b>Operating income</b>	<b>280.0</b>	<b>1.6</b>	<b>281.7</b>
<b>Financial result</b>	<b>(55.8)</b>	<b>-</b>	<b>(55.8)</b>
Income from associates	(1.0)	-	(1.0)
<b>Net income before tax</b>	<b>223.2</b>	<b>1.6</b>	<b>224.8</b>
Income tax	(60.6)	-	(60.6)
<b>Net income</b>	<b>162.6</b>	<b>1.6</b>	<b>164.3</b>
Group share of income	156.5	1.5	157.9
Attributable to non-controlling interests	6.2	0.1	6.3
<b>Basic and diluted earnings per share attributable to Eutelsat Communications shareholders</b>	<b>0.673</b>	<b>0.006</b>	<b>0.679</b>

The main changes resulting from the adoption of IFRS 15 compared to the principles previously adopted by the Group are as follows:

- Considerations payable to customers: the Group sometimes bears marketing (promotion, advertising, etc.) or technical expenses (mainly in connection with the purchase and installation of antennas) on behalf of certain customers. When these costs are not separate from the service transferred to the customer, they represent the same performance obligation with the service and the consideration payable to the customer is recognized as a reduction in revenue over the term of the contract. When the consideration payable to the customer is granted in consideration for a separate service from the customer, it is recognized as an operating expense. Counterparties payable to customers were previously fully recognized as operating expenses.
- Early termination penalties: Some customer contracts provide for early termination penalties. When these penalties are paid as part of an amendment to a contract that does not concern services not covered by the existing contract and which therefore forms a single performance obligation with the services partially performed at the date of amendment, these penalties are spread over the term of the re-negotiated contract. These penalties were previously fully recognised as revenue at the date of amendment of the contract.
- Terminal sales and activation fees: the Group sells terminals to its customers in addition to the provision of satellite capacity as part of its Fixed Broadband business in Europe. As these terminals are specific and capacity can only be accessed through these terminals, capacity services and the sale of terminals form a single performance obligation. As control of the service is gradually transferred to the customer, revenue from capacity service is recognised over the average duration of the customer relationship and revenue from the sale of terminals is recognised over the average duration of use of these terminals. The costs of purchasing these terminals are spread over the same period, as part of the cost of executing a contract. Terminal sales and purchases were previously fully recognized when they were made available to the customer. Assets and liabilities relating to the deferred purchase and sale of terminals are presented separately in the statement of financial position under "Other assets and liabilities associated with customer contracts".

Furthermore, the majority of the Group's contracts with customers cover the provision of capacity services for which revenue continues to be recognised as control is transferred over the contractual period in accordance with IFRS 15.

## • IFRS 16

The Group early adopted IFRS 16 "Leases" with an initial application date of 1 July 2018. It applied the simplified retrospective method, without restatement of comparative periods.

The impacts of the adoption of this standard on the Group's consolidated financial statements as of 1 July 2018 are as follows:

(in millions of euros)	30 June 2018	Finance leases reclassified	Restated	1 July 2018 as restated
Tangible assets and construction in progress	4,761.7	(692.6)	-	4,069.1
Rights of use in respect of leases	-	692.6	43.8	736.4
Other non-current financial liabilities	695.8	(543.9)	-	151.9
Non-current lease liabilities	-	543.9	34.9	578.8
Other current payables and financial liabilities <sup>(1)</sup>	216.9	(72.9)	-	144.0
Current lease liabilities	-	72.9	8.9	81.8

(1) Comparative financial statements have been restated to take into account the effect of retrospective application of IFRS 15.

