FY 2016-17 RESULTS

July 28, 2017

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1 Highlights

2 Operational performance

3 Financial performance

4 Outlook

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Delivering or over-delivering on all objectives

	Financial outlook	Actual performance	
Revenues	-3 to -1%	**-2.2%**[1] vs. FY 16	✓
EBITDA margin *(at constant currency)*	Above 76%	**76.6%**	✓
Discretionary Free Cash-flow[2]	3-year CAGR[3] above 10%	**+65%** vs. FY 16	✓
Net Debt / EBITDA	below 3.3x	**3.2x**	✓
Dividend per share	Stable to progressive	**+10%** vs. FY 16	✓

[1]At constant currency and perimeter. Revenues are down 3.3% on a reported basis.
[2]Net cash-flow from operating activities less Cash Capex less Interest and Other fees paid net of interest received.
[3]3-Year CAGR between FY 16 and FY 19

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Strong growth of Free Cash Flow: +65%

	Change vs. FY 16	
Net Operating Cash Flow	+€87m	• Early cost-cutting gains • Improvement in DSO and WCR trend
Cash Capex	+€100m	• Impact of 'design-to-cost' • Reduction in ground capex
Net Interest	(€27m)	• Full-year impact of ETL 36C lease and June 16 Bond • Strong reduction from FY18
Discretionary Free Cash-Flow	+€161m	• Over-delivery on >10% CAGR objective • Growing dividend, >1.4x covered by DFCF

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Solid commercial performance

IN VIDEO	IN OTHER VERTICALS

IN VIDEO

- ▶ **HD take-up accelerating on HOTBIRD**
- ▶ **Important renewals in Europe and MENA**
  - At 28° East with Arqiva
  - At 7° East with Digitürk
- ▶ **Multi-year contract with NTV-Plus in Russia**

IN OTHER VERTICALS

- ▶ **In-flight Connectivity contract wins**
- ▶ **EGNOS payload on EUTELSAT 5 West B**
- ▶ **Satisfactory outcome of last two US DoD renewal campaigns**

Strengthened financial profile

Successful launch of 'LEAP' cost-savings plan

- €15m in savings in FY18 rising to €30m in FY19

EBITDA margin already target raised mid-year

- From 'above 75%'

Net Debt / EBITDA ratio reduced from 3.4x to 3.2x

Refinancing of credit lines improving debt maturity
Pre-Hedge of Jan 20 bond, securing access to debt

Non-core asset disposals

- Wins/DHI
- Hispasat price set at €302m

Laying the foundations for ongoing value creation

SECURING DURABLE CASH FLOW GENERATION THROUGH CAPEX EFFICIENCIES	PREPARING FOR RETURN TO TOPLINE GROWTH

SECURING DURABLE CASH FLOW GENERATION THROUGH CAPEX EFFICIENCIES

- **Application of 'design-to-cost' policy**
  - >30% capex savings already achieved on EUTELSAT 5 West B procurement
- **Diversification in the launcher market**
  - Blue Origin contract
  - New multi-launch agreement with Arianespace
- **Electric propulsion increasing satellite lifetime**
  - EUTELSAT 172B, EUTELSAT 7C, African Broadband sat.
- **Further efficiencies driven by technical progress**

PREPARING FOR RETURN TO TOPLINE GROWTH

- **Launch of Russian Broadband**
- **Launch of Konnect Africa**
- **JV with ViaSat for European broadband and Mobility**
- **To be followed by joint-procurement of ViaSat 3 VHTS for step-change in Connectivity in EMEA from early 2020s**

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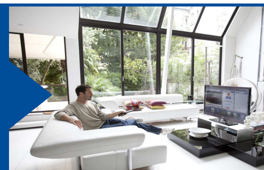
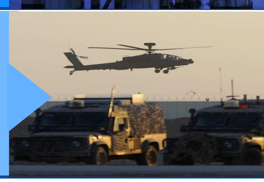
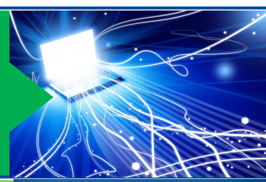
FY 2016-17 Revenues of €1.478bn, -2.2%like-for-like

			REVENUE CONTRIBUTION[1]	REVENUES[2] (€m)	LIKE-FOR-LIKE[3] CHANGE
CORE BUSINESSES	Video		64%	908	-3.3%
CORE BUSINESSES	Fixed Data		12%	168	-14.0%
CORE BUSINESSES	Government Services		12%	176	-4.1%
CONNECTIVITY	Fixed Broadband		7%	96	+18.4%
CONNECTIVITY	Mobile Connectivity		5%	75	+22.5%

[1] The share of each application as a percentage of total revenues is calculated excluding "Other revenues".
[2] Total revenues of €1478m also include Other revenues of €55m
[3] At constant currency and perimeter and excluding non-recurring revenues. Based on new applications reporting.

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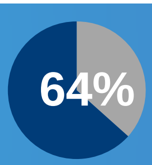
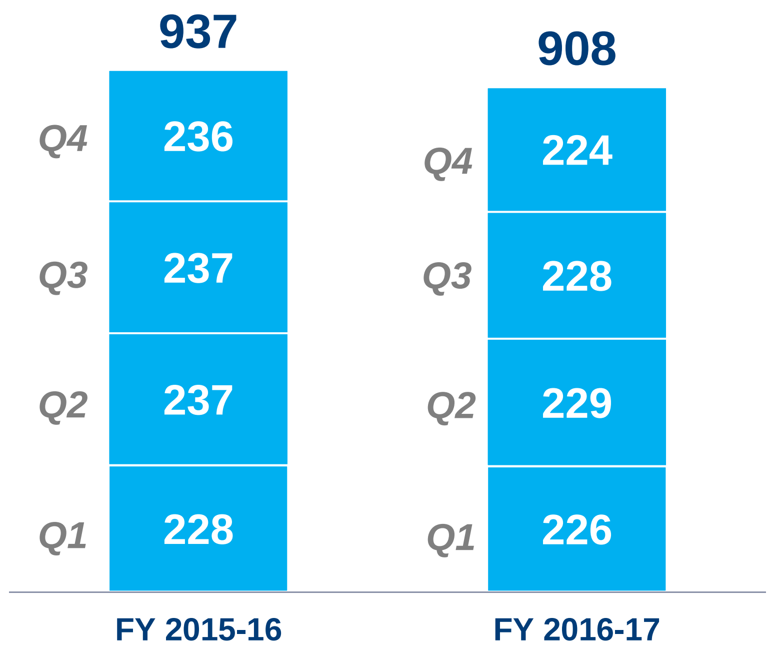
Video



