Société anonyme with a Board of Directors
and a share capital of 226,972,338 euros
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MANAGEMENT REPORT OF THE BOARD OF DIRECTORS ON THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note: The English version of this Management Report is a free translation of the French version and is provided solely for the benefit of English-speaking users.

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

30/07/15

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APPENDICES

Dear Shareholder(s),

We submit to you a management report on the activity of Eutelsat Communications (the Company) and the Eutelsat Group[1] for the year ended 30 June 2015.

We also present to you the company and consolidated financial statements for the year ended 30 June 2015. The consolidated statements show the intra-group relations with our subsidiaries and affiliated companies.

This report was adopted by the Board of Directors at its meeting on 29 July 2015.

INTRODUCTION

Operating capacity on 37 satellites in-orbit between 117° West and 172° East, broadcasting 5 793 television channels, the Group is one of the leaders in EMEA area[2] for the provision of Fixed Satellite Services (FSS).

It mainly operates and supplies capacity for Video Applications, Data Services and Value-Added Services.

Via its fleet, the Group covers the entire European continent, the Middle East and North Africa, as well as sub-Saharan Africa and a large section of the Asian and American continents, potentially giving the Group access to almost 100% of the world's population.

The Group offers its services to broadcasters and network operators either directly or via distributors. These include the subsidiaries or former subsidiaries of leading European telecommunications providers such as Orange/Globecast, Telespazio, British Telecom/Arqiva, or RSCC.

1 KEY HIGHLIGHTS IN THE FINANCIAL YEAR

1.1 main figures[3]

Key financial highlights	FY 2013-14	**FY 2014-2015**	**Change**
Revenues			
Reported - €m	1,347.9	**1,476.4**	**+9.5%**
Restated - €m	1,377.8	**1,476.4**	**+4.0%**[1]
Profitability			
EBITDA[4] - €m	1,033.2	**1,131.7**	**+9.5%**

[1] Eutelsat Group" or "the Group" means Eutelsat Communications and all the companies controlled directly or indirectly by Eutelsat Communications

[2] EMEA includes western and central Europe, Russia and central Asia, the Middle-East, North Africa and Sub-Saharan Africa.

[3] The share of each application as a percentage of total revenues is calculated excluding "other revenues" and "non-recurring revenues" in the whole document.

EBITDA margin -	76.7	**76.7**	**nc**
Group share of net income - €m	303.2	**355.2**	**+17.2%**
Financial structure			
Net debt - €m	3,779	**3,841**	**+ €62m**
Net debt/EBITDA[5]	3.5	**3.4**	**-0.1 pt**
Backlog	6.4	**6.2**	**-3.5%**

1.2 Operational Highlights

The main highlights of financial year 2014-2015 were the following:

- Commercial successes contributing to an order book of 6.2 billion euros at 30th June 2015, with notably important contract renewals at the HOT BIRD orbital position with the Polish operator, nc+, and at 16°East with United Group, the market leader in broadband and broadcast services in South-East Europe, as well as several contracts in the dynamic video market in Africa;
- Further development of the Broadband Internet activity with 185,000 activated terminals on EUTELSAT KA-SAT 9A at 30 June 2015 (versus 154,000 a year earlier) reflecting the strong potential of these markets;
- The completion of the integration of Satmex, acquired at the beginning of 2014, which is now trading as Eutelsat Americas;
- The successful launch, in March 2015, of EUTELSAT 115 West B, the first all-electric commercial satellite, bringing additional capacity over the Americas, with entry into service expected in the fourth quarter of 2015;
- The early refinancing of an 800 million euros bank loan maturing in December 2016 , leading to an extension of its average debt maturity, and an annualised reduction in interest costs of the order of 15 million euros before tax;
- The procurement of the satellite EUTELSAT 172B, to be launched in 2017, to accelerate development in Asia-Pacific by bringing additional capacity to the 172° East orbital position. It will include an HTS payload in Ku-band, specifically designed for aircraft mobility, and which has been selected by Panasonic Avionics Corporation as its platform to develop in-flight connectivity over the region;
- The development of the cutting-edge, “Eutelsat Quantum” generation of software-defined satellites, setting new standards in terms of coverage, bandwidth, power and frequency configurability for users operating in government, mobility and data markets.. The first satellite was ordered and will be delivered in 2018.

1.3 Revenues by business application

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

[5] *On a proforma basis, taking into account proforma EBITDA including July to December 2013 Satmex EBITDA of USD51.0 million converted at EUR/USD exchange rate of 1.349.*

In € millions	FY 2013-14 reported	FY 2013-14 restated	**FY 2014-15**	*Actual change*	**Change at constant currency**
Video Applications	877.2	872.3	**913.0**	*+4.7%*	**+3.5%**
Data Services	189.8	209.2	**226.6**	*+8.3%*	**+1.3%**
Value-Added Services	88.7	88.7	**102.4**	*+15.4%*	**+14.8%**
Government Services	157.8	174.7	**196.5**	*+12.5%*	**+2.6%**
Other revenues	33.9	32.4	**37.9**	*+17.1%*	**+15.9%**
Sub-total	**1,347.4**	1,377.3	**1476.4**	**+7.2%**	**+4.0%**
Non-recurring revenues	0.5	0.5	**-**	*na*	**Na**
Total	**1,347.9**	1,377.8	**1476.4**		
EUR/USD exchange rate	*1,360*	-	*1,228*	**+7.2%**	**+4.0%**

For a review of the performance for each application, please refer to section 3.2.1 “Revenue growth” of this document.

1.4 Active investment policy

The objective of the Group’s investment policy is to guarantee future growth for its business (i) by ensuring an appropriate increase in its in-orbit resources serving fast-growing markets, and (ii) by developing innovative solutions so as to position the Group on new markets, e.g. satellite broadband access services for users in the Ka-band.

During the financial year, this investment policy was notably reflected by:

- the launch of EUTELSAT 115 West B in March 2015,
- further progression of the satellite programmes commissioned in previous years (EUTELSAT 9B, EUTELSAT 8 WEST B, EUTELSAT 65 WEST A, EUTELSAT 117 West B),
- the order of the EUTELSAT 172B satellite,
- the continuation the procurement of EUTELSAT 36C satellite programme within the framework of a long-term partnerships with RSCC,
- the development of the cutting-edge, “Eutelsat Quantum” generation of software-defined satellites.

More detail is provided in the section 4 of this document

1.5 Financial indicators

- *Profitability*

Group EBITDA amounted to €1,131.7 million (€1,033.2 million at 30th June 2014), up 9.5%, in line with revenue growth.

The EBITDA margin stood at of 76.7%, stable compared to last year, notably reflecting on one hand the leverage from the overall increase in revenues and on the other the above average growth of Value-Added-Services.

- *Group share of net income*

Group share of net income stood at €355.2 million versus €303.2 million in 2013-2014, an increase of 17.2%. The net margin stood at 24.1%. This reflected mainly:

- The increase in EBITDA;
- An increase in the **depreciation** charge of €65.2 million due principally to the impact of new capacity (Express-AT1, Express-AT2 and EUTELSAT 3B) as well as the full-year effect of the consolidation of Eutelsat Americas (formerly Satmex);
- A **financial result** of -€116.0 million (versus -€132.3 million in 2013-2014). This reflects on one hand a positive net currency effect of €21.3 million compared to -€7.4 million last year, and on other the full-year effect of the bond issued in December 2013.
- An effective **tax rate** of 35.6% compared to 38.6% in 2013-2014. This reduction in the tax rate mainly reflects the activation of certain tax loss carry-forwards in Latin America. Moreover, the tax bill in 2013-2014 included a settlement of -€5.6 million.

Extract from the consolidated income statement (€ millions)

Twelve months ended June 30	**2014**	**2015**	Change (%)
Revenues	**1,347.9**	**1,476.4**	+9.5%
Operating expenses[6]	**(314.7)**	**(344.7)**	+9.5%
EBITDA	**1,033.2**	**1,131.7**	+9.5%
Depreciation and amortisation[7]	**(401.3)**	**(466.5)**	+16.3%
Other operating income (charges)	**(8.5)**	**(3.7)**	- 56,5%
Operating income	**623.4**	**661.5**	+ 6.1%
Financial result	**(132.3)**	**(116.0)**	(12.3%)
Income tax expense	**(189.8)**	**(194.1)**	+2.3%
Income from associates	**14.9**	**18.8**	+26.2%
Portion of net income attributable to non-controlling interests	**(13.1)**	**(15.0)**	+14.6%
Group share of net income	**303.2**	**355.2**	+17.2%

[6] Operating expenses is defined as the sum of operating costs and of selling, general & administrative expenses.

[7] Comprises amortisation expense of 56.2 million euros corresponding to the intangible asset “Customer Contracts and Relationships”

2 MAIN MARKETS AND STRATEGY

Group's activities are described in the Section 3 of this document.

2.1 The Fixed Satellite Services industry

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

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

According to Euroconsult, the FSS sector generated global revenues of US$12.2 billion as of 31 December 2013, including 10.5 billion US dollars in infrastructure revenues. Infrastructure revenues in EMEA and Latin America amounted to US$6.4 billion.

2.1.1 A business with strong visibility

Eutelsat is a core player with strong resilience

Visibility in the FSS sector is driven by several features:

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

Video Applications, Eutelsat's prime business, enjoy a high resilience, thereby providing strong visibility on future revenues as reflected in the significant order backlog.

2.1.2 A business set for steady growth

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

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

In response to these trends, satellite capacity should rise by 4.3% per year on average between 2013 and 2018 (Source: Euroconsult) in the most dynamic areas, which include Latin America, Sub-Saharan Africa, the Middle East and North Africa, Russia and Central Asia.

2.1.3 Demand is supported by the digital revolution

Eutelsat plays a key role in the media and Internet convergence

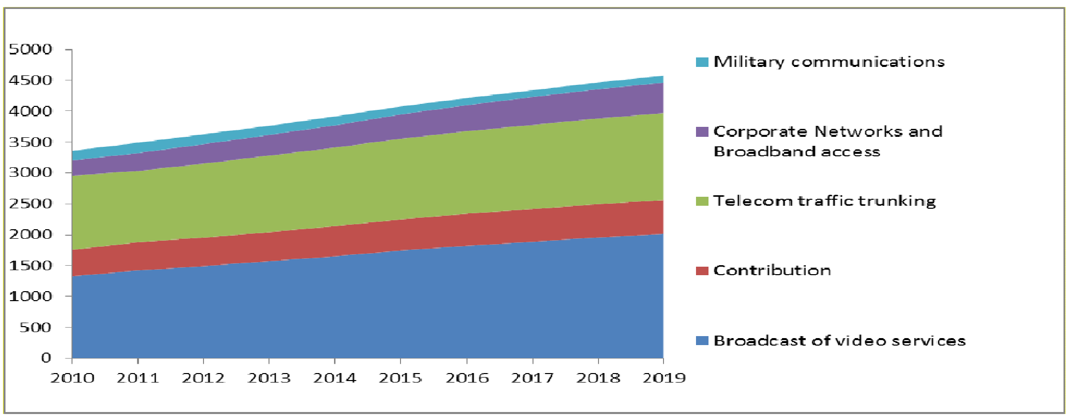
The use of TV services changes over time. Larger TV screens call for improvements in image quality, as well as to the development of the High Definition format, and soon Ultra High Definition (UHD). While linear television remains the main technology for operating video content, there is an increasing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

New-generation solutions are being developed in order to meet the large spectrum of end-user needs. With the launch of the EUTELSAT KA-SAT 9A satellite in 2010, Eutelsat has taken a pioneering role, providing the general public with a combination of TV-based solutions and broadband Internet access at speeds comparable to ADSL offers and at affordable prices for consumers.

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

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

Breakdown by Application of transponder demand in EMEA and Latin America



Source: Euroconsult, 2014 Edition

2.1.4 A sustained capacity offer

Eutelsat supports the development of regional operators

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

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

Eutelsat has entered into several long-term partnerships with regional operators. Examples include the Group's long-standing relationship with Nilesat, which contributed to the consolidation of its 7°/8° West flagship video neighbourhood. This is the most established orbital position in coverage of the Middle East and North Africa, with more than 1,000 TV channels broadcast by satellite and an audience of more than 52 million homes. In Russia, Eutelsat operates capacity on the fleet of RSCC, the country's leading operator, through long-term agreements with RSCC for capacity leased on the Express-AT1

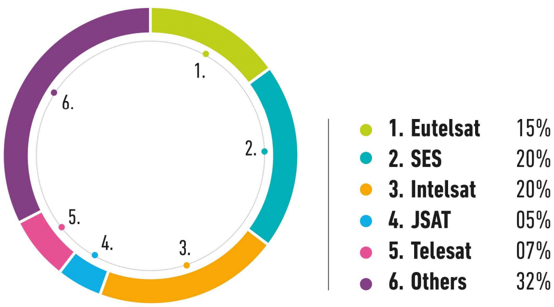
(56° East) and Express-AT2 (140° East): Eutelsat will strengthen its resources with the launch of EUTELSAT 36C (36° East).

Last but not least, the partnership between Eutelsat and Eshail'Sat, the Qatari operator, materialized with the launch of the EUTELSAT 25B satellite at 25.5° East, to further develop satellite services in the Middle East and North Africa.

2.1.5 Competitive environment

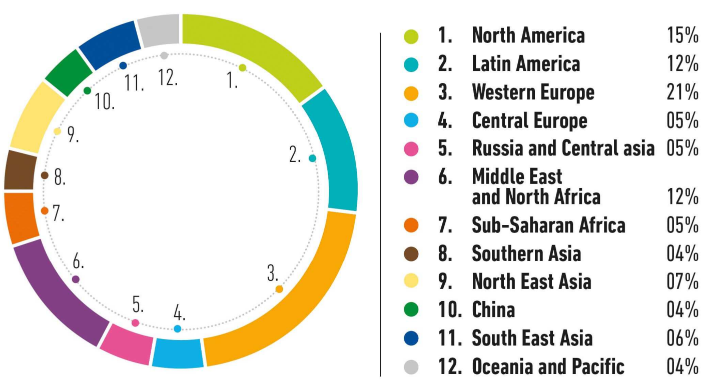
Eutelsat is one of the world's leading satellite operators with strong positions in EMEA. The acquisition of GE-23 satellite in September 2012 improved coverage in Asia-Pacific. With the acquisition of Satmex, closed on 1 January 2014, Eutelsat now has a strong footprint in the Americas, particularly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

Operators global market share (based on infrastructure revenues)



Source: Euroconsult, 2014 edition.

Breakdown by region of infrastructure revenue for FSS sector



Source: Euroconsult, 2014 edition.

2.1.6 Video Applications – Prospects

Video Applications experiences sustained growth:

- The number of homes equipped with a satellite terminal should increase globally by 135 million between 2013 and 2018, with the market penetration rate for satellite-based TV services rising from 28 to 31% of the global population (source: IHS).
- The number of channels broadcast by satellite throughout the world has increased from more than 30,000 to more than 35,000 over the last five years and it should be over 47,000 in 2023 (source: Euroconsult 2014).

- The development of High Definition (HD) and Ultra High Definition (UHD) broadcasting will contribute to the sector's future growth. According to Euroconsult, 45% of channels should be broadcast in High Definition by 2023 (against 21% now) and 2% should be broadcast in Ultra High Definition (0% now).

In EMEA and Latin America, demand for satellite capacity for Video Applications should remain well-oriented, with 3;5% compounded annual growth rate between 2013 and 2018. (*Source: Euroconsult 2014*)

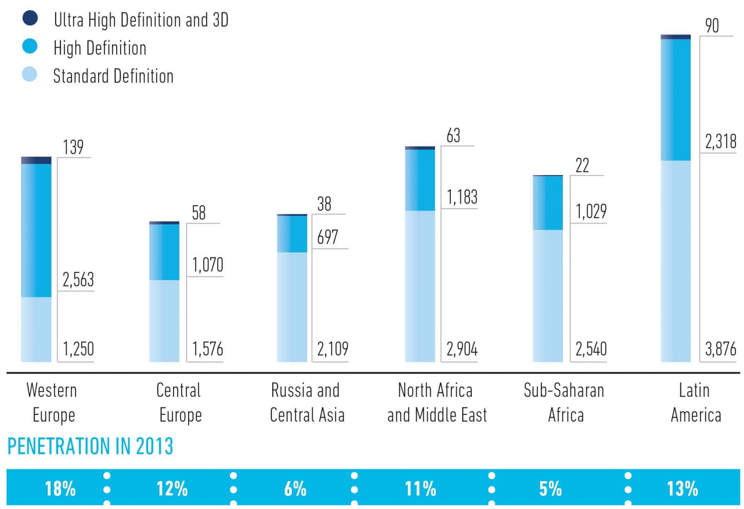
Growth is expected to be stronger in the most dynamic emerging markets. Tranponder demand should rise by more than 5% per year between 2013 and 2018 in Sub-Saharan Africa, North Africa, the Middle East, Russia and Central Asia and Latin America (Source: Euroconsult 2014).

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

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

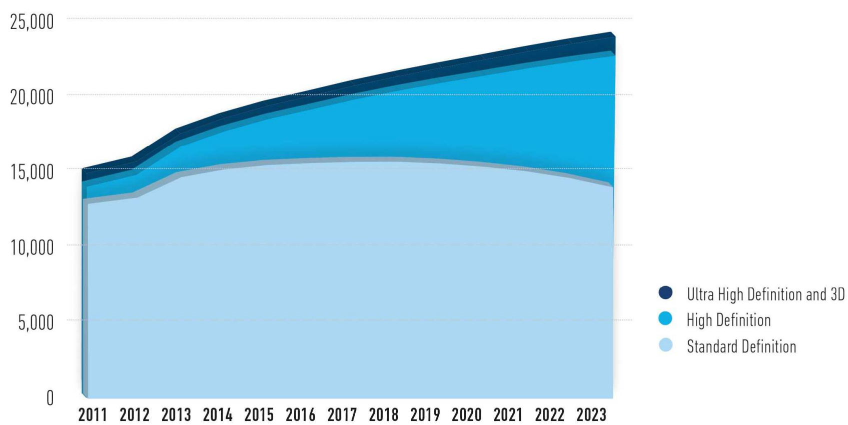
- **The increase in the number of televisions channels, driven mainly by emerging markets**. The number of channels should rise from more than 17,000 in 2013 to nearly 23,000 in 2023 in EMEA and in Latin America.
- **The widespread adoption of High Definition**. Requiring almost two times more satellite capacity than standard television (A 36 Mhz transponder allowing to broadcast circa 12 Standard Definition channels with MPEG-2 compression format or six to eight HD channels with MPEG-4 compression format), penetration rate on Eutelsat satellites has risen in one year from 10.2% to 11.9%. According to Euroconsult, the number of HD channels should progress at a weighted average annual rate of 16% in EMEA and in Latin America for the 2014-2023 period to amount to about 9,000 channels in 2023.
- **Ultra High Definition** technology is developing and the appropriate equipment is appearing. The technology is currently four times more resource-hungry than HD, but should benefit from the new DVB-S3 and HEVC compression standards, which will halve the bandwidth size required for video streaming.
- **The rise in popularity of Digital Terrestrial Television** (DTT), mainly in emerging markets and particularly in Africa, offers satellite operators an opportunity to supply the capacity to feed terrestrial re-transmitters and provide additional coverage for homes located in shadow areas.
- **The optimisation of compression rates for TV signals**. Deployment of the DVB-S2 standard and the adoption of compression standard MPEG-4 will make it possible to transmit up to twice as many channels per transponder, thus optimising use of the bandwidth between TV channels, which reduces the cost of access to satellite capacity for new entrants.
- **The development of interactive platforms** on the back of the emergence of new, non-linear, TV consumption modes, is prompting operators to invent a new generation of 'hybrid' terminals, combining access to TV and the Internet. It creates a dynamic for the Eutelsat teams who are constantly working to enrich the pay TV offerings and the supply of connected TV services.

HD penetration by sub-region in 2023



Source: Euroconsult, 2014 edition.

