



SHAREHOLDER LETTER



EDITORIAL

Dear Shareholder,

The first half of financial year 2011-2012 brought a mix of extremely solid results and sustained growth.

Eutelsat achieved half-year revenue growth of 4.6% and maintained an EBITDA margin of over 79%, the highest among all major satellite operators. These figures reflect the Group's excellent business performance and strict cost control.

The campaign to expand our fleet of satellites continues. With the entry into service of two new satellites to boost our coverage in the Middle East, Africa, Central Europe and the Indian Ocean Islands, our backlog has grown by nearly 10% to €5.3 billion, representing over 4.5 years of revenues. This gives us outstanding visibility for the years ahead, a position underpinned by the scheduled launch of six new satellites by the second half of 2014, increasing our satellite capacity by 20% in three years.

First-half highlights in financial year 2011-2012 included the first seven months of operations for the highly innovative KA-SAT satellite and with it, the launch of next-generation Tooway™ broadband services, available throughout Europe and in many parts of the Mediterranean Basin. At 31 December 2011, the total number of transponders in operation on our satellites had increased by 22.7%, year-on-year. This extra capacity—resulting from the KA-SAT program and the two orbital positions 3° East and 48° East—has bolstered our offering in fast-growing markets.

In addition to our operating achievements, we successfully refinanced a significant portion of Group debt to extend average debt maturity and continue to diversify sources of financing to bond markets.

Buoyed by a healthy business and a solid bottom line, our ability to constantly deliver an increasing range of highly reliable services to our customers puts us in a position to reaffirm our targets, pursuing a strategy of profitable growth for our shareholders. Thank you for your support and trust.

Michel de Rosen
CEO

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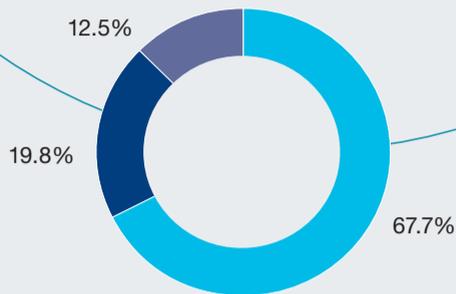


HALF-YEAR RESULTS

SOLID OPERATING PERFORMANCE

REVENUE BREAKDOWN

(at 31 December 2011)



- Video applications: 67.7%
- Data and value-added Services: 19.8%
- Multi-usage: 12.5%

KEY FIGURES

(year-on-year)

+4.6%

Revenue: €602.4 million

+3.4%

EBITDA*: €478.5 million

79.4%

EBITDA margin*

26.0%

Group share of net income

+9.6%

Backlog: €5.3 billion

* EBITDA is defined as operating income before amortization, depreciation, and other proceeds and operating expenses.

OUTLOOK

● HIGH PROFITABILITY TARGET

An EBITDA margin above 77% for each of the three fiscal years to June 2014, with EBITDA of more than €955 million for financial year 2011-2012.

● ACTIVE, TARGETED INVESTMENT POLICY

Average capital expenditure of €550 million over the next three years.

● HEALTHY FINANCIAL STRUCTURE

Net debt/EBITDA below 3.5x to retain "investment grade" ratings with Moody's and S&P. Net debt/EBITDA totalled 2.53x at 31 December 2011.

● ATTRACTIVE SHAREHOLDER DIVIDEND

Distribution of between 50% and 75% of the Group share of revenue over the next three years.

Business in multi-usage and video applications is growing, contributing to a record order backlog. Growth is expected to accelerate in coming financial years.

Activities

● Half-year revenues from **VIDEO APPLICATIONS** rose 2.9% to €403.3 million. The first six months were buoyed by the entry into service of two new satellites in key orbital positions for television broadcasting: 7° West, providing coverage to the Middle East and North Africa; and 16° East, covering central Europe, the Indian Ocean and Africa. We also renewed contracts for 36° East, a key orbital position for television broadcasting in western Russia and sub-Saharan Africa, and 7° East, broadcasting to the Middle East. 90% of new television channels are in these fast-growing markets.

● Taken as a whole, revenues from **DATA SERVICES AND VALUE-ADDED SERVICES** are relatively stable, increasing by 0.8% to €117.8 million. Data services grew by 2.2% to €95.2 million in a market hampered by the lack of available capacity until the arrival of new EUTELSAT 7 West A and EUTELSAT 16A satellite resources towards the end of the first half. Value-added services declined 4.7% to €22.7 million, the result of 2010-2011 half-year revenues boosted by the sale of terminals to support new French railway (SNCF) services. This drop masks burgeoning growth in Tooway™ broadband services, whose outstanding technical performance has been proven by positive feedback from users.