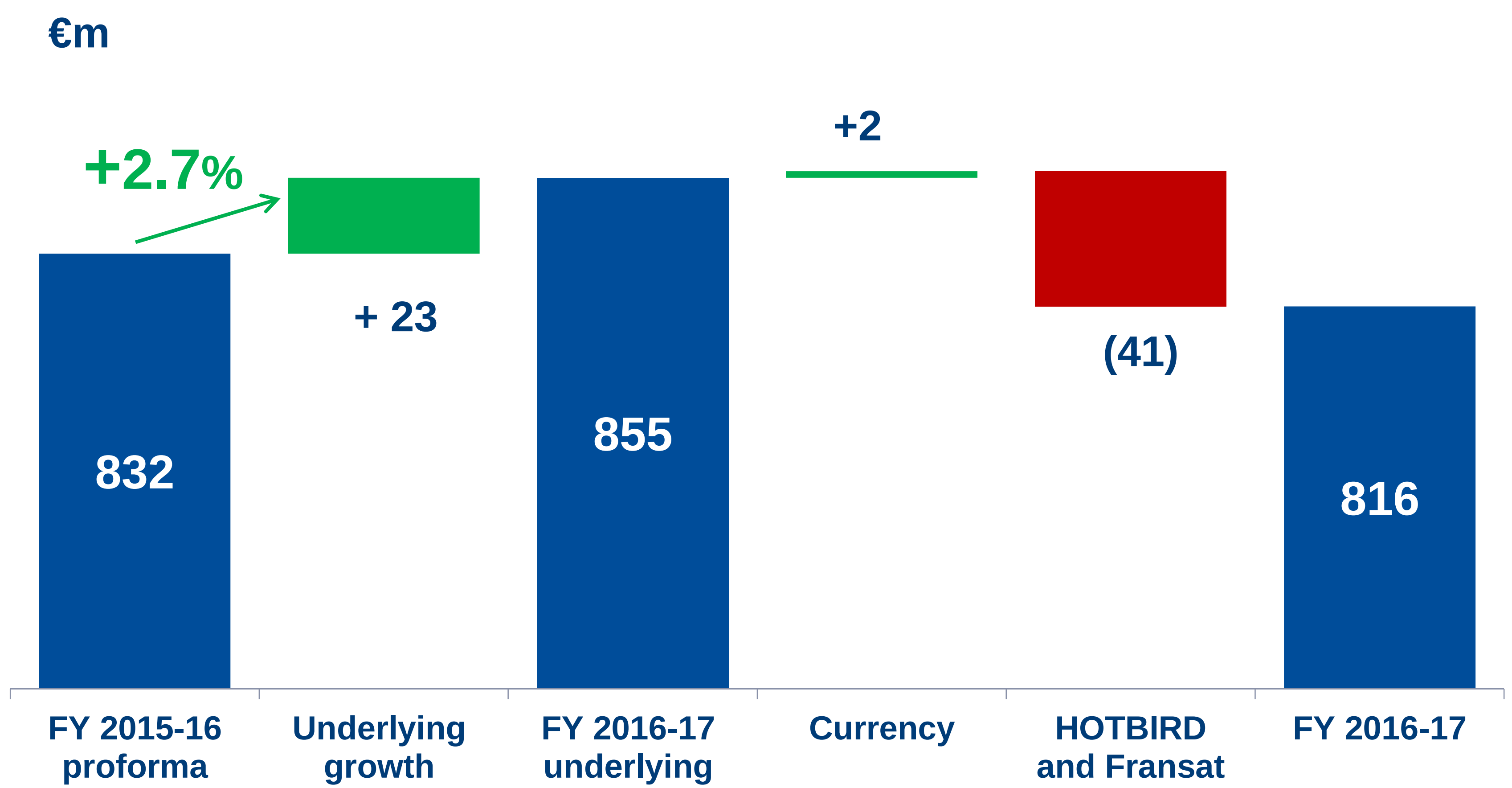
- **FY 17 revenues of €908m, down 3.3% like-for-like**
- **Broadcast revenues up 2.7% excluding**
  - Rationalisation of capacity and end of TV' d'Orange at HOTBIRD
  - Lower revenues from FRANSAT
- **Positive contribution from incremental capacity launched last year**
- **Lower revenues from Professional Video**
  - On-going tough environment
- **6,630 channels at end-June 2017**
  - +4.5% y-o-y
  - HD penetration rises to 17%

REVENUES[1] (€M)



[1] *Proforma revenues reflecting new applications as well as the disposals of Alterna'TV and DSAT Cinema for FY 2015-16.*