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

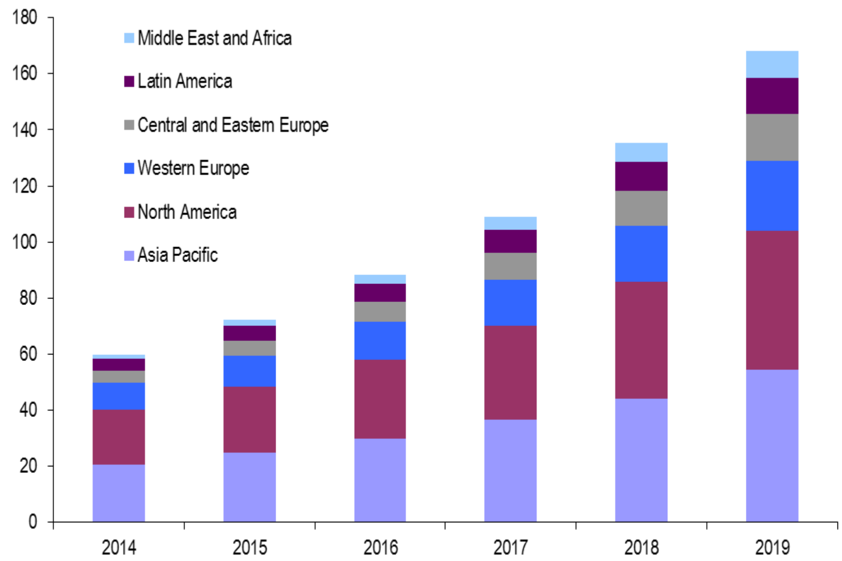


Source: Euroconsult, 2014 edition.

2.1.7 Data and Telecoms services - prospects

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

Global Internet traffic evolution (In Pb per month)



Source: Cisco, VNI 2015.

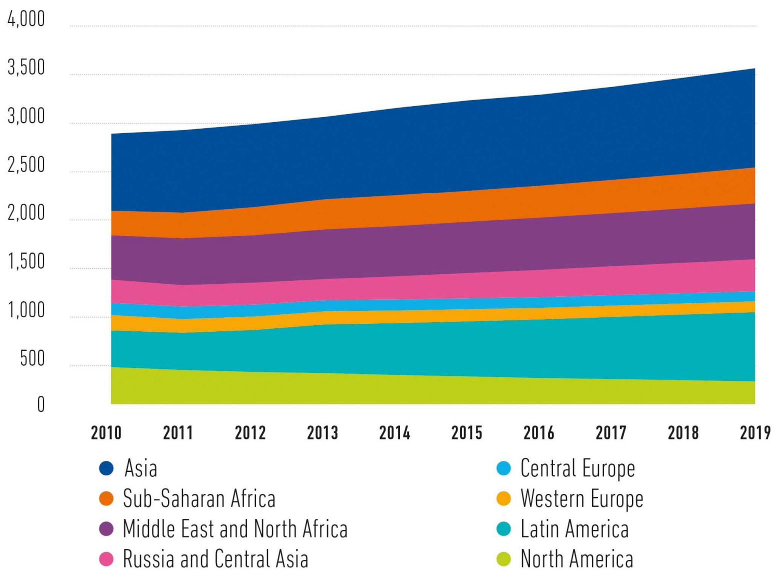
According to Euroconsult, demand for capacity for Data and Telecom services should remain well oriented, growing at a 4.3% CAGR from 2013 to 2018 in EMEA and in Latin America. Growth in demand for capacity for Data and Telecom services will be stronger in emerging markets. For the same period, transponder demand is expected to grow at above 5% CAGR in Sub-Saharan Africa, Latin America, Russia and Central Asia. These applications, however, have an abundance of capacity and experience competition from the terrestrial networks.

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

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

Demand for capacity for Corporate networks should remain well oriented and grow at an 8.6% CAGR from 2013 to 2018 in EMEA and in Latin America.

Global demand for telecom services, including services to administrations (in number of transponders)

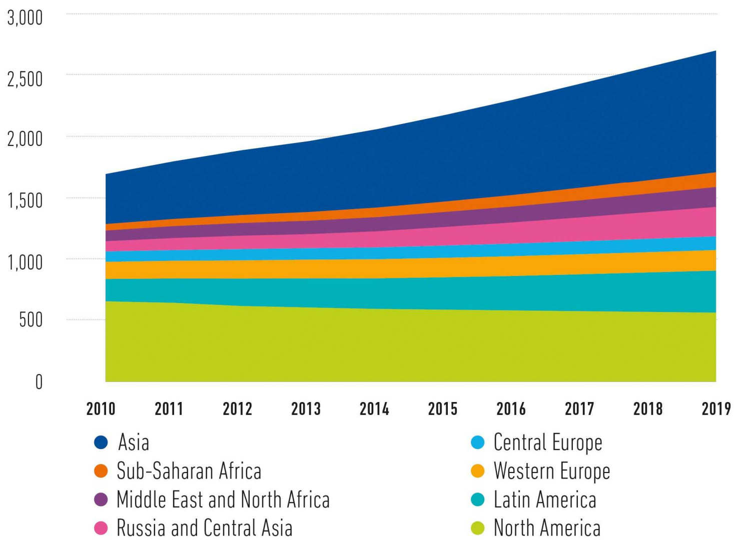


Source: Euroconsult, 2014 edition.

The trends impacting the market are as follows:

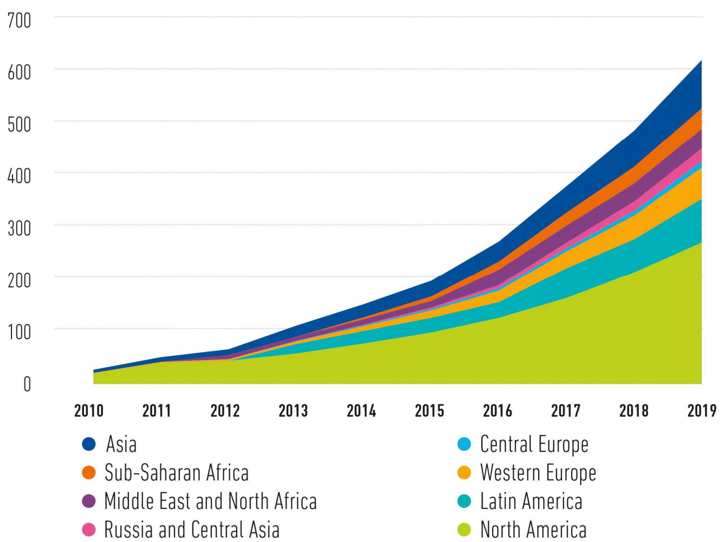
- In a digital economy characterised by an environment that requires to be increasingly connected, the need for capacity is constantly growing. This growth is mainly driven by the increase in video use.
- While optic fibre networks have penetrated the heart of large conurbations, many rural areas on the outskirts of towns are overlooked, due to their failure to offer terrestrial operators a return on their investments. The alternative offered by the satellite is an optimum solution in many areas of developed countries and even more in emerging countries. Between 2008 and 2013, the number of VSAT terminals for corporate networks around the world has increased 35%, and has reached more than 2 million sites (Source: Euroconsult).
- The increase in High Throughput Satellites (HTS) exploiting new frequency bands now makes it possible to significantly improve the cost of access to the satellite resource for Data Services. Today's growing recourse to HTS technology-based solutions will be intensified in future years with the result that it will account for a major share of capacity dedicated to Data Services. In 2013, the number of homes equipped with a satellite terminal connected to the Internet rose by over 40% to more than 2.1 million around the world (Source: Euroconsult). According to the European Commission ("EU Scoreboard"), high-speed access is increasing all over Europe, since satellite has made it possible to complete the coverage for the population which was out of reach for terrestrial networks. The European Commission is working to strengthen access to the Internet via satellite in areas where it could continue to narrow the digital divide.

Development in the number of V-Sat per region (in thousands)



Source: Euroconsult, 2014 edition.

Global demand evolution for HTS services (in Gbps)



Source: Euroconsult, 2014 edition.

2.2 The Group's strategy

2.2.1 Main objectives

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

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

Consolidating flagship positions in the Video Applications business, and developing new ones

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

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

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

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

To this end, the Group is pursuing its policy of organic growth and development of partnerships with foreign operators at flagship positions including 7°/8°West and 36°East in particular. The acquisition of the GE-23 satellite (renamed EUTELSAT 172A) in September 2012 opens up new business opportunities for Eutelsat, especially in the Asia-Pacific region, where demand is rapidly expanding. A new high-capacity multi mission satellite (EUTELSAT 172B) at the same orbital position at 172°East, expected for launch in 2017, will accelerate development in the Asia-Pacific region. The acquisition of the Mexican satellite operator Satmex, (now operating under the commercial name Eutelsat Americas), closed in early January 2014, and the order of the EUTELAST 65 West A satellite, enable Eutelsat to scale up in Latin America, one of the most dynamic markets for the Fixed Satellite Services industry, as according to Euroconsult, demand for satellite capacity in Latin America is expected to grow 4.2% per year on average over the 2013-2018 period.

Eutelsat Americas current's fleet, completed by the steerable Ka-band payload of EUTELSAT 3B covering Brazil and by the launches of EUTELSAT 115 West B (successfully launched in March 2015), EUTELSAT 117 West B and EUTELSAT 65 West A by June 2016, make Eutelsat a leading operator on fast-growing digital markets in Latin America:

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

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

Investments in new satellite capacity which Eutelsat plans to launch by 2017 will therefore be primarily focused on fastest growing markets in order to benefit from new growth drivers that are sustainable and that create value.

The recent opening of subsidiaries or offices in Europe, the United States, Mexico, Brazil, Dubai in United Arab Emirates, Singapore and South Africa demonstrates the Group's move to be located as close as possible to its clients.

Developing leadership on the growing Internet Broadband market

Satellite Internet Broadband access is a new market with a strong growth potential which Eutelsat has fully anticipated thanks to the entry into operational service of the EUTELSAT KA-SAT 9A satellite in May 2011 and thanks to the payloads in Ka-band on EUTELSAT 3B (launched in 2014),, EUTELSAT 36C (expected for launch in 2015) and EUTELSAT 65 West A (expected for launch in 2016).).

EUTELSAT KA-SAT 9A is Europe's most powerful satellite to date. The Company intends to draw on the breakthrough and technological strengths of this High Throughput Satellite (HTS) to the benefit of other markets. Operating in the Ka-band, the satellite's footprint is equipped with 82 spot beams of fairly limited size, offering the possibility to reuse frequencies between non-adjacent spots, which results in the cost of access to satellite capacity being reduced by six to eight times. The comparatively modest cost of the equipment means that this satellite can provide a high speed Internet access solution at competitive prices for households located in areas not covered by broadband terrestrial networks. The satellite's potential footprint can cover 30 million homes across Europe. The satellite enables the Group to develop professional services and mobile applications designed for the maritime and aeronautical sectors, in particular the Eutelsat Air Access service for in-flight broadband access.

Capturing opportunities for long-lasting growth in the area of Value-Added Services and Services to governments

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

Eutelsat has signed several contracts which will allow airlines (notably Vueling) to provide in-flight connectivity services on their European flights, using the EUTELSAT KA-SAT 9A satellite. In 2014, the Group also ordered the EUTELSAT 172 East B satellite, which will be equipped in particular with the first multi-beam payload for the Pacific Ocean region, in Ku-band. This payload, which is expected to enter into service in 2017, has already been selected by Panasonic Avionics Corporation to be used as a key platform for in-flight broadband and live TV services, provided to airlines serving the Asia-Pacific region.

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

A geographic and technological complement to terrestrial infrastructures

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

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

infrastructures (interconnecting mobile networks, professional broadcasting services), or for serving directly a large number of areas out of reach of terrestrial networks (DTH, broadband access, VSAT networks).

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

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

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

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

Flexibility:

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

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

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

- improvements in image quality: the Group launched the first UHD TV channels broadcast via satellite and continues to be a first-mover in the development of UHD;
- connected television: with for example the "Smart LNB", designed mainly for emerging markets: Eutelsat's "Smart LNB" for Direct-to-Home antenna will allow broadcasters to operate linear television and connected TV services directly by satellite. The first phase of development was carried out and the "Smart LNB" is now entering into the industrialization phase;
- mobility, in particular with the development of solutions such as *Internet Air Access* which offer passengers top-quality Internet access on tablets, smartphones and laptop computers throughout European air space;
- Internet broadband access with notably, since 2011, EUTELSAT KA-SAT 9A, the first European Ka-band multibeam satellite, which allows to offer improved speed;
- the usage of electric propulsion allowing to reduce the mass of satellites compared to chemical propulsion, with the launch of EUTELSAT 115 West B in March 2015 and the future launch of EUTELSAT 117 West B (expected by end-2015);
- solutions against jamming and interference.

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

3 PRESENTATION OF THE SERVICES OFFERED BY THE GROUP AND REVIEW OF 2013-2014 ACTIVITY

3.1 Group's activities

Operating capacity on 37 satellites in-orbit between 117° West and 172° East providing coverage of EMEA[8], the Americas and a large part of the Asian continent, the Group delivers its services to broadcasters and network operators directly or via distributors.

As of 30 June 2015, Eutelsat's revenues were 1,476.4 million euros, of which 63% came from Video Applications. Order backlog as of 30 June 2015 was 6.2 billion euros, of which 83% for Video Applications.

3.1.1 Video Applications

Accounting for 63%[9] of Eutelsat's revenues, Revenues for Video Applications were 913.0 million euros 2014-2015 financial (up 3.5% on 2013-2014 on a like-for-like basis[10]).

Video Distribution ("Direct to Home")

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

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

Eutelsat holds a solid market position not only in Europe, but also in strong growth markets, such as Russia, the Middle East, North Africa and sub-Saharan Africa via leading broadcasting orbital positions, all of which are benefitting from the launch of new television channels and the surge in popularity of the new broadcasting formats (High Definition, 3D, Ultra High Definition). In addition, Eutelsat is developing its Video distribution activities in Latin America, particularly at the 117°West orbital position, which will be complemented by EUTELSAT 117 West B satellite, to be launched end-2015. Eutelsat is a pioneer in the development of Ultra High Definition broadcasting: in June 2015, the Group launched the HOTBIRD 4K1 demo channel, encoded in HEVC and broadcast at 50 frames per second with 10-bit colour depth. It is Europe's first Ultra HD channel in this new standard.

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

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

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

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[8] Extended Europe consists of Western Europe, Central Europe, Russia &Central Asia, North Africa, the Middle East and Central Asia

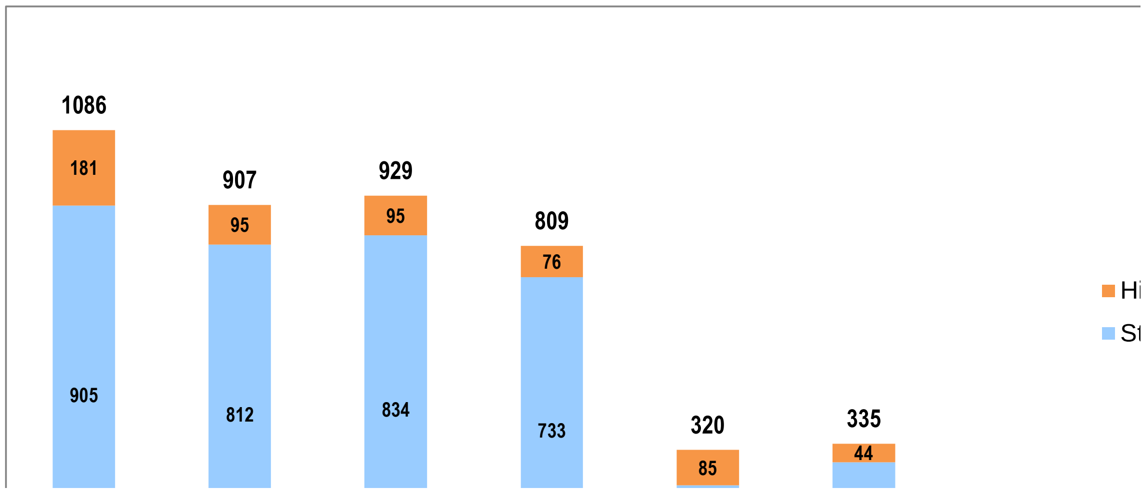
[9] The share of each application as a percentage of total revenues is calculated excluding "other revenues" and "one-off revenues"

[10] At constant currency and perimeter

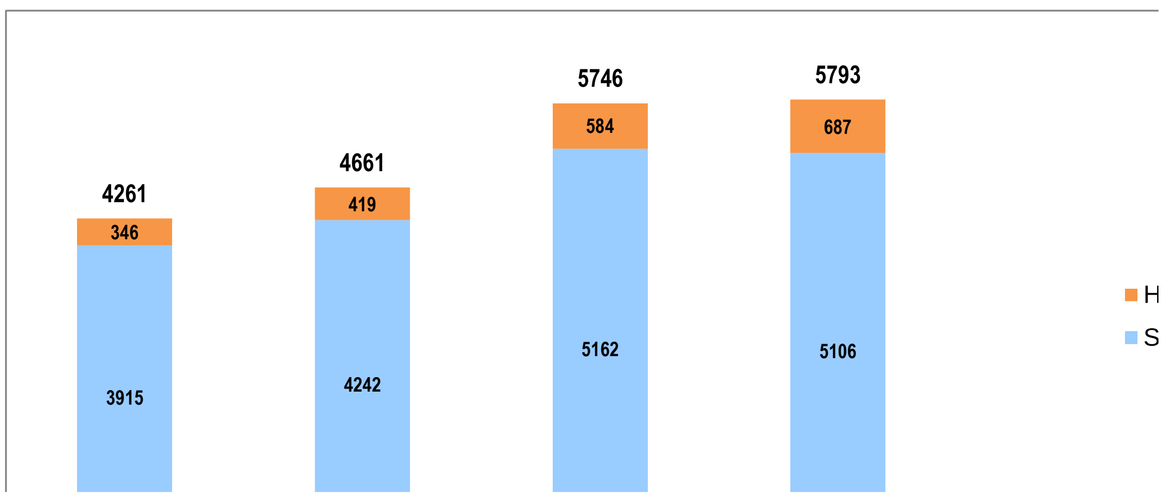
neighbourhood.

Channels broadcast on the Group's satellites

At main Eutelsat's main Video neighbourhoods



Number of channels on Eutelsat's fleet



Source: Eutelsat Communications.

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

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

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

Professional Video services

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

Furthermore, the Group provides links for the transmission by broadcasters of current affairs programmes (“Satellites News Gathering” or SNG) in standard digital or in High Definition. In particular, the NewSpotter service, available on the EUTELSAT KA-SAT 9A satellite, extends the perimeter of the Group’s offers with a low-cost solution based on cheap and easy-to-use terminals.

The Group’s customers for this type of service include, in particular, the European Broadcasting Union, France Television Group, television channels (BBC, CBS, Mediaset, NBC, NHK, RAI, TF1), and video reporting professionals, such as APTN and Enex. In May 2015, resources on four satellites of the Group were booked for full broadcast coverage of the UK General Election.

3.1.2 Data and Telecoms services

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

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

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

<u>Overview of the Group’s Data and Telecoms services:</u>

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

VSAT professional business networks

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

Telecom Services

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

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

High-speed Internet and mobility

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

In addition, EUTELSAT KA-SAT 9A made it possible to obtain increased resources in the Ka-band, thus permitting an increase in throughput and service quality at lower cost and for all customer segments In Europe.

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

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

The range of services *via* satellite on EUTELSAT KA-SAT 9A available to professionals offers download speeds of up to 40 Mbps and upload speeds of 10 Mbps. The main markets targeted are Internet access markets for businesses and local authorities, interconnection of private virtual networks, the security of terrestrial networks by means of back-up satellite links, and the deployment of remote surveillance solutions (SCADA).