● The **MULTI-USAGE** business, which covers short-term capacity leasing contracts with governments and public authorities, experienced an

Eutelsat forecasts revenue of more than €1.235 billion for financial year 2011-2012."

other period of strong growth during the first half of the year, up 29.9% to €74.4 million. Multi-usage contracts are renewed in February and September each year. Results for the first six months of this year continue to be buoyed by the record number of contracts signed in September 2011.

Backlog

The backlog reached a record €5.3 billion at 31 December 2011, representing growth of nearly 10% in one year. Based on revenues for financial year 2010-2011, this represents the equivalent of nearly 4.6 years of revenue. The weighted average remaining life of contracts is 7.3 years.

Outlook

Eutelsat forecasts revenue of more than €1.235 billion for financial year 2011-2012, with accelerated growth over the next two years. This would mean compound average growth in revenue of more than 7% per year over the three-year period ending up to June 30, 2014.



Eutelsat in the media

NEW SATELLITES, NEW SERVICES, NEW CUSTOMERS: EUTELSAT COVERED IN THE FRENCH AND INTERNATIONAL MEDIA

The launch of a new generation of high-speed Internet services has been a major story in the media since 2011, boosting Eutelsat brand awareness and underscoring the importance of satellite technology in a booming digital economy.



HIGHLIGHTS

→ Name-change for satellites



On 1 March 2012, the name of all satellites in our fleet switched to a more logical system making it easier to identify their connection to the Eutelsat Group and pinpoint their location. As an example, the W6 satellite, which is located at 21.5° East, has been renamed EUTELSAT 21A. Eutelsat continues to use the HOTBIRD brand, which has been in use for nearly 20 years.



→ Innovation award for KA-SAT

On 17 February 2012, the **Society of Satellite Professionals International (SSPI)** presented Eutelsat with an award for Innovation in Ka-Band Services for its KA-SAT satellite. KA-SAT became operational in May 2011 and is the most powerful broadband satellite in orbit over Europe. Boasting a throughput of 70 Gbps, it marks a new era in professional satellite video and Internet services.



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EUTELSAT 7 WEST A: A PERFECTLY POSITIONED ASSET

The entry into service of the EUTELSAT 7 West A satellite in October 2011 marked a new stage in developing the 7° West orbital position, a cornerstone of the capacity to broadcast television programmes in the near Middle East and North Africa.

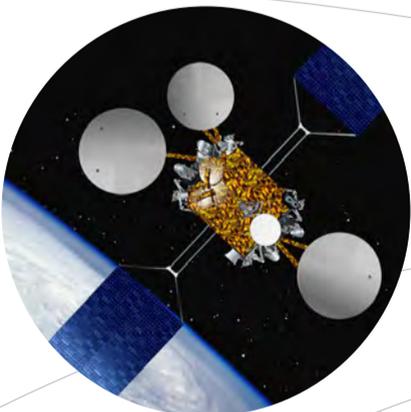
7° West has been in use since 2006 and is currently Eutelsat's most dynamic orbital position for television broadcasting, with a 35% increase in the number of TV channels in 2011. The launch of the EUTELSAT 7 West A satellite gave a significant boost to available capacity in the position, which covers the majority of television programmes broadcast in the fast-growing markets of the Middle East and North Africa. 7° West is currently used to broadcast 822 Arabic and international channels to some 30 million households.

• **EUTELSAT 7 WEST A** replaces **ATLANTIC BIRD 4A**, in operation since 2009. The new satellite features two beams providing high-quality coverage from the Middle East and Gulf states to North and Northwest Africa. Ku band orbital resources are a vector for growth in digital television in these regions, including the HD market.

Following entry into service of the new satellite, **Eutelsat sealed two major business deals.**

• **ON 31 OCTOBER 2011**, a full transponder leasing contract was signed with **MBC**, one of the leading broadcasting and media companies in the Middle East. MBC includes ten TV channels, two radio stations and a production company. This latest deal strengthens a partnership that dates back 20 years and puts MBC in a position to grow its audience in the Middle East and North Africa while offering its first HD services, available as of January 2012.

• **ON 1 MARCH 2012**, **Al Jazeera** announced the launch of a new package of ten channels available throughout Northwest Africa, from Morocco to Nigeria, following the signing of a capacity leasing contract for the new beam now covering the entire region.



NEW CAPACITY. 801 transponders were in operation on the 28-strong Eutelsat satellite fleet in early 2012, a year-on-year increase of nearly 23%. This brought the fill rate down from over 90% to 76.1%, providing the capacity needed to continue growth.



EUTELSAT HIT 4,000-CHANNEL MILESTONE. At 31 December 2011, the Eutelsat fleet was broadcasting a total of 4,173 television channels, 391 more than the previous year. Nearly 300 of these channels are in HD, representing a year-on-year increase of 45%, with a high-definition penetration rate of 7%.