Under IFRS 16, leases are now recognised as right-of-use assets. Restatements resulting from the application of this new standard mainly concern the recognition of property leases at the Group's headquarters in Paris and the offices of certain subsidiaries. The Group now recognizes a right of use for these assets with a corresponding liability for the lease obligation (sum of discounted future payments). This right of use is amortized over the term of the contracts. The lease term corresponds to the non-cancellable period, supplemented, where applicable, by renewal options, which the Group is reasonably certain to exercise. As this condition was not met for the contracts concerned, no renewal option was considered to determine the term of the contracts. The discount rate used to calculate the rent liability was determined for each individual contract by reference to the marginal debt rate at the date of transition. These contracts were previously recorded under operating expenses. In accordance with the standard's transitional simplification provisions, leases with a residual term to maturity of less than 12 months at the date of transition have not been recognised in the balance sheet.

Recognition of contracts previously classified as finance leases has not been modified under IFRS 16. The rights of use associated with these contracts were previously recorded under "Property, plant and equipment".

Assets with a low unit value and leases with a term of up to 12 months continue to be recognised as an expense.

## 3.2 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 condensed consolidated half-year financial statements and their accompanying Notes. Management is required to review its estimates and assessments on an ongoing basis, taking into account past experience and other factors deemed relevant in the light of economic conditions. The close down of the transactions underpinning these estimates and assumptions could result in significant adjustments to the amounts that are recognised in a subsequent financial period because of the uncertainty that surrounds them.

In preparing the condensed consolidated interim financial statements as of 31 December 2018, Management exercised its judgment, particularly with respect to the assessment of the recoverable amount of assets, contingent liabilities, tax positions, customer risk and provisions and contingent liabilities.

### 3.3 TAXES

In accordance with IAS 34, the interim income tax expense is calculated by applying the average effective rate estimated for the financial year to earnings before taxes for the period (see Note 16 - *Income tax* and Note 1.3 – *French Finance Bill for 2019*).

### 3.4 CHANGES IN SCOPE OF CONSOLIDATION

- **As of 31 December 2018**

On 23 November 2018, Eutelsat S.A. transferred its 49% stake in Eurobroadband Retail to an entity of the Viasat Group, an existing shareholder with a 51% interest (see Note 6 - *Investments in associates*). The divestment had no material impact on the Group's financial statements.

- **As of 31 December 2017**

On 12 October 2017, the Group acquired 100% of Noorsat, one of the leading satellite service providers in the Middle East, from Bahrain's Orbit Holding Group for 75 million US dollars.

As of 31 December 2018, the Group finalised the purchase price allocation, with no change from 30 June 2018. Final goodwill amounted to 61.7 million US dollars (51.7 million euros based on the exchange rate at the date of acquisition).

## NOTE 4. GOODWILL AND OTHER INTANGIBLES

"Goodwill and Other Intangibles" breaks down as follows:

### Changes in gross assets and amortisation

(in millions of euros)	Goodwill	Customer contracts and relationships	Eutelsat brand	Other intangibles	Total
<b>GROSS ASSETS</b>					
<b>Gross value as of 30 June 2018</b>	<b>1,197.5</b>	<b>1,117.2</b>	<b>40.8</b>	<b>298.5</b>	<b>2,654.0</b>
Acquisitions	-	-	-	2.3	2.3
Foreign-exchange variations	6.3	4.0	-	1.2	11.5
Scrapping of assets	-	-	-	(0.8)	(0.8)
Transfers and reclassifications	-	-	-	3.1	3.1
<b>Gross value as of 31 December 2018</b>	<b>1,203.8</b>	<b>1,121.2</b>	<b>40.8</b>	<b>304.3</b>	<b>2,670.1</b>
<b>AMORTISATION AND IMPAIRMENT</b>					
<b>Accumulated amortisation and impairment as of 30 June 2018</b>		<b>(645.5)</b>	-	<b>(157.4)</b>	<b>(802.9)</b>
Amortisation expense	-	(29.7)	-	(14.4)	(44.1)
Impairment	-	-	-	(8.2)	(8.2)
Reversals (scrapping of assets)	-	-	-	0.8	0.8
Foreign-exchange variations	-	(1.1)	-	(0.1)	(1.2)
<b>Accumulated amortisation and impairment as of 31 December 2018</b>	-	<b>(676.2)</b>	-	<b>(179.4)</b>	<b>(855.6)</b>
Net value as of 30 June 2018	1,197.5	471.7	40.8	141.1	1,851.1
<b>Net value as of 31 December 2018</b>	<b>1,203.8</b>	<b>445.0</b>	<b>40.8</b>	<b>124.9</b>	<b>1,814.5</b>