Video: focus on broadcast revenues



Underlying growth in Broadcast revenues of 2.7%

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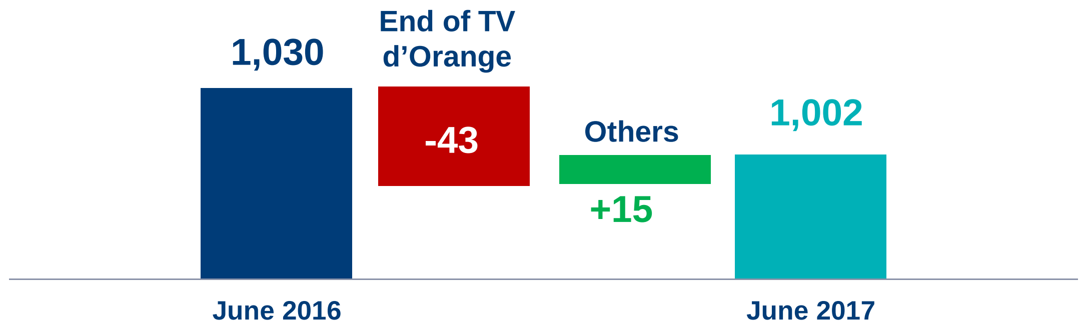
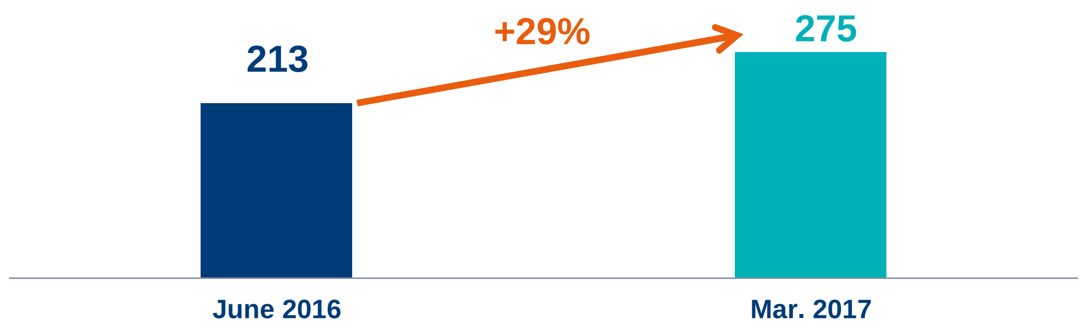
HOTBIRD
HD ramp-up continues to overtake MPEG 4 transition rate

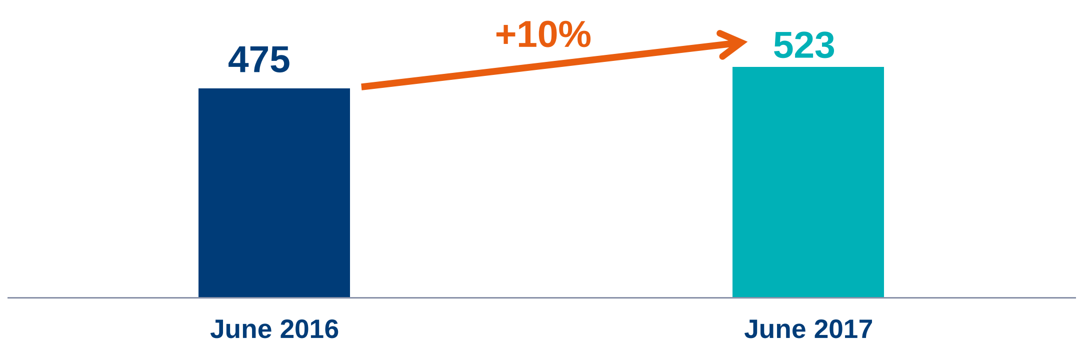
Resilient channel count



Acceleration in HD ramp-up



MPEG-4 still rising but at a lesser pace than HD



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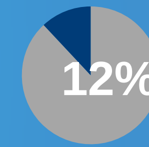
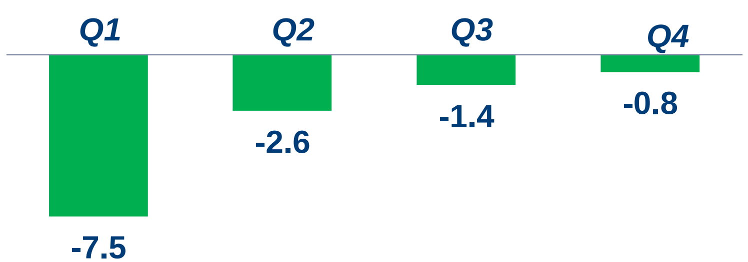
Fixed Data



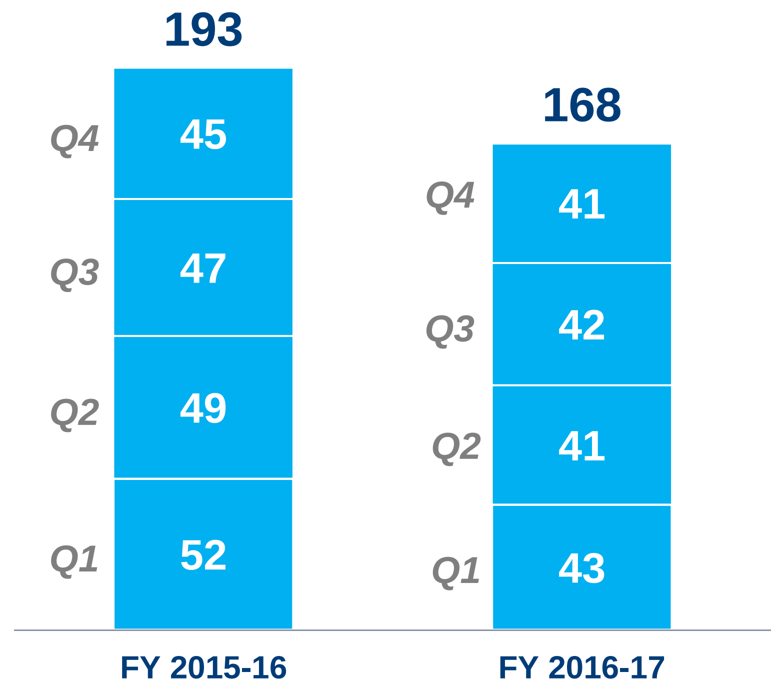
- FY 17 revenues of €168m, down 14.0% like-for-like
- Ongoing pricing pressure in all geographies
- Not offset by additional volumes
- Sequential underlying trends have improved throughout the year

Underlying[2] QoQ variation in revenues (%)



- But cautious outlook maintained

REVENUES[1] (€M)