Eutelsat has built three offers specifically for businesses on EUTELSAT KA-SAT 9A: “Access”, providing top-quality high-speed Internet access; “Connect”, a guaranteed dedicated throughput enabling interconnectivity to any type or size of network configured around a central hub and remote stations; and “M-BEAT” (“Multi-beam Best Effort Aggregated Throughput”), enabling flexible bandwidth allocation on several beams on the EUTELSAT KA-SAT 9A satellite.

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

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

Eutelsat’s on-board solutions for aircraft, “Internet Air Access”, offer passengers top-quality Internet access, a video streaming service, and mobile telephony services accessible on tablets, smartphones and laptop computers throughout European air space. Eutelsat was notably selected by Telefonica to provide capacity allowing Vueling to equip their average carrier’s fleet with an in-flight Internet connection.

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

3.1.3 Government services

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

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

3.2 Analysis of the activity during the year

3.2.1 Revenue growth

Total revenues for fiscal year 2014-2015 stood at €1,476.4 million, up 4.0% on a pro-forma basis at constant currency and excluding non-recurring revenues. The appreciation of the dollar relative to the euro added 3.2 points to top-line growth, particularly in Government Services and to a lesser extent in Data Services. On a reported basis revenues were up 9.5% including the impact of changes in perimeter (acquisition of Satmex and disposal of KabelKiosk).

In the context of the current economic environment in Russia, Eutelsat entered into discussions with its Russian clients with the aim of alleviating some contract terms. These discussions have now been completed. The impact on financial year 2014-2015 revenues was around €2 million.

Revenues by business application

In € millions	FY 2013-14 reported	FY 2013-14 restated	**FY 2014-15**	*Actual change*	**Change at constant currency**
Video Applications	877.2	872.3	**913.0**	*+4.7%*	**+3.5%**
Data Services	189.8	209.2	**226.6**	*+8.3%*	**+1.3%**
Value-Added Services	88.7	88.7	**102.4**	*+15.4%*	**+14.8%**
Government Services	157.8	174.7	**196.5**	*+12.5%*	**+2.6%**
Other revenues	33.9	32.4	**37.9**	*+17.1%*	**+15.9%**
Sub-total	**1,347.4**	1,377.3	**1476.4**	**+7.2%**	**+4.0%**
Non-recurring revenues	0.5	0.5	**-**	*na*	**Na**
Total	**1,347.9**	1,377.8	**1476.4**	**+7.2%**	**+4.0%**
EUR/USD exchange rate	*1,360*	-	*1,228*		

Video Applications (63% of revenues)

For fiscal year 2014-2015, revenues from Video Applications were up 3.5% like-for-like to €913 million. This mainly reflected the entry into service of the Express-AT1 satellite in May 2014, the good performance of Eutelsat Americas, resources added in September 2013 to the 7°/8° West position (covering Middle East and North Africa) as well as growth at 16° East (Sub-Saharan Africa and Central Europe), 36° East (Russia and Sub-Saharan Africa) and 7° East (Middle East andAfrica).

This more than offset the negative impact of the renegotiation during the second half of contracts with Russian customers for €2 million, as well as lower revenues at 28.5° East and the non-renewal of contracts with some service providers at the HOT BIRD position.

Contracts signed during the year included the multi-year renewal of seven transponders at the HOT BIRD neighbourhood by the Polish pay TV operator, nc+, the long-term extension of capacity agreements on EUTELSAT 16A by United Group, the leading TV and broadband service provider in South Eastern Europe, and multiple contract wins in Africa.

At 30th June 2015, the total number of channels broadcast by Eutelsat satellites stood at 5,793, (+47 channels year-on-year). HDTV penetration continued to increase, representing 11.9% of channels compared to 10.2% a year earlier. A total of 687 channels were broadcast in high definition across Eutelsat's fleet, up from 584 a year earlier.

Data (16% of revenues)

For fiscal year 2014-2015, revenues from Data Services were up 1.3% like-for-like to €226.6 million.

This growth reflected the ongoing positive dynamics in Latin America. Eutelsat Americas continued to delivera strong performance for regular capacity and benefited from the entry into service of the High Throughput payload on EUTELSAT 3B for broadband services in Brazil. In the EMEA region, on the other hand, the context remained challenging.

Value Added Services (7% of revenues)

For fiscal year 2014-2015, Value-Added Services recorded strong growth of 14.8% on a like-for-like basis, to €102.4 million.

Services on KA-SAT continued to rise, with 185,000 broadband terminals activated at 30th June 2015, up from 154,000 a year earlier, and 180,000 at the end of March.

Government Services (14% of revenues)

For fiscal year 2014-2015, revenues from Government Services were up 2.6% like-for-like to €196.5 million.

New contracts at EUTELSAT 33B, EUTELSAT 36B and EUTELSAT 48D and the good performance of Eutelsat Americas helped offset the carry-forward effect of lower contract renewals with the US Department of Defence in the past 18 months.

Visibility in this segment remains low for the coming year, with increasing pricing pressure reflecting the impact of reduced operations, ongoing budgetary constraints and tougher procurement processes.

Other and non-recurring revenues

For fiscal year 2014-2015, **Other Revenues**[11] amounted to €37.9 million compared with €32.4 million a year earlier. They included the full-year impact of revenues related to the agreements concluded with SES at 28.5°East.

There were no **Non-Recurring Revenues** in fiscal year 2014-2015 (€0.5 million last year);

3.2.2 Main customers

As of 30 June 2015, the Group's top 10 customers accounted for 42.8% of the Group's revenues with the breakdown as follows:

	Revenue per customer	
Customers	(in millions of euros)	(as a percentage)
Public sector entities (United States)	131.7	8.9%
Orange/Globecast	117.8	8.0%
Sky Italia S.r.l.	89.2	6.0%
Telespazio/Telecom Italia	65.7	4.4%
Nilesat	52.8	3.6%
Noorsat WLL	49.5	3.4%
British Telecom/Arqiva	45.2	3.1%
Multichoice Africa	30.4	2.1%

[11] Other revenues include mainly compensation paid on the settlement of business-related litigation, the financing of certain research programmes by the European Union and other organisations, impact of EUR/USD currency hedging, the provision of various services or consulting/engineering fees as well as termination fees.

Digital Platform Teknoloji Hizmetleri	26.1	1.8%
Intersputnik International Organization of Space Communication	23.4	1.6%
Total of top 10 customers	**631.8**	**42.8%**
Others	844.6	57.2%
TOTAL	**1,476.4**	**100.0%**

As of 30 June 2014, the Group's top 10 customers represented 47.3% of revenues with the breakdown as follows:

	Revenue per customer	
Customers	(in millions of euros)	(as a percentage)
Public sector entities (United States)	127.0	9.4%
Orange/Globecast	124.5	9.2%
Sky Italia S.r.l.	89.1	6.6%
Telespazio/Telecom Italia	69.6	5.2%
Nilesat	54.1	4.0%
British Telecom/Arqiva	45.0	3.3%
Noorsat WLL	43.6	3.2%
Intersputnik International Organization of Space Communication	32.4	2.4%
Multichoice Africa	26.2	1.9%
Deutsche Telekom/Media Broadcast	26.1	1.9%
Total of top 10 customers	**637.6**	**47.3%**
Others	710.3	52.7%
TOTAL	**1,347.9**	**100.0%**

3.2.3 Operational and leased transponder evolution

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

The number of operational 36 MHz-equivalent transponders stood at 1,168 at 30th June 2015, up 46 compared to 30th June 2014, mainly reflecting the entry into service of EUTELSAT 3B, EUTELSAT 7B and Express-AT2 during fiscal year 2014-2015 which more than compensated the reduction in capacity 53° East.

The fill rate stood at 78.7%, compared to 81.2% a year earlier, mostly reflecting the entry into service of the new capacity mentioned above.

	30th June 2014	**30th June 2015**
Number of operational 36 MHz-equivalent	1,122	1,168

transponders [12]		
Number of leased36 MHz-equivalent transponders [13]	911	919
Fill rate	81.2%	78.7%

Based on 36 MHz-equivalent transponders excluding HTS capacity (KA-SAT 82 spotbeams and EUTELSAT 3B 5 Ka-band spotbeams.

3.2.4 Backlog

Note: The backlog represents future revenues from capacity lease agreements and can include contracts for satellites under procurement.

At 30th June 2015, the backlog stood at €6.2 billion, down 3.5% compared to 30th June 2014. Contracts signed during the year, in particular renewals with nc+ and United Group as well as the new contracts signed in Africa and in Latin America were offset by backlog consumption and impact of renegotiation of Russian contracts. The backlog is equivalent to 4.2 times 2014-2015 revenues. 83% is presented by Video.

As of June 30th	2013	2014	**2015**
Value of contracts (in billions of euros)	5.4	**6.4**	**6.2**
In years of annual revenues based on last fiscal year	*4.2*	***4.6****	***4.2***
Share of Video Applications	92%	**84%**	**83%**

** Including US$69.0 million revenues for Satmex from July to December 2013.*

[12] Number of transponders on satellites in stable orbit, back-up capacity excluded.

[13] Number of 36 MHz-equivalent transponders leased on satellites in stable orbit.

4 A YOUNG FLEET WITH COVERAGE OF MOST OF THE GLOBE

4.1 The Eutelsat satellite fleet

As of 30 June 2015, the Group operates capacity on 37 satellites[14]; of which five are leased from third parties and four are satellites in inclined orbit.

FULLY OWNED CAPACITY AS OF 30 JUNE 2015

Satellite	Orbital position	Geographic coverage	Nominal capacity (number of transponders)	Launch date	Estimated end of operational use in stable orbit as of 30 June 2015[1] (calendar year)
EUTELSAT HOT BIRD 13B	13° East	Europe, North Africa, Middle-East	64 Ku	August 2006	Q1 2025
EUTELSAT HOT BIRD 13C	13° East	Europe, North Africa, Middle-East	64 Ku	December 2008	Q3 2024
EUTELSAT HOT BIRD 13D	13° East	Europe, North Africa, Middle-East	64 Ku	February 2009	Q1 2024
EUTELSAT 12 West A	12.5° West	Europe, Middle-East, Americas	19 Ku	August 2002	Q4 2018
EUTELSAT 117 West A	116.8° West	Americas	40 Ku / 24 C	March 2013	Q4 2035
EUTELSAT 113 West A	113° West	Americas	24 Ku / 36C	May 2006	Q2 2023
EUTELSAT 8 West A	8° West	Europe, Middle-East, Americas	26 Ku	September 2001	Q2 2019
EUTELSAT 8 West C[2]	8° West	Middle East, North Africa	10 Ku / 1 Ka	August 2002	Q4 2017
EUTELSAT 7 West A	7° West	Middle-East, North Africa	50 Ku	September 2011	Q1 2033
EUTELSAT 5 West A	5° West	Europe, America, Africa	35 Ku / 10 C	July 2002	Q3 2019
EUTELSAT 3B	3° East	Europe, Middle-East, Africa	30 Ku / 12 C / 5 Ka	May 2014	Q1 2033
EUTELSAT 7A	7° East	Europe, Middle-East, Africa	42 Ku / 2 Ka	March 2004	Q2 2021
EUTELSAT 7B	7° East	Europe, Middle-East, Africa	53 Ku / 3 Ka	May 2013	Q3 2038
EUTELSAT 9A	9° East	Europe, North Africa, Middle-East	38 Ku	March 2006	Q4 2024
EUTELSAT KA-SAT 9A	9° East	Europe, Mediterranean Basin	82 Ka	December 2010	Q2 2028
EUTELSAT 10A	10° East	Europe, Middle-East, Africa	42 Ku / 10 C	April 2009	Q1 2023
EUTELSAT 16A	16° East	Europe, Middle-East, Africa, Indian Ocean	53 Ku / 3 Ka	October 2011	Q2 2027
EUTELSAT 21B	21.5° East	Europe, Middle-East, Africa	40 Ku	November 2012	Q2 2033
EUTELSAT 25B	25.5° East	Europe, North Africa, Middle East	8 Ku / 7 Ka	August 2013	Q1 2034
EUTELSAT 28E[3]	28.2/28.5 Ea st	Europe	4 Ku	September 2013	Q1 2029
EUTELSAT 28F[3]	28.2/28.5 Ea st	Europe	4 Ku	September 2012	Lifetime in excess of 15 years
EUTELSAT 28G[3]	28.2/28.5 Ea	Europe	4 Ku	December 2014	Lifetime in excess

[14] *Including capacity on Eutelsat 28 A satellite which is being relocated at 33° East.*

	st				of 15 years
EUTELSAT 33B(4)	33° East	Europe, North Africa, Middle East, Central Asia	20 Ku	November 2002	Q4 2015
EUTELSAT 36A	36° East	Africa, Russia	31 Ku	May 2000	Q3 2017
EUTELSAT 36B	36° East	Europe, Middle-East, Africa	70 Ku	November 2009	Q4 2026
EUTELSAT 48D	48° East	Afghanistan and Central Asia	8 Ku	Dec. 2008	Q4 2020
EUTELSAT 70B	70.5° East	Europe, Middle-East, Asia	48 Ku	December 2012	Q2 2032
EUTELSAT 172A	172° East	Asia-Pacific, Australia, New Zeland	20 Ku / 18 C	December 2005	Q2 2022
EUTELSAT 115 West A	114.9 ° West	Americas	24 Ku / 24 C	Dec. 1998	Inclined orbit
EUTELSAT 16C	16° East	Europe, Middle-East, Africa, Asia	5 Ku	April 2000	Inclined orbit
EUTELSAT 31A	31° East	Europe	20 Ku	Sept. 2003	Inclined orbit
EUTELSAT 48A	48° East	Central Europe, Middle-East, Central Asia	20 Ku	November 1996	Inclined orbit

(1) Every year, the Group reviews the estimated operational life of the satellites in-orbit (for further information, see Notes 4.7 and 6 to the consolidated financial statements for the financial year ended 30 June 2015).
(2) In January 2014, the satellite experienced an anomaly to an onboard power transmission assembly. As the electrical power produced by the other onboard assembly remains well above the level required by the overall satellite platform for its current mission, it is fully expected that the satellite will continue to deliver nominal service to clients
(3) In January 2014, in the framework of the settlement of the dispute with SES concerning the 28.5 ° East orbital position the Group contracted long-term satellite capacity on the SES satellite fleet at this orbital position. The number of tranponders indicated is the number of transponders fully owned by Eutelsat on SES fleet.
(4) Following the incident on 16 June 2008, the power of this satellite and its estimated remaining life has been reduced. See Note 6 of the consolidated accounts for the year ending 30 June 2011.

CAPACITY LEASED FROM THIRD PARTIES AS OF 30 JUNE 2015

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

(1) Owned by Loral Skynet. This capacity corresponds to the one operated by Eutelsat.
(2) Owned by Russian Satellite Communications Company (RSCC). This capacity corresponds to the one operated by Eutelsat.
(3) Owned by Russian Satellite Communications Company (RSCC). This capacity corresponds to the one operated by Eutelsat.
(4) In January 2014, in the framework of the settlement of the dispute with SES concerning the 28.5 ° East orbital position the Group contracted long-term satellite capacity on the SES satellite fleet at this orbital position. The number of tranponders indicated is the number of transponders leased by Eutelsat on SES fleet.

4.2 Fleet performance

4.2.1 Main changes since 30 June 2014

Fully-owned capacity

- EUTELSAT 3B, launched on 25 May 2014, started operations in early July 2014. It replaced EUTELSAT 3A and EUTELSAT 3D satellites at 3° East, and embarks 51 transponders in the Ku-, C- and Ka-bands to increase and diversify resources covering Europe, Africa, the Middle East, Central Asia and Latin America.

- Mid-July 2014, EUTELSAT 3D was relocated to 7° East where it is now co-positioned with EUTELSAT 7A and was renamed EUTELSAT 7B.
- Following the launch of EUTELSAT 3B, EUTELSAT 3A was first redeployed in inclined orbit at 8° West and then de-orbited as of end-October 2014.
- EUTELSAT 48C was de-orbited in November 2014.
- EUTELSAT 16B was de-orbited in February 2015.
- On 2 March 2015, EUTELSAT 115 West B was launched by a Falcon 9 rocket operated by SpaceX. Currently in the in-orbit raising phase, it is expected to enter into service in the fourth quarter of calendar year 2015 and will extend reach of the Americas to markets in Alaska and Canada. Several transponders have already been pre-commercialized, notably to Hunter Communications Canada.
- In January 2014, in the framework of the settlement of the dispute with SES concerning the 28.5° East orbital position the Group contracted long-term satellite capacity on the SES satellite fleet at this orbital position. Following this agreement and the entry into service of the ASTRA 2G satellite on 18 June 2015, Eutelsat commercializes capacity on 20 transponders (12 fully-owned and eight leased) at the 28.2° East /28.5° East orbital position, operating under the names EUTELSAT 28E, EUTELSAT 28F and EUTELSAT 28G.
- EUTELSAT 28A, which was operating at 28.5° East previously is being relocated at 33° East.

<u>Capacity leased to third parties</u>

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

4.3 An active investment policy

4.3.1 Main investments

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

<u>New orders</u>

During financial year 2014-2015:
In July 2014, EUTELSAT 172B satellite was ordered. Expected for launch in the first half of 2017 by an Ariane 5 rocket, this satellite will be manufactured by Airbus Defence and Space and will use electric propulsion for in-orbit raising which should require circa four months. It will allow early follow-on programme to EUTELSAT 172A and will provide continuity and expansion capacity at a position (172° East) that is already a prime gateway for services in the Asia-Pacific region. EUTELSAT 172B will pioneer High Throughput payload customised for in-flight broadband over trans-Pacific and Asian flight

paths and was selected by Panasonic Avionics Corporation as prime platform for growth for in-flight connectivity and entertainment; EUTELSAT 172B will host three distinct payloads:

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

Other Satellites under procurement

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

- **EUTELSAT 8 West B**: scheduled for launch in the third quarter of 2015; this satellite will replace EUTELSAT 8 West A and EUTELSAT 8 West C at the 8° West orbital position. It will reinforce in-orbit resources to meet the strong video market demand at 7°/8° West. This satellite was ordered to Thalès Alenia Space.
- **EUTELSAT 9B,** ordered from Airbus Defence and Space and planned for launch in the fourth quarter of 2015. Its task will be to extend and diversify resources at the 9° East orbital position. This position serves the vibrant broadcasting market in Europe. Being adjacent to the flagship HOT BIRD video neighbourhood at 13° East, the satellite enables combined reception on a single dual-feed antenna.
- **EUTELSAT 117 West B** (previously **SATMEX 9**), ordered from Boeing, is an electric propulsion satellite to be launched in the fourth quarter of 2015 and co-located with EUTELSAT 117 West A (previously SATMEX 8) at 116.8°West. The satellite will serve Latin American customers in the video, telecommunications and government sectors.
- **EUTELSAT 65 West A**: scheduled for launch in the second half of 2016, this satellite will inaugurate Eutelsat's new orbital position at 65° West. The satellite will address Video and Broadband markets in Brazil and in Latin America through the provision of capacity in Ku-, Ka- and C-band.
- Furthermore, within the framework of a long-term partnership with the Russian operator RSCC, the procurement of the satellite **EUTELSAT 36C** (for which the Group signed long-term leases for capacity during financial year 2012-2013) continued. EUTELSAT 36C will ensure continuity of the EUTELSAT 36A broadcasting satellite with increased resources. This powerful satellite will embark up to 70 transponders, including 18 Ka-band spot beams. Combining resources in Ku- and Ka-bands, covering the European part of the Russian Federation, it was built in order to support the development of the Russian digital technology at the 36° East premium video neighbourhood. EUTELSAT 36C will also ensure continuity and expansion of broadcasting resources in sub-Saharan Africa. Its launch is planned in the fourth quarter of 2015.