SIX SCHEDULED LAUNCHES. Six satellites now being built will be launched between autumn 2012 and year-end 2014. This will increase the Group's satellite capacity by 20% for the period from June 2011 to June 2014.

Other highlights

EUTELSAT COMMUNICATIONS

JOINS THE CAC LARGE 60 INDEX

Eutelsat Communications joined the CAC Next 20 and CAC Large 60 indices of NYSE Euronext Paris after trading session on 19 March 2012, increasing its visibility in the financial community.

Meeting on 1 March 2012, the Scientific Board of Euronext Indices approved the addition of Eutelsat Communications to the CAC Large 60 index. Established in 2011, the index includes the constituents of the CAC 40 index and CAC Next 20 index. Eutelsat Communications was withdrawn from the CAC Mid 60 and CAC Mid & Small indices following its inclusion in the new indices.

• **THESE CHANGES** allow Eutelsat Communications to increase its visibility in the French and international financial community, particularly with regard to index funds, which are designed to replicate the movements of a market index.

Index funds and other forms of passive fund management in Europe totalled nearly €300 billion in 2011, representing 16.8% of managed assets, which highlights the significance of Eutelsat Communications' addition to such a high-profile index.

• **IN JOINING THE CAC NEXT 20,** Eutelsat Communications has reached a new milestone. The Scientific Board of Euronext Indices re-



“ In joining the CAC Next 20 and CAC Large 60, Eutelsat Communications has reached a new milestone.”

views the composition of indices twice a year, in March and in September. New additions are chosen based on quantitative criteria such as trading volume, along with qualitative criteria such as outlook for the sectors in question. Each new listing naturally leads to the removal of another company, hence the difficulty in admitting new members.

Eutelsat Communications now belongs to seven NYSE Euronext market indices: CAC Next 20, CAC Large 60, SBF 120, CAC All Shares, CAC All-Tradable, CAC Consumer Services and CAC Media.



PROVISIONAL FINANCIAL CALENDAR

- **10 May 2012**
Publication of the third quarter revenue ended 31 March 2012
- **30 July 2012**
Publication of full-year results ended 30 June 2012
- **25 October 2012**
Publication of first quarter revenue ended 30 September 2012
- **8 November 2012**
Shareholders' annual General Meeting

Dates are indicative and may change.

Shareholder meetings 2012

- 14 May in Nice
- 15 May in Lille
- 21 September in Paris, shareholders' "village"
- 4 October in Lyon



GET THE PROGRAMME of our shareholders' information meetings on our website: www.eutelsat.com > Investor Relations section

EUTELSAT, IN BRIEF

- One of the top three satellite operators worldwide.
- 28 satellites in orbit.
- 19 orbital positions in geostationary orbits from 15° West to 70.5° East, covering 150 countries in Europe, Africa, North and South America and Asia.
- More than 4,000 television channels, including nearly 300 in HD.
- 1,100 radio stations broadcast by our fleet.
- Audience of over 210 million homes equipped for television reception directly by satellite or via satellite-powered cable in Europe, the Middle East and Africa.
- Teleports in France, Madeira and Italy provide Internet access to all Eutelsat coverage on land, sea and in the air.
- Over 700 staff comprising 30 nationalities.
- Consolidated revenue of €1,168 million for the financial year 2010-2011.

SHAREHOLDER INFORMATION

● **SHARE PRICE (BASE=100):**
2/12/2005 TO 31/12/2011

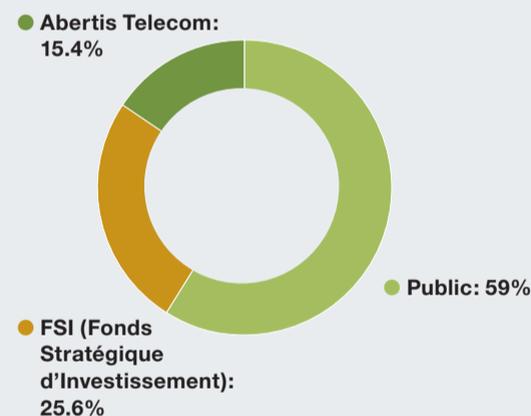


- Eutelsat Communications
- CAC 40

● PUBLIC FLOAT INCREASE

Eutelsat Communications' public float now stands at 59% following divestment of a 16.1% stake by Abertis Telecom on 13 January 2012 through accelerated book-building involving qualified investors. As a result, Abertis Telecom now owns 15.35% of Group capital and is its second-largest shareholder, after Fonds Stratégique d'Investissement (FSI).

● EUTELSAT COMMUNICATIONS CAPITAL DISTRIBUTION AT 1 APRIL 2012



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