In view of the economic conditions prevailing at 31 December 2018, Management did not implement the annual impairment test performed on goodwill as of 30 June 2018. At that date, the recoverable amount measured by analysing the market value (fair value) obtained from the stock-exchange value of Eutelsat Communications S.A. (and taking into account the company's debt) did not call into question the amount shown on the balance sheet. The share price would have to drop by at least 32% for the fair value to fall below the carrying amount. If this were to occur, the value in use would be tested.

## NOTE 5. TANGIBLE ASSETS AND CONSTRUCTION IN PROGRESS

"Tangible assets and construction in progress" breaks down as follows:

### Changes in gross assets, depreciation and impairment

(in millions of euros)	Satellites	Other tangibles	Construction in progress	Total
<b>GROSS ASSETS</b>				
<b>Gross value as of 30 June 2018</b>	<b>6,241.8</b>	<b>423.4</b>	<b>819.4</b>	<b>7,484.6</b>
Acquisitions	-	4.1	94.9	99.0
Disposals	(120.3)	(6.5)	-	(126.8)
Scrapping of assets	-	(1.2)	-	(1.2)
Foreign-exchange variations	26.4	0.6	0.1	27.1
Transfers and others <sup>(1)</sup>	(871.3)	4.9	(10.1)	(876.5)
<b>Gross value as of 31 December 2018</b>	<b>5,276.6</b>	<b>425.4</b>	<b>904.4</b>	<b>6,606.4</b>
<b>DEPRECIATION AND IMPAIRMENT</b>				
<b>Accumulated depreciation and impairment as of 30 June 2018</b>	<b>(2,401.8)</b>	<b>(321.1)</b>	<b>-</b>	<b>(2,722.9)</b>
Depreciation expense	(165.6)	(13.2)	-	(178.8)
Reversals (disposals)	31.9	6.3	-	38.2
Reversals (scrapping of assets)	-	1.2	-	1.2
Foreign-exchange variations	(6.7)	(0.3)	-	(7.0)
Transfers and others <sup>(1)</sup>	178.7	0.2	-	178.9
<b>Accumulated depreciation and impairment as of 31 December 2018</b>	<b>(2,363.5)</b>	<b>(326.8)</b>	<b>-</b>	<b>(2,690.3)</b>
Net value as of 30 June 2018	3,840.0	102.3	819.4	4,761.7
<b>Net value as of 31 December 2018</b>	<b>2,913.1</b>	<b>98.5</b>	<b>904.4</b>	<b>3,916.1</b>

(1) Transfers mainly relate to finance leases posted to "Rights of Use since the adoption of IFRS 16 on 1 July 2018 (see Note 3.1 - Accounting rules and methods).

### SATELLITES UNDER CONSTRUCTION

The satellites listed below are under construction and are expected to be brought into service during the calendar years as follows:

Satellites under construction	Expected year of commissioning
Eutelsat 7C and Eutelsat 5WB	Calendar year 2019
Quantum and Konnect	Calendar year 2020
Konnect VHTS, Hot Bird 13F and Hot Bird 13G	Calendar year 2022

## NOTE 6. RIGHTS OF USE IN RESPECT OF LEASES

“Rights of use in respect of leases” breaks down as follows:

### Changes in gross assets, depreciation and impairment

(in millions of euros)	Satellites	Other tangibles	Total
<b>GROSS ASSETS</b>			
<b>Gross value as of 30 June 2018</b>	-	-	-
Restated for IFRS 16	-	43.8	43.8
<b>Gross value as of 1 July 2018</b>		<b>43.8</b>	<b>43.8</b>
Foreign-exchange variations	-	0.1	0.1
Transfers and others <sup>(1)</sup>	869.3	-	869.3
<b>Gross value as of 31 December 2018</b>	<b>869.3</b>	<b>43.9</b>	<b>913.2</b>
<b>DEPRECIATION AND IMPAIRMENT</b>			
<b>Accumulated depreciation and impairment as of 30 June 2018</b>	-	-	-
Depreciation expense	(30.0)	(4.6)	(34.6)
Transfers and others <sup>(1)</sup>	(178.7)	-	(178.7)
<b>Accumulated depreciation and impairment as of 31 December 2018</b>	<b>(208.6)</b>	<b>(4.6)</b>	<b>(213.2)</b>
Net value as of 30 June 2018	-	-	-
<b>Net value as of 31 December 2018</b>	<b>660.7</b>	<b>39.3</b>	<b>700.0</b>

*(1) Transfers mainly relate to finance leases posted to “Rights of Use in respect of leases” since the adoption of IFRS 16 on 1 July 2018 (see Note 3.1 - Accounting rules and methods).*

## NOTE 7. INVESTMENTS IN ASSOCIATES

As of 31 December 2017, investments in associates consisted in equity investments in Eurobroadband Retail. Following the sale of this stake on 23 November 2018 (see Note 3.4 - *Changes in scope of consolidation*), the Group no longer holds any investments in associates. Income from equity investments as of 31 December 2017 and 31 December 2018 corresponded to the Group’s share in the income of Eurobroadband Retail until the date of disposal of the stake.

## NOTE 8. TRADE DEBTORS AND RELATED ACCOUNTS

### 8.1 ANALYSIS OF ACCOUNTS RECEIVABLE (MATURED AND NON-MATURED)

(in millions of euros)	30 June 2018 <sup>(1)</sup>	31 December 2018
Non-matured receivables	209.7	145.1
Matured receivables between 0 and 90 days	71.8	106.9
Matured receivables for more than 90 days	135.9	169.5
Provision for bad debt	(86.4)	(101.0)
<b>Total</b>	<b>330.9</b>	<b>320.5</b>

(1) Comparative financial statements have been restated to take into account the effect of retrospective application of IFRS 15, as presented in Note 3.1 "Accounting rules and methods".

### 8.2 CHANGE IN PROVISION FOR BAD DEBT

(in millions of euros)	Total
<b>Value as of 30 June 2018<sup>(1)</sup></b>	<b>86.4</b>
Net allowance (reversals)	14.4
Reversals (used)	-
Foreign-exchange variation	0.1
<b>Value at 31 December 2018</b>	<b>101.0</b>

(1) Comparative financial statements have been restated to take into account the effect of retrospective application of IFRS 15, as presented in Note 3.1 "Accounting rules and methods".

## NOTE 9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

(in millions of euros)	30 June 2018	31 December 2018
Cash at bank and in hand	307.3	338.4
Cash equivalents	426.2	1,138.5
<b>Total</b>	<b>733.5</b>	<b>1,476.9</b>

Cash equivalents are mainly composed of mutual fund investments qualifying as "cash equivalents" (920.6 million euros as of 31 December 2018) and deposit certificates, which mature less than three months from the date of acquisition. The Group's cash and cash equivalents are mainly held by subsidiaries located in France, in the rest of Europe and in America.



## NOTE 10. SHAREHOLDERS' EQUITY

### 10.1 SHAREHOLDER'S EQUITY

As of 31 December 2018, the share capital of Eutelsat Communications S.A. comprised 232,774,635 ordinary shares with a par value of 1 euro per share. As of the same date, the Group held 194,142 treasury shares amounting to 3.6 million euros under a liquidity agreement (201,000 shares for an aggregate amount of 3.4 million euros as of 30 June 2018). Furthermore, under the free share allocation plans, the Group held 105,068 equity shares amounting to 2.2 million euros (105,068 shares for an aggregate amount of 2.2 million euros as of 30 June 2018). The aggregate amount of treasury stock is deducted from shareholders' equity.