Satellite programmes under procurement as of 30 June 2015

Satellite[1]	**Orbital position**	**Estimated launch (calendar year)**	**Main applications**	**Main geographic coverage**	**Physical Transponders**	**36 MHz-equivalent transponders / Spotbeams**	**Of which expansion 36 MHz-equivalent transponders**
EUTELSAT 8 West B	7°/8° West	20th August 2015	Video, Data	Middle East, Africa,, South America	40 Ku / 10 C	42 Ku 20 C	6 Ku 20 C
EUTELSAT 36C[(2)]	36° East	Q4 2015	Video, Data, Broadband	Russia, Sub-Saharan Africa	Up to 52 Ku / 18 Ka-band spotbeams	48 Ku 18 Ka Spotbeams	19 Ku 18 Ka Spotbeams[3]
EUTELSAT 9B	9° East	Q4 2015	Video	Europe	50 Ku	47Ku	12 Ku

EUTELSAT 117 West B	116.8 ° West	Q42015	Video, Data, Government Services	Latin America	40 Ku	48 Ku	48 Ku
EUTELSAT 65 West A	65° West	H2 2016	Video, Data, Broadband	Latin America	24 Ku, 10 C, up to 24 Ka-band spotbeams	24 Ku; 15 C; 24 Ka-band spotbeams	24 Ku; 15 C; 24 Ka-band spotbeams[4]
EUTELSAT 172B	172° East	H1 2017	Data, Government Services, Mobility	Asia-Pacific	36 Ku (regular), 14 C, 11 Ku-band HTS spotbeams	42 Ku (regular), 24 C, 11 Ku-band HTS spotbeams	19 Ku (regular); 11 Ku-band HTS spotbeams[5]

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

[2] Partnership with RSCC

[3] Total capacity of the HTS payload: 11.6 Gbps

[4] Total capacity of the HTS payload: 37.5 Gbps

[5] Total capacity of the HTS payload: 1.8 Gbps

4.3.2 Others

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

4.4 Launch services associated with satellites under procurement

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

5 ACTIVITIES OF SUBSIDIARIES AND EQUITY INTERESTS

During the financial year ended 30 June 2015,

- The Group finalised, in July 2014, the sale agreed in May 2014, subject to normal closing conditions, with M7A Group S.A., operating as M7 Deutschland, shares in its German subsidiary, Eutelsat visAvision GmbH, in charge of the operation of the KabelKiosk platform;
- The Group effected in July 2014 the merger-absorption by its Mexican subsidiary, Satélites Mexicanos, S.A. de C.V. (operating under commercial name Eutelsat Americas) of its intermediary holding company, Holdsat Mexico;
- The Group acquired several non-trading companies, aimed at carrying its investments in the context of acquisition projects not yet realised: in September 2014 two UK companies, and in May 2015 an Italian company these companies had no activity during the financial year;
- The signature of an agreement in June 2015 with Ymagis according to the term of which Ymagis subsidiary, Smartjog Ymagis Logistics, will operate the portfolio of activities of DSAT, under the control of DSAT's board of directors. Eutelsat SA and dcinex will maintain their existing shares in the capital of DSAT for a period of 15 months. At the end of this period, Ymagis will be able to acquire the shares held by Eutelsat SA in DSAT, at a price linked to the latter's financial performance.

Since 30 June 2015:

- The liquidation, in July 2015, of Skylogic Polska, wholly owned sub-subsidiary, which was not completed as of 30 June 2015, has been completed in July 2015.

At 30 June 2015, the Company owned directly or indirectly 41 subsidiaries and nine participations.

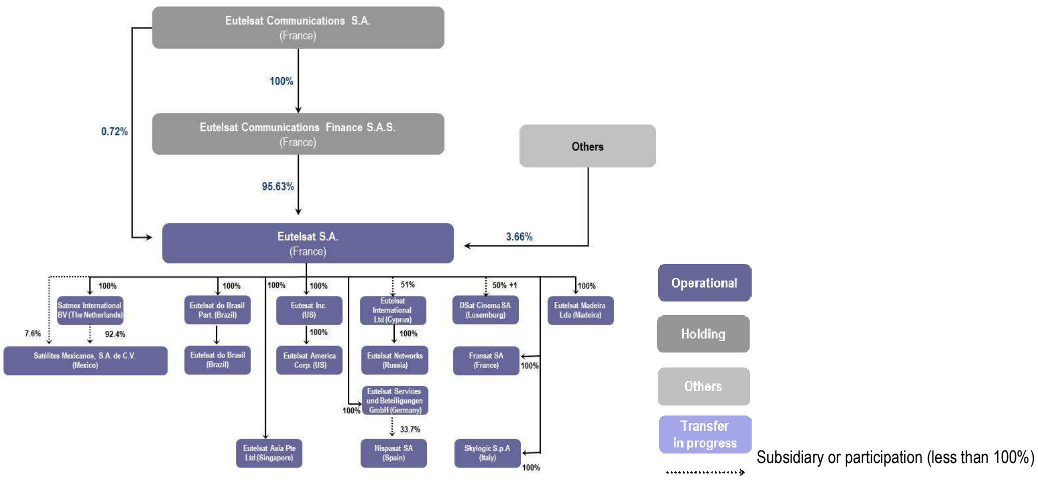
The simplified organisational chart below reflects the Group at 30 June 2015. The complete list of the companies consolidated within Eutelsat Communications as at 30 June 2015 is in Note 30 of the Group's consolidated accounts in appendix to this report.

Eutelsat Communications is a holding company with no operational role other than its indirect interest in Eutelsat S.A.

The revenues and results shown for the subsidiaries in section 5.2 are based on the companies' annual accounts.

5.1 Group simplified organisational chart

The organisational below chart depicts the Eutelsat Group as at 30 June 2015.



5.2 Main subsidiaries and equity interests

The Group's main operating companies are

Eutelsat S.A. (France), Skylogic S.p.A. (Italy), Eutelsat Madeira Lda (Madeira), Eutelsat Services und Beteiligungen GmbH (Germany), Eutelsat Asia Pte (Singapore) and Fransat S.A. (France), which are all 100% directly-owned by Eutelsat S.A.,

Eutelsat do Brasil Ltda, Eutelsat America Corp. (United States of America) and Satélites Mexicanos, S.A. de C.V (Mexico), which are 100% owned indirectly by Eutelsat

As well as DSAT Cinema S.A. (Luxemburg) and Eutelsat International (Cyprus), majority participations directly held by Eutelsat S.A.

Hispasat (Spain) is the main equity holding of the group in terms of contribution to the net result. It is a minority holding of 33.7% held by the German subsidiary of Eutelsat S.A., Eutelsat Services und Beteiligungen GmbH.

5.2.1 Eutelsat Communications Finance and Eutelsat S.A.

Eutelsat Communications Finance S.A. (France)

Established in June 2006 and fully-owned (100%) by Eutelsat Communications, Eutelsat Communications Finance S.A.S is a simplified stock corporation domiciled at 70 rue Balard - 75015 Paris. Its purpose is to hold a stake of the capital of Eutelsat S.A, which amounts to 95.63% as of 30 June 2015.

Based on the projected results of Eutelsat Communications Finance S.A.S. for the financial year 2014-2015, an interim dividend of 280 million euros was paid to Eutelsat Communications during the financial year, under a decision dated 12 November 2014, based on interim financial statements at 31 October 2014 showing distributable income of 291.13 million euros.

Eutelsat S.A. (France)

Eutelsat S.A**.** is the main operating company of the Group. It is a "*société anonyme*" and its head office is located at70 rue Balard - 75015 Paris.

As of 30 June 2014, Eutelsat Communications owned directly and indirectly 96.35% of the capital of Eutelsat S.A., through which it controls several subsidiaries and equity interests.

Revenues and net result of Eutelsat Communications Finance S.A.S. and Eutelsat S.A.

The table below presents the revenues and net income contributions at 30th June 2015 of Eutelsat Communications Finance S.A.S. and Eutelsat S.A.

	30 June 2015	
(in millions euros)	Eutelsat Communications Finance	Eutelsat S.A
Revenues	-	1,048.1
Group share of net income	(4.3)	257.2

5.2.2 Main subsidiaries of Eutelsat S.A.

Eutelsat America Corp. (United States of America)

Incorporated in November 2006, Eutelsat America Corp.'s role is to distribute Eutelsat satellite capacity in the North-American market. Eutelsat America Corp. is a 100% indirectly-owned subsidiary of Eutelsat S.A. It is held 100% via the subsidiary, Eutelsat Inc

Skylogic S.p.A. (Italy)

Initially, Skylogic S.p.A, a wholly-owned subsidiary of Eutelsat S.A. was responsible for operating Value-Added Services, in particular the D-STAR™ satellite Internet access system as well as Tooway™

As of 31 December 2012, Skylogic S.p.A. transferred its business related to D-STAR™ and Tooway™ to Eutelsat S.A.

As of 30 June 2015, Skylogic S.p.A. owns 11 subsidiaries and five equity interests, among which:

- Skylogic Mediterraneo S.r.l. (Italy), a directly-owned 100% subsidiary of Skylogic SpA that operates a teleport in Sardinia,

- Seven directly-owned subsidiaries of Skylogic S.p.A., incorporated in each country (outside Italy) where the gateways required for the operations of the EUTELSAT KA-SAT 9A satellite have been deployed (France, Germany, Ireland, Cyprus, Finland, Greece and Spain),

- WINS Ltd (Malta), direct equity interest held 70% by Skylogic S.p.A. and 30% by Maltese operator MaltaSat, is responsible for marketing the D-STAR™ service to cruise ships and ferries in the Mediterranean Basin, providing them with telephony services (GSM) and broadband access.

Eutelsat do Madeira Lda (Portugal)

Incorporated in June 2008, Eutelsat Madeira Lda is a 100% directly-owned subsidiary of Eutelsat S.A. It is responsible for marketing the fully-owned satellite capacity on EUTELSAT 10A in C- and Ku-band since April 2009 for Africa and the Portuguese-speaking regions, and in January 2012 on the EUTELSAT 16A satellite in Ku-band, for Africa and the Indian Ocean islands.

Since 1st July 2014, Eutelsat Madeira Lda also markets Eutelsat S.A.'s capacity on the satellite EUTELSAT 3B in C- and Ku-bands for the sub-Saharan Africa zone.

Eutelsat Services und Beteiligungen GmbH (Germany)

Eutelsat Services und Beteiligungen GmbH is a 100% directly-owned subsidiary of Eutelsat S.A. This subsidiary owned until May 2014 (when the agreement for the sale of the shares to M7 Group S.A. was signed, subject to conditions precedent) Eutelsat VisAvision GmbH (Germany), which is in charge of promoting the KabelKiosk, a platform of digital channels and interactive services for cable and IPTV networks in Germany.

Since 2003, Eutelsat Services und Beteiligungen GmbH also owns the Group's equity interest in the Spanish non-listed satellite operator Hispasat. This interest was initially acquired by Eutelsat S.A. in 2001. It was then increased in 2002 to 27.69% of the share capital and then transferred in full to Eutelsat Services und Beteiligungen GmbH in 2003. In April 2013, its interest in Hispasat's share capital was increased to 33.69%, through the exercise of its pre-emption right.

Eutelsat Asia Pte Ltd (Singapore)

Incorporated in 2012, Eutelsat Asia Pte Ltd. Is a wholly directly-owned subsidiary of Eutelsat S.A. This company holds and controls the EUTELSAT 172A satellite.

Fransat S.A. (France)

Incorporated in 2009, Fransat S.A. is a 100% directly-owned subsidiary of Eutelsat S.A. It is responsible (i) for developing and operating the FRANSAT offer on the EUTELSAT 5 West A satellite (this free-to-air offering includes all the French free-to-air DTT channels), (ii) for promoting this offer towards broadcasters with a view to include additional free-to-air channels, and (iii) to provide the technical means to integrate new channels (free-to-air or not) as a complement to the FRANSAT offering.

Satélites Mexicanos S.A. de C.V. (Mexico)

Acquired by the Group in January 2014, Satélites Mexicanos, S.A. de C.V. was initially held by Eutelsat S.A., oth directly and indirectly via two holidng companies: Satmex International BV and Holdsat Mexico. The latter was absorbed by Satélites Mexicanos, S.A. de C.V. in July 2014.

The company has been operating since March 2014 under the commercial name Eutelsat Americas. It is based in Mexico City and operates three satellites: EUTELSAT 113 WEST A (previously Satmex 6), at 113° West EUTELSAT 115 WEST A (previously Satmex 5) in inclined orbit inclinée at 114.9° West, and which will be replaced by EUTELSAT 115 West B (previously Satmex 7), launched in March 2015 and expected to enter into service in November 2015, and EUTELSAT 117 WEST A (previoulsy Satmex 8) at 116.8° West. These satellites cover 90% of the population of the American continent. The satellite EUTELSAT 117 West B (previously Satmex 9), expected to launch in the fourth quarter of 2015 at 116.8° West (co-localised with EUTELSAT 117 West A has been transferred to Eutelsat Latin America (Panama) with effect from 1st January 2015.

Eutelsat do Brasil Participatoes Ltda. and Eutelsat do Brasil Ltda.

Eutelsat do Brasil Participatoes Ltda is the holding company with a 100 % interest in Eutelsat do Brasil.

Eutelsat do Brasil Ltda was initially granted landing rights by the Brazilian authorities enabling it to offer capacity on satellites EUTELSAT 12 West A and EUTELSAT 8 West A in order to meet Brazilian market needs. In June 2013, the Brazilian telecommunications regulation authority granted Eutelsat do Brasil Ltda an additional licence for a set of C-, Ku- and Ka-band frequencies at 65° West. Eutelsat do Brasil Ltda also signed a 15-year contract with Hughes, subsidiary of EchoStar, for the rental of all Ka-band capacity covering Brazil on satellite EUTELSAT 65 West currently under construction. In order to ensure this contract, a part of the satellite will be owned by Eutelsat do Brasil Ltda.

Eutelsat International (Cyprus) and Eutelsat Networks (Russia)

Since May 2013, has been holding a 51% interest in Eutelsat International Ltd., the remaining capital being owned by a partner company incorporated under Cypriot law, Managekept Investments Ltd. Eutelsat International Ltd. is notably in charge of marketing Ku-band capacity on the Express AT1 satellite launched in March 2014 at orbital position 56° East.

Held at 100% by Eutelsat, International Ltd. Eutelsat Networks is a Russian company that will market Ka-band capacity on the EUTELSAT 36C satellite which will be launched in 2015 at orbital position 36° East.

DSAT Cinema (Luxembourg)

In November 2012, the Group, alongside Belgian company belge dcinex, leader of the European digital cinema market, created a joint venture called DSAT Cinema, in order to develop the booming market for the live digital distribution of films and events across Europe. From its constitution, the company's capital is broken down into 50% + 1 share for the Group, and 50% - 1 share for its partner. In March 2013, the company's capitalization operation was finalised through a contribution in kind of a business segment by Eutelsat SA and a cash contribution by dcinex. Iin June 2015 Eutelsat concluded an agreement withwith Ymagis according to the term of which Ymagis subsidiary, Smartjog Ymagis Logistics, will operate the portfolio of activities of DSAT, under the control of DSAT's board of directors. Eutelsat SA and dcinex will maintain their existing shares in the capital of DSAT for a period of 15 months. At the end of this period, Ymagis will be able to acquire the shares held by Eutelsat SA in DSAT, at a price linked to the latter's financial performance.

The following table shows the Revenues and net income contributions for the main subsidiaries of Eutelsat S.A. as of 30 June 2015:

(in million euros)	Eutelsat America Corp.	Skylogic S.p.A.	Eutelsat Madeira Lda.	Eutelsat Services und Beteiligungen GmbH	Fransat S.A.	Eutelsat Asia Pte. Ltd.	Satélites Mexicanos S.A. de C.V.	Eutelsat do Brasil Ltda.
Revenues	162.6	9.2	33.2	0	4.9	24.4	120.2	13.1
Group share of net income	2.7	3.1	12.8	1.8	(0.1)	14.6	73.3	4.1

(in million euros)	DSAT Cinema	Eutelsat Networks
Revenues	4.5	0
Group share of net income	(0.7)	(0.1)

5.2.3 Main Eutelsat S.A. equity interests

Hispasat S.A. (Spain)

As of 30 June 2015, Eutelsat S.A. indirectly owned through its subsidiary, Eutelsat Services und Beteiligungen GmbH, 33.69% of Hispasat's share capital and voting rights. At 31 December 2014, Hispasat posted revenues of 199.7 million euros and net income of 45.6 million euros.

The following table shows a summary of Hispasat group's annual data for the year ended 31 December 2013 and 2014 (latest data published by Hispasat):

(in million euros)	31 December 2013	31 December 2014
Assets	1,225.6	1,235.5
Net assets	675.2	660.8
Operating revenues	201.4	199.7
Net income	54.3	46.9

6 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 – FINANCIAL INFORMATION

In this section references to Notes refer to the Notes on the Group's consolidated financial statement for the financial year ended 30 June 2015, which are annexed to this report.

6.1 Financial and accounting policy – IFRS standards

The financial year of Eutelsat Communications runs for 12 months and ends on 30 June. The financial statements at 30 June 2015 have been prepared in accordance with IFRS rules, as adopted by the European Union and effective as of that date.

6.2 Consolidated simplified balance sheet of Eutelsat Communications

Details of the Eutelsat Communications consolidated balance sheet at 30 June 2014 and 30 June 2015 are shown in the attached consolidated financial statements.

Simplified consolidated balance sheet (in millions of euros)

ASSETS	30 June 2014	30 June 2015
Non-current assets		
Goodwill	1,103.9	1,165.0
Intangible assets	798.8	809.4
Satellites and other property and equipment, net	3,232.1	3,458.8
Assets under construction	847.8	1,104.0
Investments in associates	271.9	282.2
Other non-current assets	47.1	35.7
TOTAL NON-CURRENT ASSETS	**6,301.6**	**6,855.1**
Current assets, including		
Accounts receivable	323.3	309.3
Other current assets	87.8	74.2
Cash and cash equivalents	293.2	420.3
TOTAL CURRENT ASSETS	704.3	803.8
TOTAL ASSETS	**7,005.9**	**7,658.9**

LIABILITIES AND SHAREHOLDERS' EQUITY	30 June 2014	30 June 2015
Shareholders' equity including		
Share capital	220.1	227.0
Additional paid-in capital	453.2	594.1
Reserves, retained earnings and non-controlling interests	1,357.4	1,712.9
TOTAL SHAREHOLDERS' EQUITY	**2,030.7**	**2,533.9**
Non-current liabilities, including		
Financial debt	3,813.6	3,663.3
Other non-current financial liabilities	303.8	597.6
Deferred tax liabilities	338.0	297.4

Other non-current liabilities	86.5	109.2
TOTAL NON-CURRENT LIABILITIES	**4,542.1**	**4,667.5**
Current liabilities, including		
Current financial debt	49.4	64.5
Other current financial liabilities	34.6	39.9
Fixed assets payable	52.8	21.6
Accounts Payable	75.9	69.0
Other current payables	202.5	228.6
Other current liabilities	17.9	33.9
TOTAL CURRENT LIABILITIES	433.1	457.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**7,005.9**	**7658.9**

6.3 Simplified consolidated income statement of Eutelsat Communications

IFRS	12-month financial year ended	
(in millions euros)	30 June 2014	30 June 2015
REVENUES	**1,347.9**	**1 476,4**
Operating costs	(96.3)	(104,7)
Selling, general and administrative expenses	(218.4)	(240,0)
Depreciation and amortisation	(401.3)	(466,5)
Other operating income	20.2	-
Other operating charges	(28.7)	(3,7)
Operating result	**623.4**	**661,5**
Financial result	(132.3)	(116,0)
Income from associates	14.9	18,8
Net income before tax	**506.0**	**564,3**
Income tax expense	(189.8)	(194,1)
CONSOLIDATED NET INCOME	**316.2**	**370,2**
Attributable to the Group	303.2	355,2
Non-controlling interests	13.1	15,0

6.3.1 Operating charges at 30 June 2015

Note that **operating costs** mainly include staff costs and other costs associated with controlling and operating the satellites, as well as insurance premiums for satellite in-orbit lives:

- **Staff costs**: These comprise salaries and the payments by the employer for employees responsible for supplying, operating and maintaining the satellites (including French mandatory profit-sharing for Group employees).
- **Costs for operating and controlling the satellites**: These correspond to the earth station operating costs and equipment costs, which include in particular telemetry, control, positioning, payload management, and maintaining software and equipment at the satellite control centres, as well as traffic supervision and management. The amount of these costs is based on the number of satellites and the family of satellites operated, any repositioning of the satellites, as well as the number and type of services offered. These costs also include sub-contracting of

telemetry, control and tracking operations for a number of the satellites in orbit. In addition, Eutelsat S.A. has signed service agreements related to control of the satellite communications systems.