[1] Proforma revenues reflecting new applications
[2] Variation at constant currency , excluding sale of an Antenna in Q1

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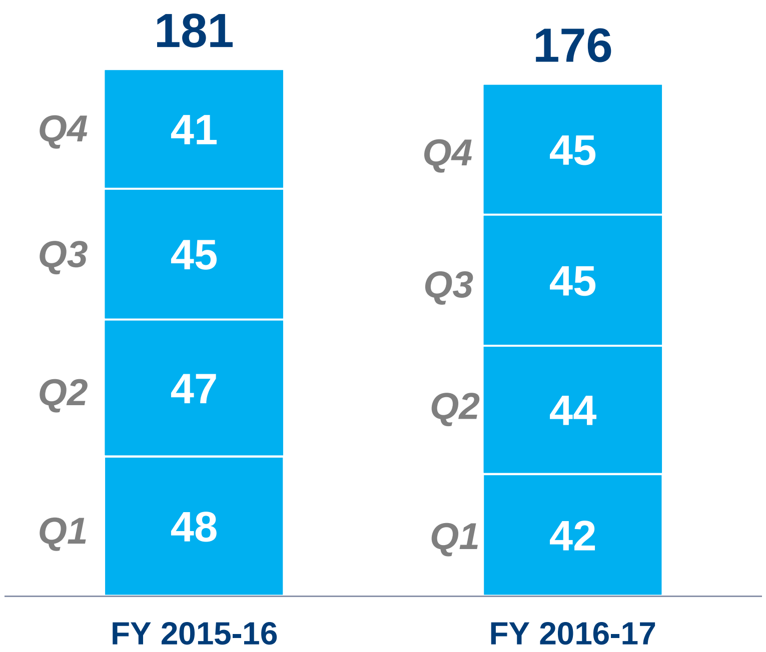
Government Services

12%

REVENUES[1] (€M)

- ► **FY 17 revenues of €176 million, down 4.1% like-for-like**
- ► **Carry-forward of lower US DoD renewals in Spring 2016 campaign**
- ► **More favourable commercial activity in FY 2016-17**
  - Renewal rate of c.90% in Fall and c.85% in Spring
  - New contracts representing 7 TPE
- ► **Stabilisation of quarterly revenues at constant currency**



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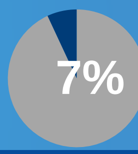
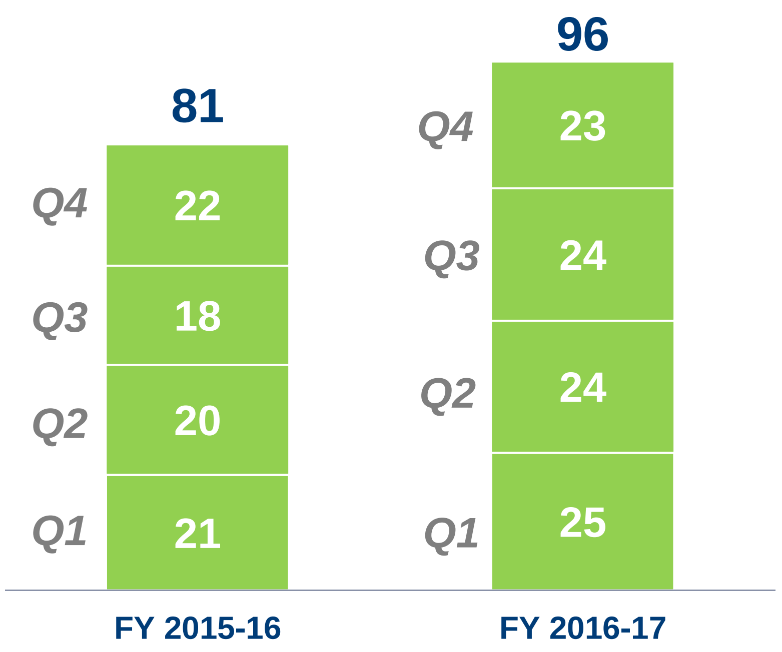
[1] *Proforma revenues reflecting new applications*

Fixed Broadband



- FY 17 revenues of €96m, up 18.4% like-for-like[1]
- Entry into service of fully-sold HTS payload on EUTELSAT 65 West A in May 2016
- Solid European broadband performance
- Impact of contract termination for Ka-band payload on EUTELSAT 3B in Dec. 2015
- Russian consumer broadband service on EUTELSAT 36C to ramp-up progressively
- Launch of African Broadband Service (Konnect Africa)

REVENUES[1] (€M)



[1] *Proforma revenues reflecting new applications*

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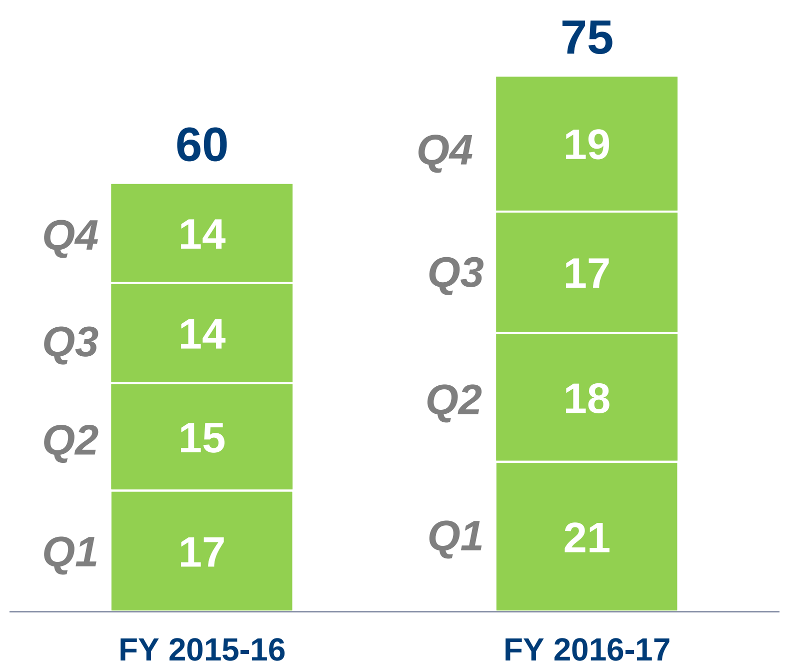
Mobile Connectivity