### 10.2 DIVIDENDS

On 08 November 2018, the Ordinary and Extraordinary General Meeting of Shareholders decided to distribute a gross amount of 1.27 euro per share, i.e. a total of 295.3 million euros, taken from net income for the financial year ended 30 June 2018. In 2017, the dividend payout amounted to 281.4 million euros, i.e. 1.21 euro per share.

### 10.3 SHARE-BASED COMPENSATION

In addition to the plans in force within the Group as of 30 June 2018, the Group has granted a new phantom share plan in November 2018. The expense relating to share-based compensation (excluding social contributions) amounted to 3.1 million euros for the half-year ended 31 December 2018 (2.3 million euros for the half-year ended 31 December 2017).

### 10.4 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
<b>Balance as of 30 June 2018</b>	<b>(29.6)</b>
Changes in fair value within equity that can be reclassified to income	(13.2)
Transfer to income statement <sup>(1)</sup>	0.8
<b>Balance as of 31 December 2018</b>	<b>(42.0)</b>

*(1) This amount corresponds to coupons due and matured on the interest rate hedging instruments (see Note 15 – Financial result).*

### 10.5 TRANSLATION RESERVE

(in millions of euros)	Total
<b>Balance as of 30 June 2018</b>	<b>140.2</b>
Change over the period	15.6
<b>Balance as of 31 December 2018</b>	<b>155.8</b>

The revaluation reserve includes the value of the Cross Currency Swap used to hedge currency exposure of a net investment in a foreign operation. The main currency generating translation differences is the US dollar.

### 10.6 ACTUARIAL GAINS AND LOSSES

The increase by approximately 0.1 base point since 30 June 2018 in the reference interest rates used to determine the discounted value of the guarantee given to a pension fund and retirement benefits led to a decrease in these commitments of 3.2 million euros (2.4 million euros after tax) as of 31 December 2018.

## NOTE 11. FINANCIAL DEBT

As of 30 June and 31 December 2018, all bank debt is denominated in euros.

### 11.1 FINANCIAL INFORMATION AS OF 30 JUNE AND 31 DECEMBER 2018

(in millions of euros)	Rate	30 June 2018	31 December 2018	Maturity
Term loan 2022	Variable	600.0	600.0	31 March 2022
Bond 2020 <sup>(1)</sup>	2.625%	930.0	930.0	13 January 2020
Bond 2021 <sup>(1)</sup>	1.125%	500.0	500.0	23 June 2021
Bond 2022 <sup>(1)</sup>	3.125%	300.0	300.0	10 October 2022
Bond 2025 <sup>(1)</sup>	2.000%	-	800.0	02 October 2025
ONDD-guaranteed export credit	Variable	118.6	106.8	17 May 2024
<b>Sub-total of debt (non-current portion)</b>		<b>2,448.6</b>	<b>3,236.7</b>	
Loan set-up fees and premiums		(13.8)	(19.0)	
<b>Total debt (non-current portion)</b>		<b>2,434.8</b>	<b>3,217.7</b>	
Bond 2019 <sup>(1)</sup>	5.000%	800.0	800.0	14 January 2019
ONDD-guaranteed export credit		23.7	23.7	
Accrued interest not yet due		37.1	71.8	
<b>Total debt (current portion)</b>		<b>860.9</b>	<b>895.6</b>	

The Group also has 650 million euros available under its various active lines of undrawn revolving credit as of 31 December 2018.

(1) Fair values (level 1) are detailed below:

(in millions of euros)	30 June 2018	31 December 2018
Bond 2019	821.1	802.0
Bond 2020	959.6	947.3
Bond 2021	508.8	503.6
Bond 2022	330.8	321.9
Bond 2025	-	766.1

The book values of the term loan and the export credit facilities are reasonably close to their fair values.