- **In-orbit insurance premiums**: In-orbit insurance premiums for satellite lives: Satellite in-orbit insurance generally takes effect when the launch insurance policy expires (generally one year after the satellite is launched). When the Group signs for launch insurance covering a satellite's in-orbit life, the premiums for periods after the first anniversary of the launch date are treated as in-orbit insurance costs. Almost all the satellites in-orbit owned by the Group are insured for amounts defined on the basis of an insurance scheme that is structured in tranches. Depending on the selected risk management policy, and general market conditions for space insurance, the costs for these insurance premiums can vary from one year to the next.

Selling, general and administrative expenses include:

- administrative and commercial staff costs (including mandatory employee profit-sharing);
- marketing expenses, such as advertising and co-marketing expenses with distributors and end-users;
- general expenses associated with property leases, external studies and logistics;
- expenses associated with developing and marketing new products;
- a portion of the operating taxes; and
- provisions for accounts receivable or other receivables.

The C.E.T. (*Contribution Economique Territoriale* – Territorial Economic Contribution) is divided between operating costs on the one hand and selling, general and administrative expenses on the other (based on corresponding staff numbers).

Operating costs and selling, general and administrative expenses represented 23.3% of 2014-2015 revenues (same proportion for previous financial year). The 9.5% increase over the previous year notably reflects:

- The full-year impact of the integration of Satmex;
- Revenue growth at constant perimeter;
- Slight increase in bad debt;
- The continued strict policy of rigorous control over Groups costs.

6.3.2 Depreciation and amortisation and other operating costs

Depreciation and amortisation chiefly corresponds to the depreciation of satellites and ground facilities, as well as the amortisation of intangible assets recorded under "Customer Contracts and associated relationships", the latter amounted to 56.2 million euros for fiscal year 2014-2015.

Depreciation and amortisation represents the Group's largest expense item.

As of 30 June 2015, the rise in depreciation and amortisation expenses (+65.2 million euros) to 466.5 million euros reflects principally the impact of new capacity (Express-AT1, Express-AT2 and EUTELSAT 3B) as well as the full-year effect of the consolidation of Eutelsat Americas (formerly Satmex);

"Other operating income (charges)" stood at (3.7) million euros as of 30 June 2015, versus (8.5) million euros as of 30 June 2014. For fiscal year 2014-2015, they included mainly costs and provisions related to litigations.

For fiscal year 2013-2014, they reflected mainly the net impact of the disposals of Solaris Mobile Ltd (to EchoStar Corp.) and Eutelsat visAvision GmbH (to M7A Group S.A.) and fees related notably to the acquisition of Satmex.

6.3.3 Operating income

Operating income reflects revenues less operating costs, selling, general and administrative expenses, depreciation and amortisation, and other operating income and charges.

As of 30 June 2015, operating income increased 6.1% to 661.5 million euros, representing 44.8% of revenues (46.2% for previous year).

6.3.4 Financial result

The financial result posted a 116.0 million euros expense as of 30 June 2015, compared with a 132.3 million euros expense in the previous financial year.

This evolution reflects mainly:

- on a one hand a positive net currency of +€21.3 million compared to -€7.4 million last year, and
- on other the full-year effect of the bond issued in December 2013.

6.3.5 Corporate tax

As of 30 June 2015, income tax expense increased 2.3% to 194.1 million euros (compared with 189.8 million euros as of 30 June 2014), whereas profit before tax is up 11.5% to 564.3 million euros.

The effective tax rate stood at 35.6% for financial year 2014-2015, a decrease compared to the 38.6% for previous financial year. This reduction in the tax rate mainly reflects the activation of certain tax loss carry-forwards in Latin America. In addition, the tax bill in 2013-2014 included a settlement of -5.6 million euros.

6.3.6 Income from associates

Income from associates stood at 18.8 million euros compared to 14.9 million euros for fiscal year 2013-2014, reflecting mainly a higher contribution from Hispasat.

6.3.7 Consolidated net income

As of 30 June 2015, consolidated net income totalled 370.2 million euros, compared to 316.2 million euros as of 30 June 2014.

6.3.8 Net income attributable to the Group

After taking non-controlling interests of 15.0 million euros into account, Net income attributable to the Group stood at 355.2 million euros at 30 June 2015, an increase of more than 17% year-on-year. (303.2 million euros at 30 June 2014).

6.4 Group liquidity and financial resources

The Group's liquidity requirements mainly include the following: - financing the construction and launch of satellites; - servicing its debt; - financing its working capital requirements.

The Group's main financial resources are composed of the cash flows generated by the operating activities of Eutelsat S.A. The Group has additional financial resources in the form of the lines of credit (bank loans and bonds) it has been granted.

6.4.1 Status of the Group's net indebtedness[15]

At 30 June 2015, the Group's total net debt amounted to 3 841 million euros, and comprised mainly (i) 600 million euros of borrowings drawn down within the framework of the Eutelsat Communications term loan, (ii) 2,880 million euros of bonds issued by Eutelsat S.A., (iii) 667 million euros of debt related to satellite financing agreement; (iv)115 million euros for the Foreign exchange portion of the cross-currency swap and; v) 420 million euros in cash, cash equivalents and marketable securities (net of bank overdrafts).

The Group also has 650 million euros available under its various lines of undrawn credit.

The table below describes the Group's main credit facilities as of 30 June 2015:

[15] The Group's net indebtedness includes all its bank debts and bonds as well as the debts associated with satellite finance leases, less its cash in hand and investment securities (see Notes 16 and 17 to the attached consolidated financial statements).

(In millions of euros)	Amount granted	Amount used	Maturity
Eutelsat Communications term loan 2020	600	600	31 March 2020
Eutelsat Communications renewable credit facility	200	-	31 March 2020
2017 Eutelsat S.A. Bond	850	850	27 March 2017
2019 Eutelsat S.A. Bond	800	800	14 January 2019
2020 Eutelsat S.A. Bond	930	930	13 January 2020
Eutelsat S.A. renewable credit facility	450	-	13 September 2018
2022 Eutelsat S.A. Bond	300	300	10 October 2022
US Exim export credit facility – Eutelsat S.A.	51	46	15 November 2021
ONDD export credit facilities 1	122	106	30 June 2024
ONDD export credit facilities 2	87	81	31 August 2024
Long-term leases	-	434	-
Foreign exchange portion of the cross-currency swap	-	115	13 January 2020
Total	**-**	**4,262**	

There has been no drawdown on the revolving lines of credit during the year ending 30 June 2015. Effective interest rates for the Eutelsat Communications bullet loan[16] are respectively 2.11% and 4.23%, after taking into account the effects of hedging instruments, for the same period. The effective interest rate on bonds issued by Eutelsat S.A is 4.35% for those maturing in March 2017, 5.17% for those maturing in January 2019, 2.87% for those maturing in January 2020 and 3.34% for those maturing in October 2022.

As of 30 June 2015, part of the Group's debt bore interest at a variable rate (generally EURIBOR plus a margin) and the bond loan and the US Ex-Im export credit facility bore interest at a fixed rate.

6.4.2 Description of the financial instruments in place during the financial year ended 30 June 2015

Main changes during financial year ended 30 June 2015

In March 2015, Eutelsat Communications concluded the early refinancing of the 800 million euro bank term loan of the holding company, Eutelsat Communications S.A, expiring in December 2016.

The refinancing was undertaken via the following operations:

[16] The Term Loan has been repaid during the year, and the effective interest rates correspond to the effective rate on these two successive loans during the year.

- o A new term loan of 600 million euros expiring in March 2020 (with two possible extension facilities of one year each subject to lender agreement)
- o The early reimbursement of 200 million euros, using the Group's available cash.

At the same time, the Group renegotiated a revolving credit facility of 200 million euros for a duration of five years with two possible extension facilities of one year each subject to lender agreement, replacing the previous facility of the same amount, expiring in December 2016.

These operations enable Eutelsat to extend its debt maturity profile and will reduce financial charges by circa 15 million euros before tax on an annualized basis excluding arrangement fees and hedging instruments. In addition they let to the accelerated amortization of the arrangement fees related to the previous term loan. The impact on financial result of fiscal year ended 30 June was -4.1 million euros.

Eutelsat S.A.'s credit facilities

Eutelsat S.A. financing structure is the following:

- 850 million euros 7-year bonds issued on 26 March 2010 on the Luxembourg Stock Exchange, maturing on 27 March 2017. The bonds bear a coupon of 4.125%, were issued at 99.232% and are repayable in full at maturity at 100%;
- 800 million euros 7-year bonds issued on 7 December 2011 on the Luxembourg Stock Exchange, maturing on 14 January 2019. The bonds bear a coupon of 5.000%, were issued at 99.186% and are repayable in full at maturity at 100%. These bonds have completed the refinancing of Eutelsat Communications S.A. indebtedness;
- 300 million euros 10-year bonds issued on 1st October 2012 on the Luxembourg Stock Exchange, maturing on 10 October 2022. The bonds bear a coupon of 3.125%, were issued at 99.148% and are repayable in full at maturity at 100%;
- 930 million euros of six-year bonds issued on 9 December 2013 on the Luxembourg Stock Exchange regulated market and maturing on 13 January 2020 ("the Bond Loan 2020"). The 2020 bonds carry an annual coupon of 2.625%, were issued at 99.289%, and are redeemable at maturity at 100% of their principal amount;
- A 66 million U.S. dollar US Ex-Im export credit facility, of which 51 million U.S. dollars were drawn at 30 June 2015. This credit facility will mature on 15 November 2021. It is repayable in 17 semi-annual instalments from November 2013 and bears interest at a fixed rate of 1.71%.
- Two export credit facilities covered by Office National du Ducroire (ONDD) for a total amount of 209 million euros; of which 187 million euros were drawn at 30 June 2015. These credit facilities have a 11.5 year maturity and will mature on 30 June 2024 and 31 August 2024. They are repayable in 17 semi-annual instalments from June 2016 and August 2016. The first one, for an amount of 121 million euros (of which 106 million euros were drawn), bears interest at 2.07% (rate based on 6-month EURIBOR and calculated at the facility signing date) will be used to finance the construction of a satellite. The second one, for an amount of 87 million euros (of which 81 million euros were drawn), bears interest at 2.23% (rate based on 6-month EURIBOR and calculated at the facility signing date) and will be used to finance a launcher.
- A 450 million euro revolving credit facility signed on 13 September 2013 with a five-year term. Amounts drawn for a maximum period of six months bear interest at EURIBOR (or LIBOR for amounts drawn in U.S. dollars) plus a 0.40% to 1.70% margin depending on Eutelsat S.A.'s long term rating assigned by Standard & Poor's. The initial margin stands at 0.70%. A non-use fee is payable representing 35% of the applicable margin mentioned above. The agreement also provides for a 0.10% utilisation commission if less than 33.33% of the revolving credit facility is drawn, 0.20% for the portion equal to or exceeding 33.33% but lower than 66.67% and a 0.35% commission for any portion exceeding 66.67%. furthermore, under this credit agreement, Eutelsat Communications is required to maintain a total net debt to annualised EBITDA ratio (as contractually defined and based on the consolidated financial statements of the Eutelsat S.A. sub-group prepared in accordance with IFRSs) below or equal to 3.75 to 1 (this ratio is tested on 30 June and 31 December each year).

- The credit agreements and the bond issues include neither a guarantee by the Group, nor the pledging of assets to the lenders, but they include restrictive clauses, subject to the usual exceptions contained in loan agreements, limiting the capacity of Eutelsat S.A. and its subsidiaries, in particular to:
    - grant security interests or guarantees;
    - enter into agreements resulting in additional liabilities;
    - grant loans and carry out certain types of investments;
    - enter into merger, acquisition, asset disposal, or lease transactions (with the exception of those carried out within the Group and expressly provided for in the loan agreement);
    - modify the nature of the business of the Company or its subsidiaries.

The bond issues and the credit facilities allow each lender to request early repayment of all sums due in case of unregulated downgrading, of Eutelsat S.A. or bonds issued by Eutelsat S.A. respectively as a result of a change of control of Eutelsat S.A. or a change of control of Eutelsat Communications (other than control acquisition by the Group's reference shareholders). This provision does not apply in case of Group restructuring.
The credit agreement entails an obligation to maintain launch-plus-one-year insurance policies for any satellite located at 13° East and, for any satellite located at another orbital position, a commitment not to have more than one satellite not covered by a launch insurance policy.

Issue costs incurred on issuing the bonds are amortised over the duration of the loans. As of 30 June 2015, they represent a balance of 11.7 million euros.

Eutelsat Communications S.A. Credit Facilities

Eutelsat Communications S.A. financing structure is the following:

- a 600 million euro Term Loan maturing in March 2020 (with two possible extension facilities of one year each subject to lender agreement) bearing interest at EURIBOR plus a margin of between 0.65% and 1.40% depending on Eutelsat Communications S.A. long-term credit ratings given by Standard & Poors (S&P). The initial margin is 0.90%. Interest periods are three months, beginning on 10 September, 10 December, 10 March and 10 June every year, except for the first two interest periods which were below three months;
- a 200 million euro Revolving Credit Facility (undrawn at 30 June 2015), concluded in March 2015 with a 5-years maturity (with two possible extension facilities of one year each subject to lender agreement). Interest period are of a maximum 6 months and bear interest at EURIBOR (or LIBOR for drawings in US dollars) plus a margin of between 0.25% and 1.00% depending on Eutelsat Communications S.A. long-term credit ratings given by Standard & Poors (S&P). The initial margin is 0.50%. A fee for non-use representing 35% of the margin mentioned above is payable. The agreement also provides for a utilisation commission of 0.10% if the revolving credit facility is used between 0 and 33.33%, of 0.20% if the revolving credit facility is used more than 33.33% but less than 66.67% and 0.35% if the revolving credit facility is used more than 66.67%.

The loan agreements do not involve any guarantee by Eutelsat Communications' subsidiaries or any pledge of assets as collateral for the loan. This loan agreement includes some restrictive clauses, subject to the usual exceptions in loan agreements (see Note 16 to the attached consolidated financial statements for more information on the restrictive conditions and the limitations applying to this loan agreement). The agreement provides for each lender party to the agreement to ask for early repayment of all monies owed if there is a change in control of Eutelsat Communications and Eutelsat S.A. or in the event of concerted action.

In addition, Eutelsat Communications has agreed to directly or indirectly retain 95% of the capital and voting rights in Eutelsat S.A. for the duration of the loan.

The credit agreement entails an obligation to maintain launch-plus-one-year insurance policies for any satellite located at 13° East and, for any satellite located at another orbital position, a commitment not to have more than one satellite not covered by a launch insurance policy.

Eutelsat Communications S.A. is required to maintain a total net debt to annualised EBITDA ratio (as these terms are defined contractually and based on the Group's IFRS consolidated accounts) less than or equal to 3.75 to 1, this ratio being tested on 30 June and 31 December each year. Regarding the new term loan concluded in March 2015, net debt to annualised EBITDA ratio has to be less than or equal to 4.0 to 1.

The fees incurred for setting up the Term Loan are amortised over the duration of the loans. As of 30 June 2015, they represent a balance of 2.9 million euros.

6.5 Financial instruments

The Group is exposed to market risks, principally in terms of currency and interest-rates. Exposure to such risks is actively managed by Management, and for this purpose the Group employs a certain number of derivatives, the objective of which is to limit, where appropriate, the fluctuation of revenues and cash-flows due to variations in interest rates and foreign-exchange rates.

The Group's policy is to use derivatives to hedge such exposure and comply with its financial covenants. The Group does not engage in financial transactions whose associated risk cannot be quantified at maturity, i.e. the Group never sells assets it does not possess, or about which it is uncertain whether it will subsequently possess them.

These risks are described in the Risk Factors in section 12 of the current report.

6.6 Litigation

In the course of its business activities, the Group has been involved in legal actions and commercial disputes. Consequently, the Group has exercised its judgement to assess the risks incurred on a case-by-case basis and a provision was recorded to cover an expected outflow of resources (see Note 22 - Provisions). In cases viewed as unsubstantiated or insufficiently argued, no provision was recognised.

Following a significant violation by ViaSat Brasil, the Group cancelled the agreement signed with ViaSat Brasil for the use of the Ka-band payload on the EUTELSAT 3B satellite. Capacity on this satellite was taken over by another client.

ViaSat Brasil claimed compensation from Eutelsat before the Rio de Janeiro commercial court. Eutelsat has strongly challenged the claim.

At this stage, the Group has not recorded any provision, as it is confident in the legitimacy of its stance.

7.1 Accounting and financial principles

The annual financial statements as of 30 June 2015, were drawn up in compliance with the provisions of the Code of Commerce (Articles L.123-12 to L123-28) and regulation 2014-03 of France's national accounting standards body. The conventions below were applied in adherence to the principle of prudence, according to the basic rules: (i) continuity of operations (ii) keeping financial years independent of each other, (ii) consistency in accounting methods from one financial year to the next and (iv) in compliance with the general rules for drawing up and presenting annual financial statements.

7.2 Company activities and key highlights during the year

The Company's status is that of a holding. Its role is therefore to direct the financial and strategic activities of the Eutelsat Group and the Company has no other operational activity.

7.3 Extracts from the Company's balance sheet and income statement at 30 June 2015

Details of the Company's Balance Sheet and Income statement for the financial year ended 30 June 2015 are presented in the Company financial statements in appendix 2 attached to this report.

7.3.1 Simplified balance sheet at 30 June 2015 – Company financial statements

ASSETS		
(In millions of euros)	**30 June 2014**	**30 June 2015**
Financial assets	2,446.4	2,446.9
Total long-term assets	2,446.4	2,446.9
Total current assets	133.7	86.6
Prepaid expenses	6.1	3.0
TOTAL ASSETS	**2,586.1**	**2,536.5**
LIABILITIES AND SHAREHOLDERS' EQUITY		
	30 June 2014	**30 June 2015**
Share capital (226,972,338 ordinary shares with a nominal value of 1 euro per share at 30 June 2015)	220.1	227.0
Additional paid-in capital	453.2	594.1
Legal reserve	22.0	22.7
Retained earnings	763.5	816.7
Result for the year	279.6	259.1
Regulated provisions	**0.5**	0.5
Total shareholders' equity	**1,738.9**	**1,919.9**
Provisions for liabilities and charges	0.8	0.9
Loans and financial debt	801.6	600.8
Other financial debt	-	-
Total bank debt	801.6	600.8
Total operating debt	44.7	14.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,586.1**	**2,536.5**

As of 30 June 2015 financial assets were composed mainly of the following:

- Equity interests, namely 500 000 shares in Eutelsat Communications Finance S.A.S. for an amount of 2,401.5 million euros and 7,248,478 shares in Eutelsat S.A. for a total amount of 39.2 million euros;
- Company shares held at 30 June 2015 under a liquidity agreement with Exane BNP PARIBAS amount to 53,000 shares for a total amount of 1.6 million euros.
- Cash mutual fund investments held in the framework of the liquidity contract for a total amount of 4.7 million euros as of 30 June 2015.

Changes in shareholders' equity over the year are described in detail in Note 7 to the Company financial statements in appendix 2.

For more information about the financing operations of the Company see Note 9 - Indebtedness - in the Company financial statements in appendix 2 to this report.