5%

- FY 17 revenues of €75m, up 22.5% like-for-like
- Agreement with Taqnia on the HTS payload of EUTELSAT 3B
- Growing widebeam capacity sales at several orbital positions:
  - 10° East
  - 21° East
  - 172° East
- EUTELSAT 172B to bring additional dedicated capacity in FY 2017-18

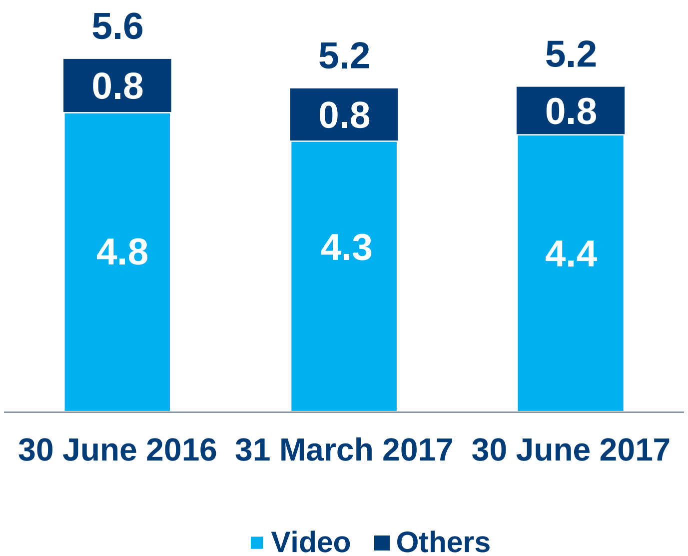
REVENUES[1] (€M)



[1] Proforma revenues reflecting new applications as well as the disposal of Wins for FY 2015-16

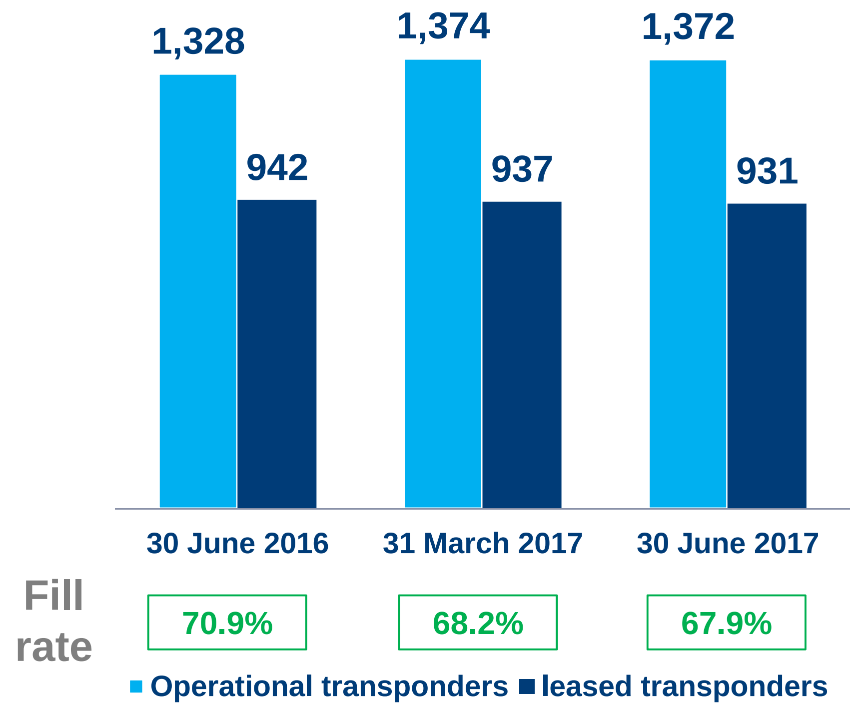
Backlog and Fill Rate

BACKLOG (€BN)



- Backlog of €5.2bn
- 3.5 years of revenues
- Video accounting for 85%

OPERATIONAL AND LEASED TRANSPONDERS



- Entry into service of EUTELSAT 117 West B in Jan. 17

Based on 36 MHz-equivalent transponders (TPE), excluding HTS capacity

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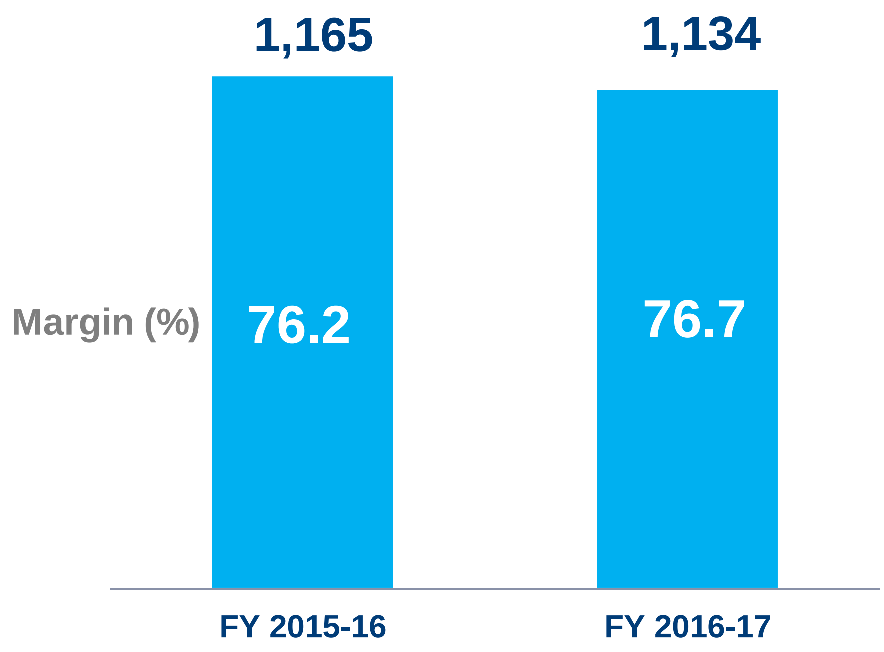
Profitability