### 11.2 CHANGE IN STRUCTURE

See Note 1.2 - *Seven-year bond issuance*

### 11.3 DEBT MATURITY ANALYSIS

As of 31 December 2018, 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	-
ONDD-guaranteed export credit	130.5	23.7	94.9	11.9
Bond 2019	800.0	800.0	-	-
Bond 2020	930.0	-	930.0	-
Bond 2021	500.0	-	500.0	-
Bond 2022	300.0	-	300.0	-
Bond 2025	800.0	-	-	800.0
<b>Total</b>	<b>4,060.5</b>	<b>823.7</b>	<b>2,424.9</b>	<b>811.9</b>

### 11.4 COMPLIANCE WITH BANKING COVENANTS

The covenants on financing facilities as of 31 December 2018 have not changed since their inception. As of 31 December 2018, the Group was in compliance with all banking covenants under its credit facilities.

## NOTE 12. PROVISIONS

As of 31 December 2018, the debt maturity analysis is as follows:

(in millions of euros)	30 June 2018	Allowance	Reversal		Recognised in equity	31 December 2018
			Used	Unused		
Financial guarantee granted to a pension fund	75.5	0.7	-	-	(3.0)	73.1
Retirement indemnities	15.3	0.6	(0.1)	-	(0.2)	15.5
Post-employment benefits <sup>(1)</sup>	7.2	0.1	(0.2)	(0.3)	-	6.9
<b>Total post-employment benefits</b>	<b>98.0</b>	<b>1.4</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>(3.2)</b>	<b>95.6</b>
Commercial, employee-related and tax litigation	29.8	2.1	(2.5)	(2.4)	0.1	27.2
Other	9.9	-	-	(2.1)	-	7.8
<b>Total provisions</b>	<b>137.6</b>	<b>3.5</b>	<b>(2.8)</b>	<b>(4.8)</b>	<b>(3.1)</b>	<b>130.6</b>
<i>Incl. non-current portion</i>	107.1					105.2
<i>Incl. current portion</i>	30.6					25.5

(1) The other post-employment benefits mainly relate to end-of-contract indemnity payments in various subsidiaries.

## NOTE 13. OTHER FINANCIAL LIABILITIES AND LEASE LIABILITIES

Other financial liabilities and lease liabilities break down as follows:

(in millions of euros)	30 June 2018	31 December 2018
Derivative financial instruments <sup>(1)</sup>	125.6	116.5
Lease liabilities	-	626.4
Finance leases	620.1	
Other liabilities	167.1	142.5
<b>Total</b>	<b>912.8</b>	<b>885.4</b>
<i>Incl. non-current portion</i>	<i>695.8</i>	<i>717.2</i>
<i>Incl. current portion</i>	<i>216.9</i>	<i>168.3</i>

(1) See Note 18 – Derivative financial instruments.

Derivative financial instruments are measured at fair value (Level 2), and the other financial liabilities at amortised cost. The fair value of derivative instruments is provided by the banks. The amortised cost of other financial liabilities represents a reasonable approximation of fair value.

Amounts shown for finance leases and lease liabilities include accrued interest for 3.2 million euros as of 30 June 2018 and 3.5 million euros as of 31 December 2018.

“Other liabilities” mainly comprise advance payments and deposits from clients, debts on non-controlling interests and social and tax payables.

## NOTE 14. SEGMENT INFORMATION

Over the period ended 31 December 2018, there was no change in the Group's organisation which could affect the nature of and method used for reporting financial information and business performance data to the Group's chief operating decision maker.

Therefore, as with the period ended 30 June 2018, 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.

Group revenues by geographical zone, based on invoice addresses, for the twelve-month periods ended 31 December 2017 and 2018 are as follows:

(in millions of euros and as a percentage)	31 December 2017 <sup>(1)</sup>		31 December 2018	
Regions	Amount	%	Amount	%
France	50.6	7.4	45.6	6.9
Italy	75.4	11.0	73.7	11.2
United Kingdom	46.2	6.7	39.8	6.0
Europe (other)	181.8	26.4	182.2	27.7
Americas	150.2	21.8	150.4	22.9
Middle-East	115.3	16.8	112.1	17.0
Africa	48.8	7.1	46.2	7.0
Asia	18.0	2.6	15.3	2.3
Other	1.8	0.3	(7.1)	(1.1)
<b>Total</b>	<b>688.1</b>	<b>100.0</b>	<b>658.1</b>	<b>100.0</b>

(1) Comparative financial statements have been restated to take into account the effect of retrospective application of IFRS 15, as presented in Note 3.1 "Accounting rules and methods".