7.3.2 Simplified income statement at 30 June 2015 – Company financial statements

(In millions of euros)	**30 June 2014**	**30 June 2015**
Revenues	1.5	1,6
Release of provisions and reclassification of costs	0.1	3,3
Total operating income	**1.6**	**4,9**
Other purchases and external expenses	7.0	10,5
Taxes and assimilated	0.8	0,0
Wages	1.4	1,9
Social charges	0,4	0,7
Depreciation, amortisation and provisions	2,5	6,1
Other expenses	0,6	0,6
Total operating charges	**12.6**	**19,8**
Operating result	**(11.1)**	**14,9**
Financial income	303.6	282,9
Financial expenses	27.6	24,3
Financial result	**275.9**	**258,6**
Exceptional result	**1.7**	**0,0**
Corporate tax	**(13.0)**	(15,3)
NET INCOME	**279.6**	**259,1**

The Company's net result showed a profit of 259.1 million euros for financial year ended 30 June 2015 compared to 279.6 for previous financial year. This evolution mainly reflects lower financial income related to the decrease in dividend received from Eutelsat Communications Finance SA.

8 OBJECTIVES OF THE GROUP

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

Previous objective was revenue growth of "above 5%" on average for FY 2015-2016 and 2016-2017 at constant currency and excluding non-recurring revenues and was based on an initial nominal deployment plan.

Following notably recent failures of two launchers, this deployment plan had to be revised with launch delays for EUTELSAT 9B, EUTELSAT 36C and EUTELSAT 65 West A.

Based on the new nominal satellite deployment plan, Eutelsat targets revenue growth of 2-3% for FY 2015-16. This also reflects the impact of the renegotiation of Russian contracts and the current pressure on Government Services. In FY 2016-17 growth is set to accelerate, with an objective of 4-6%. This takes into account the entry into service of new capacity, albeit with a delay of EUTELSAT 65 West A.

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

The Group will continue to focus its investment policy on high growth markets in Latin America, Russia, the Middle East, Africa and Asia-Pacific. Average investments[9] will stand at around €500 million a year over the three fiscal years to 30 June 2018.

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

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

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These objectives are based inter alia on the following assumptions: (i) launch and successful entry into operation of the satellites in course of construction in accordance with the timetable envisaged by the Group (ii) continued growth in satellite demand in Western Europe and in fast-growing markets at satisfactory tariff conditions, (iii) maintaining of the existing operating capacity of the Group's fleet, (iv) no incidents to affect any of the satellites in orbit, (v) continuation of a policy of controlling operating costs and their evolution, (vi) maintaining of the general conditions of the space insurance and space industry market (vii) continued strong demand for broadband Internet access services, particular for the general public.

The forward-looking objectives, statements and information summarised above are based inter alia on the data, assumptions and estimates mentioned earlier and are considered by Eutelsat Communications to be reasonable as of the date of this document.

The reader is cautioned that these forward-looking statements are dependent on circumstances or facts that are to occur in the future. These statements are not historical data and must not be interpreted as guarantees that the facts and data cited will occur or that the objectives will be attained. By their nature, these data, assumptions and estimates, as well as all elements taken into consideration to determine these forward-looking objectives, statements and information, could prove to be wrong or may not materialise and may change or be modified due to uncertainties related to the economic, financial, competitive and regulatory environment in particular.

Additionally, some of these data, assumptions and estimates come from or are based in full or in part on assessments or decisions of the corporate bodies of Eutelsat Communications, which could change or be modified in the future. Furthermore, the materialisation of certain risks described in the chapter "Principal Risks" below could have a negative impact on the Group's business and on the achievement of the forward-looking objectives, statements and information cited above.

9 CORPORATE GOVERNANCE

9.1 Absence of Control of the Company

Please refer to Report of the Chairman in appendix 5 to this report.

9.2 Separating the functions of Chairman and Chief Executive Officer

Please refer to Report of the Chairman in appendix 5 to this report.

9.3 Factors likely to have an impact in the event of a public offer

The Company by-laws impose no restrictions on voting rights and on share transfers. To the best of the Company's knowledge, there is no agreement between shareholders limiting share transfers and the exercise of voting rights.

At the date of this Report, the Company has no knowledge of any agreement between the Company's shareholders, or any convention providing for preferential conditions for the disposal or the acquisition of shares in the Company and involving at least 0.5% of the capital or voting rights in the Company.

Please also see paragraph 9.9.3, 9.10.1, 9.10.2 and 11.9 and Appendix 5.

9.4 Changes in the composition of the Board of Directors

Please refer to Report of the Chairman in appendix 5 to this report.

9.5 Mission of the Board of Directors

Please refer to Report of the Chairman in appendix 5 to this report.

9.6 Committees of the Board of Directors

Please refer to Report of the Chairman in appendix 5 to this report.

9.7 Attendance fees paid to the Board Members

In accordance with the provisions of Law No. 2003-706 of 1 August 2003, amending law No. 2001-420 of 15 May 2001, related to the new economic regulations, it is our duty to inform you of the total compensation (including benefits in-kind) paid to the members of the Company's corporate bodies during the financial year ended 30 June 2015 (See the Notes to the consolidated financial statements for more information).

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

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

Regarding the method of allocation of attendance fees to Board members

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

- Board:
    - Annual fixed part of 15,000 euros per Board member (increased to 30,000 euros for the Vice Chairman and 45,000 euros for the Chairman);

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

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

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

The total amount of attendance fees due by the company and the companies it controls to non-executive Directors and Corporate Officers of the Company for the financial year ended 30 June 2015 stood at 491,000 euros.

The gross amounts received by the Directors serving on the Board at the closing of this financial year, during the two latest financial years, are detailed in appendix to this report.

9.8 List of functions or offices held in any French and foreign company by the Members of the Board of Directors as of 30 June 2015

Surname, first name, business address	Office	Date of first appointment/co-opting and expiry date of office	Other offices and functions held within the Eutelsat Group over the past 5 years	Offices and functions held outside the Eutelsat Group over the past 5 years
Michel de Rosen **Eutelsat Communications** 70, rue Balard 75015 Paris	Board Member, Chairman of the Board of Directors (since 16 September 2013) and Chief Executive Officer	*First appointment/ Co-opting:* 10 November 2009 (as Board Member and Chief Executive Officer)	*Current offices and functions:* In France: - Board Member (Chairman of the Board of Directors since 16 September 2013) and Chief Executive Officer of Eutelsat S.A. - Representative of Eutelsat S.A., Chairman of Eutelsat VAS S.A.S. Outside France: - Board Member and Chairman of Eutelsat Inc. (USA) - Board Member of Eutelsat International Ltd (Cyprus) - Board Member of Satelites Mexicanos S.A. de C.V. (Mexico) since 1st January 2014 -	*Current offices and functions:* In France - Board Member of Pharnext Outside France: - Board Member of Hispasat S.A. (Spain) - Board Member of ABB Ltd (Switzerland)
		Expiry date of office: General Meeting to be held to approve the accounts for the financial year ending 30 June 2016	*Offices and functions having expired:* In France: - Deputy CEO of the Company and of Eutelsat S.A. Outside of France: - Board Member of Skylogic S.p.A. (Italy) Board Member of Holdsat Mexico SAPI de C.V. (Mexico) absorbed by Satelites Mexicanos S.A. de C.V. (Mexique) on 31st July 2014	*Offices and functions having expired:* Outside France: - Board Member of Solaris Mobile Ltd (Ireland)
Lord John Birt **Eutelsat Communications** 70, rue Balard 75015 Paris	Vice President, Board of directors	*First appointment/ Co-opting:* 10 November 2006 (as Board Member)	*Current offices and functions:* None	*Current offices and functions:* Outside France: - Non-executive Director of Shopvolution (United Kingdom) - Chairman of Terra Firma Investor Advisory Board (United Kingdom) - Chairman of Host Europe (United Kingdom) - Member of the House of Lords
		Expiry date of office: General Meeting to be held to approve the accounts for the financial year ending 30 June 2015	*Offices and functions having expired:* None	*Office and functions having expired:* In France: - Adviser to Capgemini Outside France: - Chairman of Maltby Capital Ltd (United Kingdom) - Non-executive Director of Infinis Ltd (United Kingdom) - Chairman of PayPal Europe

<table>
<tr><th>Surname, first name, business address</th><th>Office</th><th>Date of first appointment/co-opting and expiry date of office</th><th>Other offices and functions held within the Eutelsat Group over the past 5 years</th><th>Offices and functions held outside the Eutelsat Group over the past 5 years</th></tr>
<tr><td rowspan="2">Jean-Paul Brillaud
Eutelsat Communications
70, rue Balard
75015 Paris</td><td rowspan="2">Board Member</td><td>First appointment/Co - opting:
8 November 2011</td><td>Current offices and functions:
In France:
- Board Member of Eutelsat S.A.</td><td>Current offices and functions:
In France :
Chairman of KerSat SAS</td></tr>
<tr><td>Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2015</td><td>Offices and functions having expired:
In France:
- Deputy CEO of the Company and Eutelsat S.A.
Outside France:
- Member of the Supervisory Board of Eutelsat Services & Beteiligungen GmbH (Germany)
- Board Member of Eutelsat Inc. (USA)</td><td>Offices and functions having expired:
Outside France:
- Board Member of Hispasat S.A. (Spain)
- Board Member of Solaris Mobile Ltd (Ireland)</td></tr>
<tr><td rowspan="2">Bpifrance Participations (since 12 July 2013, previously Fonds Stratégique d'Investissement)
Represented by: Jean d'Arthuys (since 25 February 2014)
6/8, Boulevard Haussmann
75009 Paris</td><td rowspan="2">Board Member</td><td>First appointment/Co - opting:
17 February 2011 (Fonds Stratégique d'Investissement)</td><td>Current offices and functions of the permanent representative, Mr. Jean d'Arthuys:
In France:
- Permanent representative of Bpifrance Participations Board Member of Eutelsat S.A.</td><td>Current offices and functions of the permanent representative, Mr. Jean d'Arthuys:
- Permanent representative of Bpifrance Participations
- Board Member of Soprol
- Board Member and Member of the Executive Committee of Bpifrance Participations</td></tr>
<tr><td>Expiry date of office:
General Meeting to be held to approve the accounts for the financial year ending 30 June 2018</td><td>Offices and functions of the permanent representative, Mr. Jean d'Arthuys, having expired:
None</td><td>Offices and functions of the permanent representative, Mr. Jean d'Arthuys, having expired:
In France:
- President of HEC Alumni
- Board Member of Indefilms (Sofica)
- Member of the Supervisory Board of ST Microelectronics
- Board Member of Talend
- Board Member of Viadeo</td></tr>
</table>

Surname, first name, business address	Office	Date of first appointment/co-opting and expiry date of office	Other offices and functions held within the Eutelsat Group over the past 5 years	Offices and functions held outside the Eutelsat Group over the past 5 years
Bertrand Mabille **Eutelsat Communications** 70, rue Balard 75015 Paris	Board Member	*First appointment/ Co-opting:* 10 May 2007	*Current offices and functions:* In France: - Board Member of Eutelsat S.A.	*Current offices and functions:* In France: - CEO of CWT France Executive Vice President of CWT France-Mediterranean - Representative of Carlson Wagonlit Travel France, - Chairman of Carlson Wagonlit Distribution - Chairman of Carlson Wagonlit Meetings & Events - Chairman of SETA (Forum Voyages) - Board Member of Videodesk Outside France: - Chairman of the Board of Carlson Wagonlit Italia Srl (Italy) - Chairman of the Board of Acentro Turismo S.p.A. (Italy) - Managing Director of Carlson Wagonlit España S.L.U (Spain) - Managing partner of Viajes Lepanto, S.L.U. (Spain) - Permanent Representative of Carlson Wagonlit Spain Holdings II BV (Spain) - Director of Carlson Wagonlit Maroc S.A. (Morocco) - Permanent Representative of CWT Beheermaatschappij B.V. of the Board of Carlson Wagonlit Maroc S.A. (Morocco)
		Expiry date of office: General Meeting to be held to approve the accounts for the financial year ending 30 June 2017	*Offices and functions having expired:* None	*Offices and functions having expired:* In France: - Member of the Supervisory Board of Cofitel - Chairman of the Supervisory Board of Adeuza - Board Member of So Ouat
Carole Piwnica **Eutelsat Communications** 70, rue Balard 75015 Paris	Board Member	*First appointment/ Co-opting:* 9 November 2010	*Current offices and functions:* None	*Current offices and functions:* In France: - Board Member of Sanofi - Board Member of Paris Orléans Outside France: - Board Member of Naxos UK (United Kingdom) -Board Member of Recycoal (United Kingdom) - Board Member of I20 (United Kingdom) - Board Member of Amyris (USA) - Board Member of Big Red (USA) - Board Member of Elevance (USA

Surname, first name, business address	Office	Date of first appointment/co-opting and expiry date of office	Other offices and functions held within the Eutelsat Group over the past 5 years	Offices and functions held outside the Eutelsat Group over the past 5 years
		Expiry date of office: General Meeting to be held to approve the accounts for the financial year ending 30 June 2016	*Offices and functions having expired:* None	*Offices and functions having expired:* In France: - Chairman of the Board of Amylum group Outside France: - Board Member of S.A. Spaldel NV (Netherlands) - Board Member and Vice-Chairman of Tate & Lyle Plc (United Kingdom) - Board Member of Toepfer International GmbH (Germany) - Board Member of Dairy Crest Group Plc (United Kingdom) - Board Member, Member of the Compensation Committee, and Chairman of the Social Responsibility Committee of the Board of Aviva Plc (United Kingdom) - Board Member of Louis Delhaize (Belgium)
Miriem Bensalah Chaqroun **Eutelsat Communications** 70, rue Balard 75015 Paris	Board Member	*First appointment/ Co-opting:* 8 November 2012	*Current offices and functions:* None	*Current offices and functions:* Outside France: - Director of the Holmarcom Group (Morocco) - CEO of Eaux minérales d'Oulmès (Holmarcom Group) (Morocco) - Director and Chairwoman of the Audit Committee of the Morocco Central Bank (Bank Al Magrhib) (Morocco) - Director of the Mohammed VI Foundation for Environmental Protection (Morocco) - Chairwoman of the Euro-Mediterranean Board for Mediation and Arbitration (Morocco) - Member of the Arab Business Council (ABC) - Member of the Management Board of the Moroccan British Business Leader Forum (MBBLF) - Member of the Al Akhawayn University Board - Member of the Young Presidents Organization (YPO) - President of the Confédération Générale des Entreprises du Maroc (CGEM) - Member of Planet Finance Association Board in Morocco -Board Member of CARE International Maroc -Member of the Council of ONG-US "Initiative for Global Development" (IGD-USA)
		Expiry date of office: General Meeting to be held to approve the accounts for the financial year ending 30 June 2016	*Offices and functions having expired:* None	*Offices and functions having expired:* - Member of the Board of the Social Development Agency (ADS)

Surname, first name, business address	Office	Date of first appointment/co-opting and expiry date of office	Other offices and functions held within the Eutelsat Group over the past 5 years	Offices and functions held outside the Eutelsat Group over the past 5 years
Elisabetta Oliveri **Eutelsat Communications** 70, rue Balard 75015 Paris	Board Member	*First appointment/* *Co-opting:* 8 November 2012	*Current offices and functions:* None	*Current offices and functions:* Outside France: CEO of Gruppo Fabbri Vignola (Italy) - Board Member, Chairman of the Audit Committee and main independent Board Member of Gruppo Editoriale L'Espresso (Italy) - Board Member, Chairman of the Remuneration Committee and member of the Nominations Committee of SNAM (Italy) - Board Member and Chairman of the Nominations Committee,of Banca Farmafactoring SpA (Italy) - Board Member of Gruppo Monzino 1750 (Italy) - Founder and Board Member of the Furio Solinas Onlus foundation (Italy)
		Expiry date of office: General Meeting to be held to approve the accounts for the financial year ending 30 June 2016	*Offices and functions having expired:* None	*Current offices and functions:* Outside France: - CEO and Board Member of Sirti S.p.A. (Italy) - CEO and Board Member of SEIRT SA (Italy) - Board Member of Azienda Trasporti Milanesi (Italy)
Ross McInnes **Eutelsat Communications** 70, rue Balard 75015 Paris	Board Member	*First appointment/* *Co-opting:* 7 February 2013	*Current offices and functions:* None	*Current offices and functions:* In France: - Chairman of the Board of Safran – Board Member and Chairman of the Audit Committee of Faurecia Outside France : – Board Member and Chairman of the Audit Committee of IMI Plc-
		Expiry date of office: General Meeting to be held to approve the accounts for the financial year ending 30 June 2018	*Offices and functions having expired:* None	*Offices and functions having expired:* In France: - Board Member of Aircelle – Board Member of Turbomeca – Board Member of Messier-Bugatti-Dowty – Board Member of Morpho – Board Member of Snecma - Board Member of Sagem Défense Sécurité - Board Member of Vallaroche Conseil - Permanent Representative of Safran at the Board of Directors of Établissements Vallaroche - Chief Operating Officer of Safran - Board Member of of Safran - Permanent Representative of Safran at the Board of Directors of Messier-Dowty SA - Board Member of Messier-Dowty SA - Board Member of SME – Board Member of Financière du Planier - Chairman of Chartreuse & Mont-Blanc SAS - Board Member of Macquarie Autoroutes de France SAS - Board Member of Eiffarie SAS - Board Member of Société des Autoroutes Paris-

Surname, first name, business address	Office	Date of first appointment/co-opting and expiry date of office	Other offices and functions held within the Eutelsat Group over the past 5 years	Offices and functions held outside the Eutelsat Group over the past 5 years
				Rhin-Rhône - Board Member of AREA - Société des Autoroutes Rhône-Alpes - Board Member of Adelac SAS - Board Member of Bienfaisance Holding - Member of the Supervisory Board of Générale de Santé - Member of the Supervisory Board of Pisto SAS - Permanent Representative of Établissements Vallaroche at the Board of Directors of La Financière de Brienne - Observer of Générale de Santé - Permanent Representative of Santé Europe Investissements SARL at the Board and Member of the Audit Committee of Générale de Santé Outside France: - Board Member of Safran USA, Inc. (United States) – Permanent Representative of Vallaroche at the Board of Soreval (Luxemburg) – Permanent Representative of Santé Europe Investissements SARL at the Board of Santé S.A. (Luxemburg) Vice-President de Macquarie Capital Europe Ltd (United Kingdom) - Board Member of Limoni S.p.A. (Italy) - Board Member of Santé SA (Luxemburg) - Board Member of Chartreuse & Mont-Blanc Global Holdings SCA (Luxemburg) - Board Member of Chartreuse & Mont-Blanc GP Sarl (Luxemburg) - Board Member of Chartreuse & Mont-Blanc Holdings Sarl (Luxemburg)

9.9 Information on compensation paid to Company Directors and Corporate officers

9.9.1 Summary table

The following table presents Management compensation due in respect to the financial years ending 30 June 2013, 30 June 2014 and 30 June 2015.

Name and position	Year	Fixed compensation	Variable compensation(1)	Attendance Fees	Benefits in kind[2]	Total
M. de Rosen CEO	2012-2013	400,000	347,596	na	na	**747,596**
	2013-2014	400,000	350,000	na	na	**750,000**
	2014-2015	320,000	172,456	na	5,418	**497,874**
M. Azibert Deputy CEO	2012-2013	329,600	185,937	na	5,418	**520,955**
	2013-2014	346,080	259,560	na	5,418	**611,058**
	2014-2015	400,000	347,596	na	na	**747,596**

[1] The variable compensation amount in the table above is the amount due with respect to a given fiscal year. It is paid on the following fiscal year.

[2] The amount of the benefits in kind for M. Azibert in respect to the financial year ended 30 June 2015 corresponds to a company car.

The compensation of Directors and Corporate Officers (*mandataires sociaux)* presented in the format recommended by the AFEP-MEDEF report can be found in the appendix to this report.

9.9.2 Compensation philosophy

The Board, supported by the Company's GSRC, has defined the global philosophy for the compensation of Michel de Rosen and Michel Azibert as Executive Directors and Corporate Officers.