- **EBITDA margin rising to 76.7% despite lower revenues**
  - 76.6% at constant currency
- **First benefits of early cost-cutting actions**
- **Lower level of bad debt**
- **Positive impact of disposal of non-core, lower margin businesses (Wins/DHI)**

EBITDA (€M)



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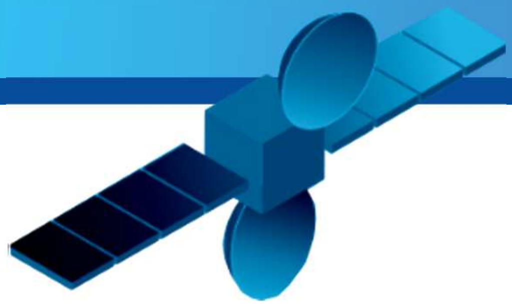
LEAP well on track to deliver €30m savings by FY19

	Category	% of total savings	Progress
Technical	Other technical spend	17%	+++
	Owned teleports	14%	++
	External Teleports & leased lines	12%	+++
Indirect	Consultancy	20%	++
	Marketing	13%	++
	Real estate, FM, IT & Telecoms	12%	++
	Travel	7%	+
	Other non-technical spend	5%	+

Net income

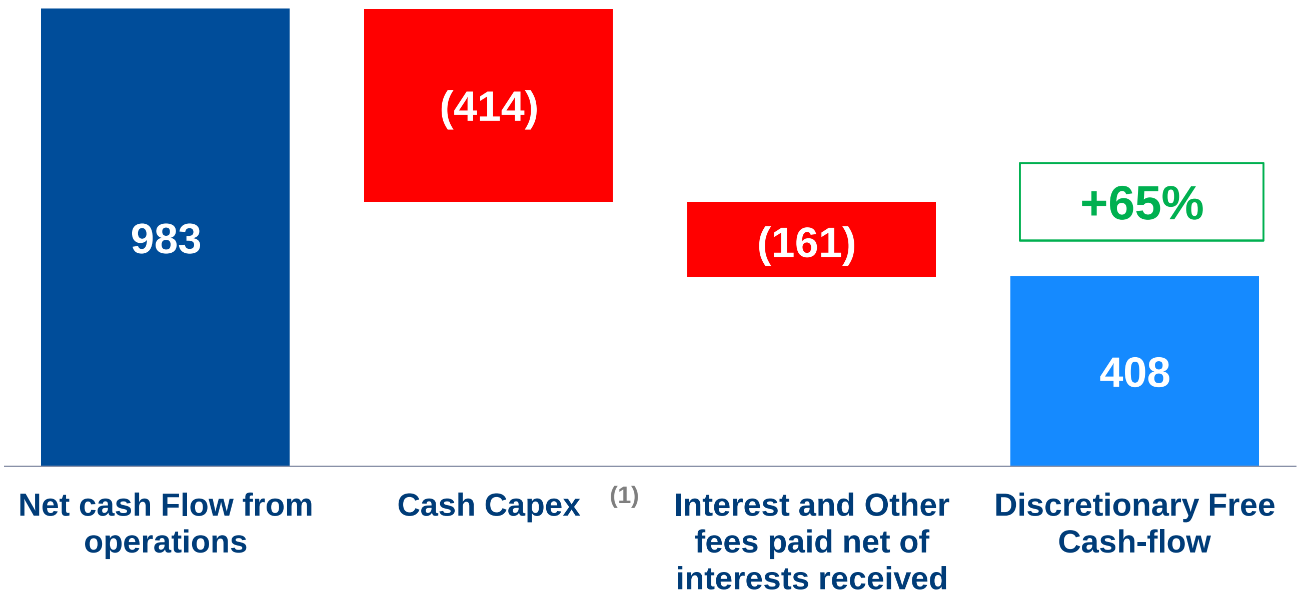


Extracts from the consolidated income statement in €m[1]	FY 2015-16	FY 2016-17	Change	
Revenues	1,529	**1,478**	*-3.3%*	
EBITDA[2]	1,165	**1,134**	*-2.7%*	
Operating income	662	**615**	*-7.1%*	▶ Higher D&A ▶ Capital gain on Wins/DHI
Financial result	(123)	**(131)**	*+6.4%*	▶ Full-year impact of EUTELSAT 36C lease ▶ Lower capitalized interest ▶ Variation in forex impact
Income tax	(200)	**(120)**	*-39.9%*	▶ Partial tax-exemption of Wins/DHI capital gain ▶ Non-cash positive one-off related to future tax rate cut in France
Income from associates	24	**0**	*n.a*	▶ Hispasat reclassified in assets held for sale
Group share of net income	348	**352**	*+0.9%*	▶ Net margin of 24%

[1]Rounded to closest million
[2]EBITDA defined as operating income before depreciation, amortisation, impairments and other operating income/(expenses)

Discretionary Free-Cash Flow up 65%

In €m



Change	+ 87	+100	-27	+161

FY 2015-16	*896*	*(514)*	*(134)*	*247*

(1) *Cash Capex includes capital expenditure and payments under existing export credit facilities and long-term lease agreements on third party capacity.*
Cash Capex for FY 2016-17 is: (i) restated from the value of the payment owed in FY 2015-16 to RSCC in respect of lease of EUTELSAT 36C but paid effectively in FY 2016-17 (payment of €95.2m) which was already accounted for in FY 2015-16 cash capex; (ii) net of the €132.5m received from ViaSat.