Group EBITDA <sup>(1)</sup> stood at 546.2 million euros and 518.4 million euros for the six-month periods ended 31 December 2017 and 31 December 2018 respectively.

Most of the Group's assets are satellites in orbit. The remaining assets are mainly located in France, Italy and America.

Net debt <sup>(1)</sup> breaks down as follows:

(in millions of euros)	30 June 2018	31 December 2018
Term loan	600.0	600.0
Bonds	2,530.0	3,330.0
Export credit	142.3	130.5
"Change" portion of the cross-currency swap	85.9	97.8
Finance leases	616.8	-
Lease liabilities	-	622.9
Cash and cash equivalents	(733.5)	(1,476.9)
<b>Total</b>	<b>3,241.6</b>	<b>3,304.3</b>

(1) The components of EBITDA and net debt have not changed since 30 June 2018.

Changes in the debt position between 30 June 2018 and 31 December 2018 are presented below:

(in millions of euros)	30 June 2018	Cash flow	Changes in fair value and others	Bond issue	Reclassified	Restated for IFRS 16	31 December 2018
Term loan	600.0	-	-	-	-	-	600.0
Bonds	2,530.0	-	-	800.0	-	-	3,330.0
Export credit	142.3	(11.9)	-	-	-	-	130.5
"Change" portion of the cross-currency swap	85.9	-	11.9	-	-	-	97.8
Finance leases	616.8	-	-	-	(616.8)	-	-
Lease liabilities	-	(35.9)	(1.8)	-	616.8	43.8	622.9
<b>Total</b>	<b>3,975.0</b>	<b>(47.8)</b>	<b>10.1</b>	<b>800.0</b>	<b>-</b>	<b>43.8</b>	<b>4,781.2</b>

## NOTE 15. FINANCIAL RESULT

The financial result is made up as follows:

(in millions of euros)	Six-month period ended 31 December 2017	Six-month period ended 31 December 2018
Interest expense after hedging	(51.7)	(56.1)
Loan set-up fees and commissions	(3.4)	(3.7)
Capitalised interest	6.8	10.5
<b>Cost of gross debt</b>	<b>(48.3)</b>	<b>(49.3)</b>
Financial income	0.4	0.6
<b>Cost of net debt</b>	<b>(47.9)</b>	<b>(48.8)</b>
Changes in financial instruments	(0.5)	(1.8)
Foreign-exchange impact	(8.1)	1.2
Other	0.7	(3.8)
<b>Financial result</b>	<b>(55.8)</b>	<b>(53.2)</b>

The interest expense was not impacted by instruments qualified as interest-rate hedges during the half-year periods ended 31 December 2017 and 31 December 2018.

The amount of capitalised interest depends on the state of progress and number of satellite construction programmes recorded during the financial year concerned. The interest rates used to determine the amount of interest expense eligible for capitalisation were 2.89% as of 31 December 2017 and 2.82% as of 31 December 2018.

## NOTE 16. INCOME TAX

"Income tax" comprises current and deferred tax expenses of consolidated entities.

As of 31 December 2018, the effective income tax rate stood at 34.9%. This rate includes the impact of the 75% limit on the deductibility of financial expenses in France, which is offset by lower tax rates for foreign subsidiaries compared to France, as well as translation differences and the effects of inflation on the deferred tax positions of the Satellites Mexicanos subsidiary. This rate does not take into account the possible impact of the new Article 247 of the French General Tax Code (FTC) which was introduced by the 2018 French Finance Bill (see Note 1.3 - *French Finance Bill for 2019*).