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

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

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

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

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

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

Market positioning policy

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

Pay comparator selection

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

Market positioning policy:

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

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

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

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

To reflect:

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

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

9.9.3 Factor used to calculate the variable compensation

Evaluation criteria for the variable portion of compensation

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

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

For Michel de Rosen:

- quantitative targets at Group level (52%), linked to turnover (for 30%), to EBITDA (for 40%) and consolidated net income (for 30%),
- qualitative targets (for 48%).

For Michel Azibert:

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

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

(as a percentage of the fixed compensation, rounded to one decimal place)	**Michel de Rosen**	**Michel Azibert**
Quantitative targets at Group level	**54.6%**	**35%**
Turnover	*16.4%*	*10.5%*
EBITDA	*21.8%*	*14%*
Consolidated net profit	*16.4%*	*10.5%*

Qualitative targets at Group level	**50.4%**	**35%**
Specific quantitative sales targets	-	**35%**
TOTAL ***(maximum expressed as a percentage of the fixed part)***	**105%**	**105%**

Quantitative targets at Group level

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

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

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

Qualitative targets

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

For Michel de Rosen

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

- Improve business processes in order to maximise sales, including a focus on Data Services and on EUTELSAT KA-SAT 9A (for 7.56% of the fixed salary, ie 15% of the qualitative part);
- Prepare growth beyond the current budget year in promoting a number of strategic projects and maximise presales (for 7.56% of the fixed salary, ie 15% of the qualitative part);
- Improve the efficiency of innovation projects to foster the development of new products and services (connected TV, mobility, broadband Internet) and new satellite architectures and increased use of electronic propulsion (for 7.56% of the fixed salary, ie 15% of the qualitative part);
- Optimise the satellite resources of the Group by reducing, for example, the cost per transponder for new programs (for 7.56% of the fixed salary, ie 15% of the qualitative part);
- Define the developments of the Group strategy (for 12.60% of the fixed salary, i.e. 25% of the qualitative part);
- Improve the efficiency of the Group's processes and organisation, in particular with the completion of the integration of Satmex (for 7.56% of the fixed salary, ie 15% of the qualitative part).

For Michel Azibert:

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

- The performance of some flagship orbital positions including the HOTBIRD orbital position and positions covering the Middle East and North Africa (up to 7% of the fixed salary);
- Developing relationships with new business leads and presales on future satellites, and identifying joint business opportunities between the Group subsidiaries (up to 8%);
- Improved sales reporting for the Board of Directors and Executive Committee (up to 2%);
- The contribution of the sales department to innovation: in particular for the design of new satellites as well as in the field of hybrid TV and video in push mode (up to 4%);

- Improvement of the sales pitch by developing arguments of differentiation compared to competitors and adjustment of the pricing policy (up to 6%);
- Improved marketing strategy particularly in data and professional Video Services (4%);
- Progress of strategic projects, for example in the field of HTS satellites (4%).

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

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

9.9.4 Components of fixed and variable compensation for FY 2014-2015

Michel de Rosen fixed compensation

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

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

Michel de Rosen variable compensation

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

After reviewing the targets, it appears that the variable part of the CEO's remuneration, for financial year 2014-2015, stands a t87.6% of the gross annual fixed compensation (as compared to 86.9% for financial year 2013-2014), i.e. 350,000 Euros. The quantitative targets were achieved for 78.7% and the qualitative targets for 88.4%. The detailed calculation is presented in the table below: This variable part will be paid during the first half of the financial year ending on 30 June 2016.

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

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

- the continued growth of the KA-SAT customer base (+31,000 customers over the financial year) and the strengthening of the distribution network, as agreements have been signed in particular with the telecom operations OTE (Greece) and Telekom Austria (Austria);
- the improving sales trend in Data Services that have returned to positive evolution (+1.3% at constant scope and exchange rates);

- the order of the EUTELSAT 172B satellite, which uses electric propulsion for orbit commissioning which helped to optimise the investment;
- the successful integration of Satmex which delivered strong financial performance;
- the launch of the "Eutelsat Quantum" programme, a new concept of a satellite configurable using software which constitutes a breakthrough innovation whose high level of flexibility that will revolutionise the service for customers and transform fleet management by allowing a more efficient use of resources.

Michel Azibert fixed compensation

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

Michel Azibert variable compensation

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

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

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

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

- The reorganization and strengthening of the commercial department;
- Major contract renewals in particular at the HOTBIRD orbital position with the Polish operator nc+ and at 16° East with the Total TV platform;
- The signing of new contracts with particularly strong momentum in Africa in Video (Azam TV, Muvi, Strong Media) at the orbital positions 16° East and 7° East;
- The presale of capacity on the EUTELSAT 172B satellite which will be launched in 2017 and which has been selected by Panasonic Avionics Corporation as a privileged platform to develop its connectivity and in-flight entertainment services;
- The strong increase in revenues from Value-Added Services (+14.8% over the financial year on a comparable basis);
- A high order book level of 6.2 billion Euros at the end of June 2015.

9.9.5 Benefits in kind

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

9.9.6 Free Shares

The Company did not offer any stock option or stock purchase plans during the financial years ended 30 June 2014 and 2015.

Free Share Allocation Plan of 28 July 2011

On 28 July 2011, the Board of Directors approved a plan for the allocation of free shares to all employees of Eutelsat Communications Group, including the Directors and Corporate Officers (*mandataires sociaux*), representing a maximum of 700,000 shares and decided that the allocation plan should be implemented through the distribution of previously repurchased shares.

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

The characteristics of this plan are as follows:

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

The performance objectives are defined on the basis of the Group's consolidated accounts. The definitive granting of these shares will take place as of 29 July 2014 subject to achievement of the performance objectives.

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

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

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

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

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

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

Free Share Allocation Plan of 8 November 2012

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

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

The characteristics of this plan are as follows:

- On the one part, the grant of 200 shares per employed beneficiary, conditional upon the attainment of performance objectives over three financial years ending 30 June 2015, with 50% linked to a target cumulative EBITDA and the another 50% objective linked to a target average ROCE;
- On the other part, the grant of 205,530 shares to Directors and Corporate Officers (*mandataires sociaux*), conditional upon the achievement, over the same three financial periods, of one 25% objective based on cumulative EBITDA, one 25% objective based on average ROCE, one 25% objective linked to cumulative EPS and one 25% TSR-linked objective.

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

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

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

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

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

At the date of this report, no other allocation plan was carried out by the Board.

A table in Appendix 6 summarizes the history of performance shares granted to each Director and Corporate Officer.

Phantom share allocation plan of 13 February 2014

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

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

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

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

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

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

Phantom share allocation plan of 11 February 2015

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

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

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

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

- to exclude the EPS target, whose evolution is strongly related to EBITDA,
- to now take into account a relative TSR (and no longer an absolute TSR) which measures relative performance and indices and competitors thereby enabling to dissociate the assessment of performance from the effects of macro-economic or market events exogenous to the company. The relative TSR is calculated in relation to a composite index which corresponds to the arithmetic average of the following 4 indices: SBF 120, MSCI Europe Infrastructure, MSCI Europe Telecom and a composite index of the top three listed competitors in the sector satellite (SES, Intelsat, Inmarsat).

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

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

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

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

Within three years from the date of the definitive granting of the phantom shares and provided that the performances after the three years following the grant of the shares allow the vesting of at least 50% of the phantom shares granted, members of the Executive Committee have to own Eutelsat shares for an amount equivalent to a certain percentage of their salary.

This percentage is 200% of the gross annual base salary for Michel de Rosen and 100% of the gross annual base salary for Michel Azibert.

9.10 Information about the Company's share capital

9.10.1 Information on the composition of the share capital

	At 30 June 2015		At 30 June 2014		At 30 June 2013	
Shareholder	Number of shares and voting rights held	Percentage	Number of shares and voting rights held	Percentage	Number of shares and voting rights held	Percentage
(Bpifrance Participations since (12 July 2013, ex *Fonds Stratégique d'Investissement* : *FSI*)	59,081,638	26.03%	56,399,660	25.62%	56,399,660	25.62%
China Investment Corporation (CIC)	15,526,530	6.84%	15,541,767	7.06%	15,541,767	7.06%
Other minority shareholders (1)	3,085,600	1.36%	3,177,077	1.44%	3,227,077	1.47%
Entreprise des Postes et Telecoms (Luxembourg)	2,492,728	1.10 %	2,395,886	1.09 %	2,395,886	1.09 %
Employees and senior managers	1,711,898	0.75%	1,866,768	0.85%	2,139,922	0.97%
Radio Televizijia Slovenia	1,022,000	0.45 %	1,212,000	0.55 %	1,212,000	0.55 %
Abertis Telecom S.A.U.	-	0.00%	-	0.00%	11,027,890	5.01%
Free float(2)	144,051,944	63.47%	139,520,824	63.39%	128,169,780	58.23%
TOTAL	**226,972,338**	**100%**	**220,113,982**	**100%**	220,113,982	100%

(1) This category includes a number of Eutelsat Communications minority shareholders including the Croatian Restructuring and Sale Center (ex Ministry for the Sea, Transportation and Infrastructure), Turksat Satellite Communications and the national telecommunication companies of Bosnia-Herzegovina and Albania

(2) Of which 204,794 treasury shares as of 30 June 2015

9.10.2 Information concerning thresholds crossed or changes in the control of the Company

Crossing of disclosure thresholds	
26 February 2015	Notification of the upward crossing of the 1% threshold in terms of Company capital and voting rights, by Crédit Suisse Group AG, which owns 2,303,903 shares representing 1.02% of the Company's share capital.
17 February 2015	Notification of the downward crossing of the 1% threshold in terms of Company capital and voting rights, by Commonwealth Bank of Australia « CBA », which owns 2,240,476 shares representing 0.98% of the Company's share capital.
2 February 2015	Notification of the upward crossing of the 2%, threshold in terms of Company capital and voting rights, by AMUNDI Asset Management, which owns 4,612,998 shares representing 2.03% of the Company's share capital
6 January 2015	Notification of the upward crossing of the 1% threshold in terms of Company capital and voting rights, by AMUNDI Asset Management, which owns 2,563,376 shares, representing 1.12% of the Company's share capital
11 December 2014	Notification of the upward crossing of the 26% threshold, in terms of Company capital and voting rights, by BPIfrance Participations, which owns 59,081,638 shares representing 26.03% of the Company's share capital.
11 December 2014	Notification of the downward crossing of the 7% threshold , in terms of Company capital and voting rights,, by China Investment Corporation « CIC », which owns 15,526,530 shares representing 6.84% of the Company's share capital.
1st December 2014	Notification of the downward crossing of the 1%, threshold, in terms of Company capital and voting rights, by UBS Investment Bank, Wealth Management and Corporate Centre, which owns 749,188 shares representing 0.34% of the Company's share capital.
24 November 2014	Notification of the downward crossing of the 2% threshold in terms of Company capital and voting rights, by UBS Investment Bank, Wealth

	Management and Corporate Centre, which owns 4,323,422 shares representing 1.96% of the Company's share capital..
20 November 2014	Notification of the downward crossing of the 3% threshold, in terms of Company capital and voting rights, by UBS Investment Bank, Wealth Management and Corporate Centre, which owns 6,370,247 shares representing 2.89% of the Company's share capital.
13 November 2014	Notification of the upward crossing of the 3% threshold in terms of Company capital and voting rights, by UBS Investment Bank, Wealth Management and Corporate Centre, which owns 7,093,341 shares representing 3.22% of the Company's share capital.
30 October 2014	Notification of the upward crossing of the 2% threshold in terms of Company capital and voting rights, by UBS Investment Bank, Wealth Management and Corporate Centre, which owns 4,987,305 shares representing 2.27% of the Company's share capital.
16 October 2014	Notification of the downward crossing of the 1% threshold in terms of Company capital and voting rights, by Crédit Suisse Group AG, which owns 1,917,325 shares representing 0.87% of the Company's share capital.
5 September 2014	Notification of the upward crossing of the 2% threshold in terms of Company capital and voting rights by Deutsche Bank AG, which owns 4,607,325 shares, representing 2.09 % of the Company's share capital.
3 September 2014	Notification of the downward crossing of the 2% threshold in terms of Company capital and voting rights by Crédit Suisse Group AG, which owns 4,343,067 shares, representing 1.97% of the Company's share capital.
26 August 2014	Notification of the downward crossing of the 2% threshold in terms of Company capital and voting rights by Deutsche Bank AG, which owns 4,271,728 shares, representing 1.94% of the Company's share capital.
21 August 2014	Notification of the upward crossing of the 2% threshold in terms of Company capital and voting rights by Crédit Suisse Group AG, which owns 4,539,447 shares, representing 2.06% of the Company's share capital.
21 August 2014	Notification of the upward crossing of the 1% threshold in terms of Company capital and voting rights by International Value Advisers, which owns 2,945,112 shares (and has 2,726,698 voting rights), representing 1.34% of the Company's share capital.

9.10.3 Restrictions on the transfer of shares or securities giving access to the Company's capital

As of 30 June 2015, there is no restriction on the transfer of shares or securities giving access to the Company's capital, with the exception of the restrictions or bans on acquiring/transferring our securities, as specified in the Share Dealing Code relating to insider information.

This Share Dealing Code is applicable to members of the management bodies or committees of companies within the Group and to certain employees of divisions and departments deemed to be "sensitive" and liable to obtain or have access to confidential information during the exercise of their functions or responsibilities whether on a permanent or ad hoc basis. It can therefore be applicable to all employees.

The Share Dealing Code also defines closed periods, during which transactions in the Company's shares are prohibited (except in a limited number of specific cases) even in the absence of confidential information. The duration of closed periods is 30 days before the publication of annual and half-year results and 15 days before the quarterly releases in line with the AMF recommendation no.2010-07 relating to the prevention of insider trading.

On 22 June 2011, the Board of Directors also decided to establish a Compliance Committee with three members: the Chief Financial Officers, the Legal Counsel and the Director of Human Resources in line with the aforementioned AMF guideline. The Board expressly provided that the consultation of this Committee would be discretionary, reiterating that the decision whether or not to trade in the Company's shares would remain in any event the responsibility of the relevant individual.

9.10.4 Operations affecting the share capital during the year

9.10.4.1 Capital increase as a result of the free allocation of shares

No capital increases following the granting of free shares took place during the financial year.

9.10.4.2 Concerning stock options or stock-purchase plans

The Company did not offer any stock option or stock purchase plans during the financial year ended 30 June 2015.

9.10.4.3 Concerning the exercise of the option to reinvest the dividend in shares

At the Eutelsat Communications General Meeting held on 7 November 2014, shareholders approved payment of a dividend of €1.03 per share for the financial year ended 30 June 2014, and the option for shareholders to receive the entire part of the dividend either in cash or in new shares (scrip dividend) of the Company. 66% of the rights were exercised in favour of the scrip dividend. The 6,858,356 new shares were issued and delivered on 11 December 2014. They carry rights to any distribution decided after their issuing and rank *pari passu* with existing shares from the issue date. The new shares were listed on Euronext Paris on 11 December 2014. The share issue will have the effect of increasing Eutelsat Communications' share capital as of 11 December 2014 to 226,972,338 ordinary shares with a par value of €1 each.

9.10.4.4 Concerning other securities granting access to the share capital

Free share plans are described in paragraph 9.9.6 of the present report.
There are no other securities granting access to the share capital at the date of this report.

9.10.4.5 Concerning the additional acquisition of Eutelsat S.A. shares

The Company gave an undertaking to employees who are shareholders in Eutelsat S.A. or who hold Eutelsat S.A. stock subscription or stock purchase options, apart from Corporate Officers and Directors and executives who made commitments to sell their shares to put in place a liquidity mechanism for their Eutelsat S.A. shares should Eutelsat Communications be floated on the stock market.

The Group consequently provides a semi-annual liquidity "window" after publication of the half-year and annual results.

Eutelsat Communications made a proposal, via its Eutelsat Communications Finances subsidiary, to all the beneficiaries of the stock subscription options granted under the Partners, Managers I, II, III and IV plans and to beneficiaries of the stock purchase plans of March and April 2004 to purchase the shares they acquired under such plans. This liquidity offer opened on 24 November 2014 and closed on 5 December 2014. Final settlement of the transaction took place on 12 December 2014. In respect of this transaction, 11,501 shares had been repurchased at a unit price of 6.51 euros per Eutelsat S.A. share.

Furthermore, the Company made a second liquidity offer, via its Eutelsat Communications Finances S.A.S. subsidiary, and offered all the beneficiaries of the stock options granted under the Partners and Managers I, II, III and IV plans (with the exception of managing employees who granted commitments to sell shares) and beneficiaries of the stock purchase plans of March and April 2004, to purchase their shares at a unit price of 6.74 euros per Eutelsat S.A. share. This liquidity offer opened on 22 May 2015 and the subscription period closed on 4 June 2015. Final settlement of the transaction took place on 11 June 2015. In respect of this transaction, 18,905 shares had been repurchased at a unit price of 7.74 euros per Eutelsat S.A. share.

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

- social;
- environmental;
- societal.

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

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

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

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

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

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

Maintaining the space around the earth uncongested and clean

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

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

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

Each one of these items is detailed in Section 10.2.1.1 "Impact of satellites and launch services on the environment" of this document.

Engaging in efforts to bridge the "digital divide"

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In France, the FRANSAT platform broadcasts the 25 free DTT channels on the EUTELSAT 5 West A satellite (together with a selection of local and thematic TV channels and radio stations) on a subscription-free and unlimited-time basis. This is the only free satellite TNT multi-channel offer referenced by the French Audiovisual Council (*Conseil Supérieur de l'Audiovisuel*). It is especially suited for homes beyond the reach of terrestrial networks. More than 2 million homes are equipped to receive FRANSAT. For retirement homes and other communities, small communal cabled networks situated in DTT white areas and small and remote terrestrial transmitters, FRANSAT provides "FRANSAT PRO", a collective, satellite-delivered free-of-charge DTT solution. The FRANSAT service is regularly upgraded for an ever enhanced viewer experience: high definition, "FRANSAT Connect" portal for browsing the programme offering, interactive services accessible online, etc.

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

Building a multinational corporate environment that reflects a diversity of cultures and ideas

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

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

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

The same diversity exists:

- for Executive management: eight nationalities are represented at the Group Management Committee;
- for governance bodies: six nationalities are represented on the Board of Directors;

- for recruitment:
  - 26% of employees recruited in 2014 by Eutelsat S.A held a nationality other than French (26% in 2013);
  - 20% of interns hired in 2014 by Eutelsat S.A are of a nationality other than French (31% in 2013);
  - In subsidiaries outside France, local recruitment is the standard practice.

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

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

10.1 Social information

10.1.1 Employment

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

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

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

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

(1) This figure includes Satmex during a 6-month period.

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

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

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

Breakdown of employees by region (Group)

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

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

Breakdown of other employees vs managers by gender (Group).

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

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

Breakdown of employees by age (Group)

The breakdown of employees by age is the following:

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

10.1.1.2 Recruitments and departures (Group)

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

As of 31 December 2014, at Group level:

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

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

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

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

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

10.1.1.3 Compensation

Long-term Incentive Programme

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

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

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

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

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

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

- the savings plan is a collective savings system that provides member employees with an opportunity to build up a portfolio of securities with the help of their employer. The money invested in a savings plan is blocked for five years, except in the cases of early release specified in the plan's rules;
- the corporate savings plan offers a number of different investment vehicles (corporate mutual funds governed by Article L. 214-39 of the French Monetary and Financial Code) allowing its members to choose the investment vehicle best suited to their savings strategy;
- a company investment fund (FCPE, corporate mutual fund), which allows investments in the securities of a Group company (FCPE governed by Article L. 214-40 of the French Monetary and Financial Code), is also offered within the savings plan. Through this FCPE, savings plan members can acquire securities of a Company within the Group under Article L. 3332-18 et seq. of the French Labour Code;

- the corporate savings plan also allows beneficiaries of stock subscription or purchase options to exercise, as the case may be, these options through their unavailable assets in the savings plan and to keep the shares they obtain by exercising their options in the savings plan. The shares are locked-up for five years in the savings plan with no possibility of taking advantage of an early release provision.
- A new employee incentive agreement governed by Articles L. 3311-1 et seq. of the French Labour Code was entered into by Eutelsat S.A. on 23 December 2011 to allow Eutelsat S.A. employees to share in the performance of the Company. The size of the incentive payments to employees is determined using the performance criteria set out in the agreement, which take into account the improvement in the Company's financial performance (financial ratio and operating costs).
- Employees can pay all or part of their incentive payment into their corporate savings plan; the amounts paid in are locked-up for five years and may then qualify for the preferential tax treatment applicable to savings plans.