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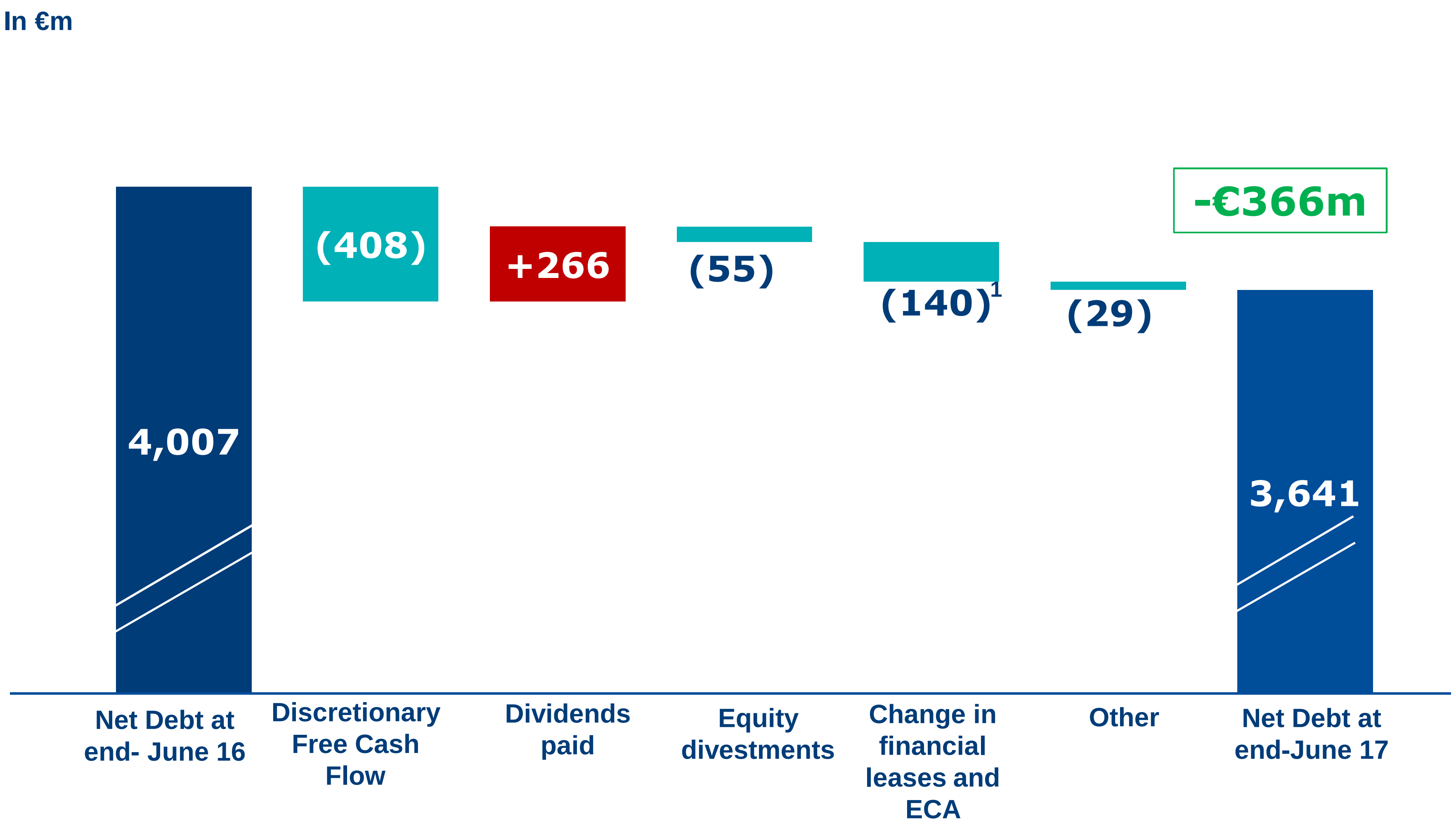
Net debt down €366m

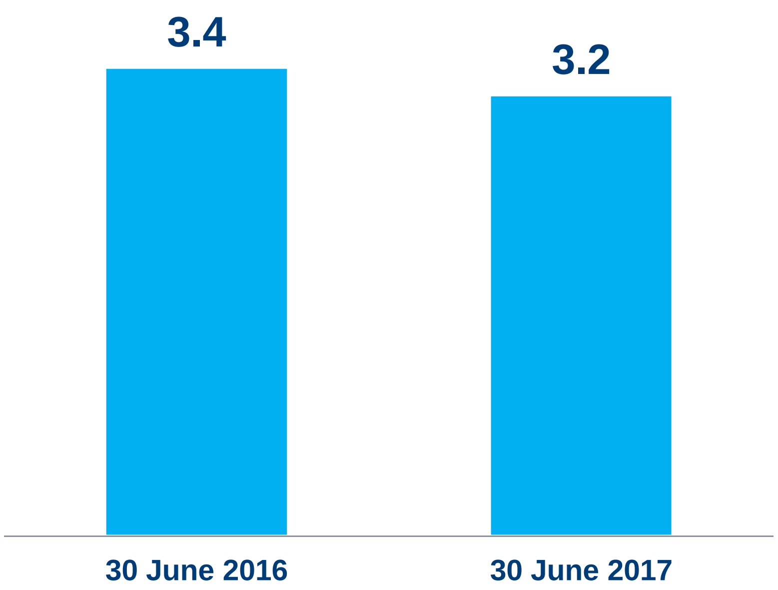


[1]Excluding Payment of €95.2m to RSCC already reflected in Discretionary cash flow

Financial structure

- **Net Debt/EBITDA ratio reduced to 3.2x**
  - vs 3.4x at 30 June 2016
- **Average cost of debt after hedging reduced to 3.1%**
  - vs 3.5% in FY 2015-16
- **Repayment of Mar 17 bond to generate €30m savings in FY 2017-18**

NET DEBT / EBITDA RATIO[1]