## NOTE 17. 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 31 December 2017 and 2018.

(in millions of euros)	31 December 2017 <sup>(1)</sup>	31 December 2018
<b>Net income</b>	<b>164.3</b>	<b>157.2</b>
Income from subsidiaries attributable to non-controlling interests	(6.3)	(6.8)
<b>Net earnings used to compute earnings per share</b>	<b>158.0</b>	<b>150.4</b>
<b>Average number of shares</b>	<b>232,471,711</b>	<b>232,416,067</b>

(1) Comparative financial statements have been restated to take into account the effect of retrospective application of IFRS 15, as presented in Note 3.1 "Accounting rules and methods".

## NOTE 18. DERIVATIVE FINANCIAL INSTRUMENTS

The following tables analyse the contractual or notional amounts and fair values of the Group's derivatives as of 30 June 2008 and 31 December 2018 by type of contract. The financial instruments are valued by an independent expert and this valuation is verified/validated by the Group's banking counterparts.

(in millions of euros)	Notional		Fair value		Change in fair value over the period	Impact on income (excl. coupons)	Impact on equity (excl. coupons)	Termination indemnity
	30 June 2018	31 December 2018	30 June 2018	31 December 2018				
Synthetic forward transaction with knock-in option (Eutelsat S.A.)	255.4	220.7	(8.0)	(8.6)	(0.6)	(1.6)	1.0	
Cross currency swap	500.0	500.0	(72.1)	(92.2)	(20.0)	-	(20.0)	
<b>Total forex derivatives</b>	<b>755.4</b>	<b>720.7</b>	<b>(80.1)</b>	<b>(100.8)</b>	<b>(20.6)</b>	<b>(1.6)</b>	<b>(19.0)</b>	
Pre-hedging swap	1,300.0	500.0	(44.2)	(15.3)	28.9	-	(3.8)	32.7
<b>Total interest rate derivatives</b>	<b>1,300.0</b>	<b>500.0</b>	<b>(44.2)</b>	<b>(15.3)</b>	<b>28.9</b>	<b>-</b>	<b>(3.8)</b>	<b>32.7</b>
<b>Total derivatives</b>			<b>(124.3)</b>	<b>(116.0)</b>	<b>8.3</b>	<b>(1.6)</b>	<b>(22.8)</b>	<b>32.7</b>

As of 31 December 2018, the cumulative fair value of financial instruments was negative at 116.5 million euros and positive at 0.5 million euros.

## NOTE 19. PURCHASE COMMITMENTS

As of 31 December 2018, the Company has entered into commitments with suppliers for the acquisition of assets (satellites and other assets) and the provision of services for 630.9 million euros.

Future payments in respect of such acquisitions of assets and provision of services as of 31 December 2018 are scheduled as follows:

(in millions of euros)	As of 31 December 2018
2019	303.9
2020	172.9
2021	73.5
2022	28.9
2023 and beyond	51.6
<b>Total</b>	<b>630.9</b>

## NOTE 20. RELATED-PARTY TRANSACTIONS

No related-party transaction of a different nature than those entered into during the financial year ended 30 June 2018 has been made during the reporting period.

## **NOTE 21. LITIGATION AND CONTINGENT LIABILITIES**

In the course of its business activities, the Group has been involved in legal actions and commercial disputes. The Group exercises its judgement to assess the risks incurred on a case-by-case basis and a provision is recorded to cover an expected outflow of resources. In cases viewed as unsubstantiated or insufficiently argued, no provision was recognised.

Eutelsat S.A., a company belonging to the tax consolidation group of which Eutelsat Communications S.A. is the integral parent company, underwent a tax audit in respect of the financial years ended 30 June 2012, 2013 and 2014. In December 2016, the company received a tax adjustment notification in respect of the financial periods ended 30 June 2013 and 30 June 2014. As a result of the pre-litigation appeals and subsequent discussions, the amounts claimed by the tax authorities were significantly reduced. There is still disagreement on certain tax enhancements, on which Eutelsat believes that it has solid defences. As a result, as of 31 December 2018, no provision had been recorded for these tax reassessments.

## **NOTE 22. 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.