[1]Based on net debt at the end of the period and last twelve months' EBTIDA

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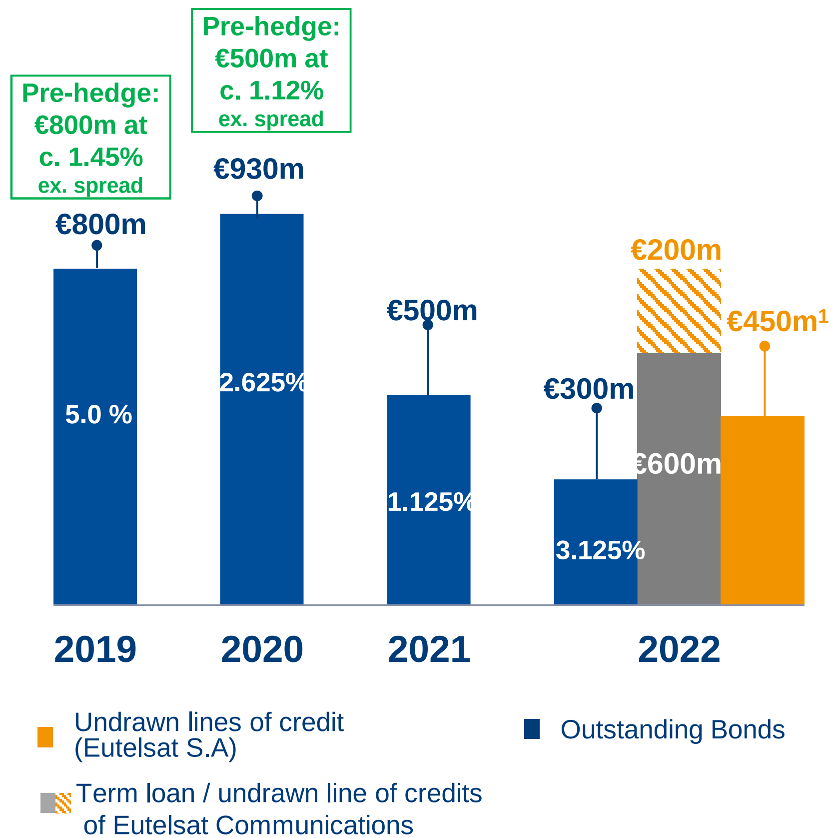
Ongoing debt optimisation

ONGOING DEBT OPTIMISATION

- **One year extension of €600m term loan and €200m revolving credit facility**
- **Refinancing of €450m revolving facility**
- **2019 and 2020 bonds mid-swaps pre-hedged**
- **Average debt maturity of 3 years**

DEBT MATURITY SCHEDULE



Note: Maturities are provided on a calendar year

[1]With 2 possible extension facility of one year subject to lenders agreement

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Reminder: Our strategic roadmap

STEP 1	STEP 2	
GROW CASH-FLOW	**GROW TOPLINE**	
2016-2019	2019-2025+	
Maximise Free-Cash-Flow generation	Build on our core video business to accelerate growth	Capture longer term potential in Connectivity

Our priorities for FY 2017-18

STEP 1	Grow Cash Flow	Stabilise revenues	► Return to broad stability at HOTBIRD ► Proactive Video strategy around HD ramp-up, new pricing policy and optimised distribution ► Fill Data capacity ► Leverage new resources to grow Connectivity
		Further optimise other items	► Deliver on LEAP cost-savings plan ► Maintain tension on WCR ► Contain Capex ► Continue to de-lever
STEP 2	Prepare for return to growth		► Successfully market EUTELSAT QUANTUM ► Deployment of Konnect Africa ► Cement partnership with ViaSat including procurement of VSAT-3 satellite

Financial outlook – all objectives maintained or raised

REVENUES (At constant currency, and perimeter)	► Broadly stable in FY 2017-18[1] ► Return to slight growth from FY 2018-19	→
EBITDA MARGIN (At constant currency)	► Above 76% in FY 2017-18 ► Above 77% from FY 2018-19	↗
CAPEX	► FY 2017-18 to FY 2019-20: average of €420m[2] per year	→
DISCRETIONARY FREE CASH FLOW[3] (At constant currency)	► FY 2016-17 to FY 2019-20: mid-single digit CAGR, with growth back-end loaded in the outer two years	↗
LEVERAGE	► Investment grade rating ► Net debt / EBITDA below 3.0x	↗
DISTRIBUTION	► Stable to progressing dividend	→

1 Based on Proforma revenues of €1472m for FY 2016-17 excluding the contributions of Wins/DHI and DSAT ; 2 Inc. cash outflows related to ECA loan repayments and capital lease payments; 3 Net cash-flow from operating activities less Cash Capex less Interest and Other fees paid net of interest received. Three year CAGR calculated on the period FY 2016-17 to FY 2019-20 .

To Sum Up:

- Delivery on all financial objectives in FY 2016-17
  All objectives maintained or raised for coming years
- Significant over-delivery on Discretionary Free-Cash-Flow generation
- Accelerated de-leveraging
  10% rise in dividend
- ‘LEAP’ cost-savings plan well on track
- Materialisation of capex efficiencies
- Paving the way for Connectivity-driven post-2020 revenues rebound

APPENDICES

Future launches

Name	EUTELSAT 7C	EUTELSAT 5 WEST B	eutelsat QUANTUM	AFRICAN BROADBAND SATELLITE
Orbital Position	7° East	5° West	TBD	TBD
Launch date[1]	H2 2018	H2 2018	2019	2019
Manufacturer	SSL	AIRBUS DEFENCE & SPACE / Orbital ATK	AIRBUS DEFENCE & SPACE	ThalesAlenia Space
Launcher	arianespace	ILS	arianespace	arianespace
Coverage	MENA SSA	Europe North Africa	Flexible	SSA
Applications	Video	Video	Government Services	Broadband
Total Capacity (TPE/Spotbeams)	49 Ku	35 Ku	N/A	**65 Ka / 75 Gbps**
o/w Expansion Capacity[2]	19 Ku	-	N/A	**65 Ka / 75 Gbps**

Electrical propulsion

HTS Payload

1 Calendar year

2 Excludes unannounced redeployments

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