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

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

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

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

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

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

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

** For financial year 2014-2015, the amount indicated is the amount provisioned at the date of the Document*

Wages

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

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

10.1.2 Work organisation

10.1.2.1 Work time organisation

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

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

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

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

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

10.1.2.2 Absenteeism

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

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

**Temporary absence exceeding 30 days*

10.1.3 Labour relations

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

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

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

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

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

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

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

10.1.3.2 Assessment of collective agreements

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

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

Objective of continuous improvement

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

10.1.4 Health and safety

10.1.4.1 Health and safety conditions

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

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

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

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

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

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

Employee safety at Eutelsat teleports

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

- periodic tests for radiation are conducted at the teleport in Rambouillet;

- all antennae at the Rambouillet teleport are tested in accordance with ESVA (Earth Station Verification and Assistance) to ensure the quality of the installation and to detect possible radiation outside of acceptable norms. As a standard part of every ESVA activity, the antennae radiation patterns are measured. This allows for taking corrective action in case of shortcomings (such as an excess to mechanical tolerance of required surface accuracy, etc.), which may occur during the installation process. A radiation diagram is the base for the determination of the maximum permissible spectral EIRP (Equivalent Isotropically Radiated Power) density, which must not be exceeded by any transmission originating from the station under test. Norms are established by Eutelsat to be in-line with national and international (i.e. ITU) radio frequency regulations;
- all staff working with antennae are informed about potential exposure risks;
- access to potential high-risk exposure installations (limited number of dishes close to the ground) is strictly controlled by fences or marked with signs on the ground.

Similarly, precautions have been taken at the Iztapalapa and Hermosillo teleports in Mexico: access to the facilities is strictly supervised with the use of access badges, 24/24 supervising staff and video surveillance systems. As an additional precautionary measure, employees are located at a safe distance from the antennas, which are placed behind fences.

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

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

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

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

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

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

Certain employees are authorized to install antennas. In order to cover the risk of accidents, Eutelsat S.A. contributes to the URSSAF at a higher rate.

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

10.1.4.3 Frequency and seriousness of accidents at work and occupational diseases

Some employees are expected to install antennae as part of their jobs. In order to fully cover potential risks to employees conducting this activity, Eutelsat S.A. contributes higher premiums to the URSAFF (*Unions de Recouvrement des Cotisations de Sécurité Sociale et d’Allocations Familiales*), an organisation for collection of social security and family benefit contributions.

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

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

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

For Eutelsat S.A. (which accounts for 57% of the Group workforce), the frequency rate of accidents at work[17] stood at 5.093% in 2014. Accident Severity Rate[18] stood at 0.009% in 2014. No case of professional disease was reported.

Workplace accidents in days lost	2013	2014
Number of accidents without work stoppage authorisation	12	3
Number of accidents with work stoppage authorisation	24	6
	36	9
Total number of accidents	**36**	**9**

10.1.5 Training

10.1.5.1 Implementation of training policies

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

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

- Technical aspects of satellite communications or information systems;
- Management, such as in relation to psychosocial risks;
- Commercial performance;
- Project management;
- Modern languages;
- Personal development;
- Support functions; and
- Health and safety.

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

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

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

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

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

10.1.5.2 Total number of training hours

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

[17] Number of work accidents with absence, per million hours worked

[18] Number of working days lost to occupational accidents per thousand man-hours

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

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

** the acquisition of Satmex, which now operates under the name Eutelsat Americas, was finalized in January 2014.*

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

10.1.6 Equal opportunity and non-discrimination

Eutelsat encourages internal mobility via the following actions:

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

10.1.6.1 Gender equality

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

The main components of this agreement include:

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

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

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

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

10.1.6.2 Employment and integration of the disabled people

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

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

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

10.1.6.3 Fighting discrimination and encouraging diversity

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

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

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

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

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

The "Diversity Charter" is supported by the main employers' organisations, several corporate networks and public agencies. Source: http://www.charte-diversite.com/charte-diversite-la-charte.php

10.1.7 Promotion and enforcement of the fundamental conventions of the international labour organisation (ILO)

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

10.1.7.1 Respect for freedom of association and the right to collective bargaining

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

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

10.1.7.2 Elimination of discrimination in the employment and job policies

The Group respects the principles outlined in the ILO Conventions.

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

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

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

10.1.7.3 Elimination of forced labour

All subsidiaries are in conformity with the principles outlined in the ILO Conventions

10.1.7.4 Effective abolition of child labour

All subsidiaries are in conformity with the principles outlined in the ILO Conventions

10.2 Environmental information

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

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

10.2.1 Global environmental policy

10.2.1.1 Impact of satellites and launch services on the environment

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

Satellite manufacturers

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

Airbus Defence and Space is committed to minimising the environmental impact of its activities and to ensuring compliance with all applicable legal requirements. In addition to the ISO14001 certification of its environmental management system, Airbus DS has recently obtained ISO50001 certification for its energy management systems for its sites in the United Kingdom, Toulouse (France) and Germany. In addition, the "Eco-Space" project, whose aim is for all new products to be "eco-designed" by 2020 in order to minimise their environmental and health impacts, has been continued.

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

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

TAS is part of the Thales Group which has put in place a monitoring and reporting system of environmental indicators, in accordance with the *"Grenelle II"* environmental laws. Thales has conducted an environmental protection policy since 2007 and is working on taking into account environmental aspects in all of its business activities. Having once again obtained ISO14001 certification for all of the Group's facilities, its Environmental Management System has achieved reductions in the use of natural resources, greenhouse gas emissions and the production of hazardous waste. The Group targets further reductions by end of 2015.

Launch services

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

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

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

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

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

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

Space debris

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

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

A responsible fleet management policy

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

Since 08 July 2005, Eutelsat has been an operator certified in satellite control and operations (ISO 9001).

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

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

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

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

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

Compliance with the French Space Act

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

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

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

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

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

Sharing Eutelsat's policy and practices

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

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

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

10.2.1.2 Employee information and training in regard to environmental protection

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

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

10.2.1.3 Means used for preventing environmental risks and pollutions

Reception via satellite dishes

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

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

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

There are no specific references to risks associated with satellite use

(source: WHO website http://www.who.int/mediacentre/factsheets/fs322/en/index.html).

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

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

10.2.2 Pollution and waste management

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

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

See previous Section 10.2.1.1 for information from satellite manufacturers and launch service suppliers regarding their environmental policies.

10.2.2.2 Measures taken to prevent, recycle and eliminate waste

Waste management

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

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

Paper consumption

Consumption - Tonnes of paper	2013	2014
Eutelsat S.A. head office	17,397	24.89
Eutelsat Americas	2,386	2,346

Waste production and recycling

Waste - in tonnes	2013	% recycled	2014	% recycled
Eutelsat S.A.	44	89	57	51
Teleport Rambouillet			13	nd
Eutelsat Americas	information not available	-	15	100

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

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

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

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

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

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

10.2.3 Sustainable use of resources

10.2.3.1 Water consumption and supply in relation to local constraints

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

Water consumption (in cubic meters)	Calendar year 2013	Calendar year 2014
Headquarters Paris (France)	8,978 m^3	5,395 m^3
Teleport Rambouillet (France)	577 m^3	1,093m^3
Teleport Turin (Italy)	1,184 m^3	1,261 m^3
Eutelsat Americas	2,483	1,507

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

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

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

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

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

The Group operates no factories and therefore does not consume raw materials for conducting its with the exception of paper (which is addressed in the section 10.2.2.2 of this document).

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

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

Efforts to reduce electrical consumption at the Group's teleports

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

Concerning current energy consumption:

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

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

Management is examining other means to reduce energy consumption:

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

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

Electrical and fuel consumption at some of Eutelsat's installations

Electricity Consumption (in kilowatts)	12 months to 30 June 2013	12 months to 31 December 2014
Headquarters (Paris, France)	3,660,284	3,737,446
Teleport Rambouillet (France)	7,748,557	8,042,725
Turin offices (Italy)	55,300	46,624
Teleport Turin (Italy)	3,619,221	3 546 876
Turin back-up facility (Cebrosa, Italy)	364,056	419,380
Eutelsat Americas headquarters	547,000	536,000
Teleport Iztapalapa	3,220,000	3,033,000
Teleport Hermosillo	1,148,000	1,391,000

Purchases of diesel fuel (in cubic metres)	12 months to 31 December 2013	12 months to 31 December 2014
Teleport (Rambouillet, France)	26	26
Teleport Iztapalapa	5	1
Teleport Hermosillo	12	6
Teleport Turin	Not available	0,3

10.2.3.4 Land use

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

10.2.4 Climate change

10.2.4.1 Greenhouse gas emissions

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

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

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

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

Actions taken to reduce electricity consumption for the teleport are described in Section 10.2.3.3 "Energy consumption, measures adopted to improve energy efficiency and usage of renewable energies" of this document.

10.2.4.2 Adaptation to the consequences of climate change

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

- The creation of a product catalogue for servers and individual workstations, which promotes "low consumption" and eco-friendly computer equipment ("green-IT" philosophy). The creation of "Blade"-type machines that consume less energy and use unit electric systems;

- Personal computers are set to enter into standby after 20 minutes of inactivity;
- A copier replacement project is under review with a view to reducing the number of printers and electricity and paper consumption ;
- A proposal has been made to replace the workstations by a hybrid station that consumes less energy than a standard station; and
- Efforts to rationalize the engine rooms in order to reduce the volume of the servers and the number of machines.

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

Efforts have also been made to limit the impact of the company car fleet. The company car policy provides that the rate of CO_2 must be limited to 135g/m3. The average emission rate for the holding's fleet is 133g/m3. In addition, the Group now uses the services of Greentomatocars, a new eco-friendly private passenger car service, in addition to the services of a traditional taxi company for Eutelsat employees travelling in Paris and the Paris area. The CO_2 emissions of Greentomatocars are reduced thanks to an eco-friendly service using a fleet of hybrid sedans, a dispatch software that reduces distances travelled and a carbon compensation policy.

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

For the teleport in Rambouillet, actions taken to reduce electricity consumption for the teleport are described in the Section 10.2.3.3 “Energy consumption, measures adopted to improve energy efficiency and usage of renewable energies” of this document. In addition, a fire extinguishing system that uses Argon and Nitrogen, instead of CO_2 and other gases used that have a more significant environmental footprint has been installed. Argon and Nitrogen are gases that are present in the atmosphere and not toxic either to humans or to the environment.

10.2.5 Protection of biodiversity

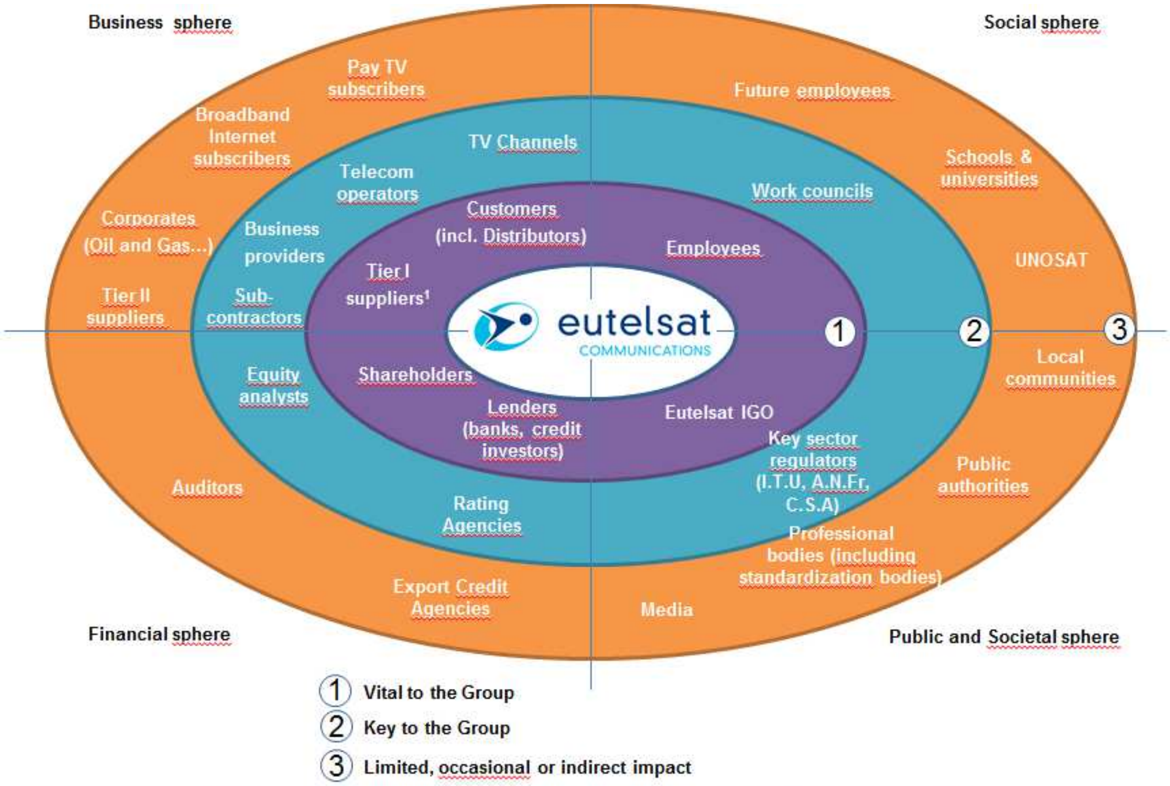
10.2.5.1 Measures taken to preserve or develop biodiversity

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

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

10.3 Information relative to societal commitments in favour of sustainable development

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



[1] Tier 1 suppliers include mainly satellite manufacturers, launchers, insurers, technology providers, suppliers of ground equipment

10.3.1 Territorial impact of the group's activities on employment and regional development

10.3.1.1 Impact on employment and regional development

The teleport in Rambouillet, France, offers some positive benefits to the local community in terms of employment and regional development, as the Company uses local service providers for some of the teleport's activity and upkeep:

- a local firm is used for the upkeep and maintenance of the grounds surrounding the teleport;
- the Company uses the services of a regional company for installation of antennae; and
- most technical products required for proper functioning of the teleport are purchased from a local company in Rambouillet.

Similarly, the Group's teleports in Mexico have a positive impact on local communities in that they promote local suppliers. Local businesses are called upon for gardening, maintenance, servicing or office supplied.

10.3.1.2 Impact on neighbouring populations

To reduce the impact of any increased traffic in the area due to the teleport's activity, the Company runs a shuttle bus between the teleport and the Rambouillet town centre. Car-pooling is also encouraged.

In addition, Eutelsat supports the digital development of rural areas (See Section 10.3.2.1)

10.3.2 Relations with stakeholders, in particular social integration associations, educational institutions, environmental defence groups, consumer associations and local populations

10.3.2.1 Dialogue conditions with these stakeholders

Our satellite's broad worldwide coverage gives our Group many opportunities to promote solidarity through development initiatives. Our community involvement focuses on three main areas: participation in research and development programmes using satellite technology for the protection of citizens, support for humanitarian emergency relief efforts or digital development in vulnerable areas and the promotion of science and technology in schools.

EUTELSAT IGO, in constant dialogue with the Space community

In addition to the actions undertaken by the operating company, Eutelsat S.A., a regular dialogue has been established between the European satellite telecommunications organization Eutelsat, an intergovernmental Organization (EUTELSAT IGO) and a range of stakeholders on environmental and social responsibility issues.

EUTELSAT IGO maintains the status of permanent observer on the United Nations Committee on the Peaceful Uses of Outer Space (UNCOPUOS). In this capacity, the Executive Secretary participates in the Working Group on the Long-term Sustainability of Space Activities, which is in the process of abridging the current 33 draft guidelines with a view to an in-depth review by the UNCOPUOS in June 2105. The problems of space debris and generally protecting the space environment are issues of importance to all players in the space industry. EUTELSAT IGO regularly informs its Member States and the operating company, Eutelsat S.A., of progress made in this area. The Executive Secretary participated in the 52nd meeting of the Scientific and Technical Subcommittee in February 2015, in the 54th Legal Subcommittee in March - April 2015 and in the annual UNCOPUOS meeting in June 2015.

The Executive Secretary of EUTELSAT IGO is also one of the founding members of the Broadband Commission for Digital Development. Created in 2010 by the Secretary General of the ITU (International Telecommunications Union) and the Director General of the UNESCO, this Commission aims to accelerate the achievement of the United Nations Millennium Development Goals (MDGs) and to identify broadband as potentially one of the most effective ways to achieve universal access to information and safeguard everyone's right to communicate.

The Executive Secretary attended the 10th meeting of the Broadband Commission in September 2014 in New York, during which the report to the UN Secretary General entitled "The State of Broadband 2014: Universalizing Broadband for all", containing a unique summary of broadband network access and its affordability, with country-by country data measuring broadband access against the 54 target objectives agreed by the members of the Commission.

This report also includes the key elements prepared by EUTELSAT IGO jointly with IMSO (International Mobile Satellite Organization) and ITSO (International Telecommunications Satellite Organization). At this meeting, a report entitled "Creating a favourable environment for attracting finance and investment in broadband infrastructures" was published in relation to the financial aspects of and investing in broadband infrastructures, as well as another report relating to post-2015 developments, entitled "Means of transformation: harnessing broadband for the post-2015 development agenda".

The 11th meeting of the Broadband Commission held in Paris in February 2015 emphasized the importance of broadband as a means of delivering basic education opportunities to the most disadvantaged populations.

EUTELSAT IGO participates in the Intelligent sustainable development model (*Modèle intelligent de développement durable* - (MIDD) initiative established by the ITU Head of Development, aimed at setting up a model for the mobilization of resources and key actors (national, local communities, civil society, businesses, academic actors) to incorporate new and existing infrastructures in order to prepare in the best possible way, mitigating and addressing unforeseen catastrophes. The MIDD advisory committee, joined by the executive Secretary, has published a comprehensive report covering policies, regulations, advocacy actions, infrastructures, technologies, financing, partnerships and business models and has set up three working groups in charge of undertaking an in-depth analysis of these matters. The Executive Secretary presides the working group in charge of advocacy and global dialogue.

Working in the field of humanitarian emergency relief

Eutelsat has been working alongside "*Télécoms Sans Frontières*" since 2007. The assistance provided by Eutelsat through this partnership enables this international NGO to equip a community or relief unit with a broadband link for the sending of data, images or voice communications in the space of a few hours. Syria, the Philippines, Iraq and the Malian borders have been areas of action of *Telecoms Sans Frontières* in 2014.

In Syria, 19 hospitals are now connected to the Internet thanks to TSF, allowing doctors to communicate with paramedics in the field, to exchange their expertise and diagnosis with their colleagues worldwide and to conduct remote consultations. More than 102,000 people are treated each month in each of the medical centres connected by TSF.

Similarly, the Group supports NetHope in the fight against the Ebola outbreak in West Africa with the supply of satellite connectivity solutions that provide reliable communications resources to the humanitarian organizations. The equipment provided and connected to the Eutelsat fleet has the capacity to deliver 1.2 terabytes of data over 6 months, thereby providing the doctors and health professionals with a reliable communications infrastructure that is simple and quick to set up.

Space technology for the protection of citizens

Eutelsat is working on a series of ongoing research and development programmes aimed at providing innovative satellite resources to civil defence organisations.

Partly funded by the European Union and boasting the involvement of seventeen research centres and companies in the telecom sector including Eutelsat, the ABSOLUTE programme launched in 2012 is now in its final phase. This programme aims to test the ability to deploy a hybrid system that combines a satellite in geostationary orbit with a constellation of balloons flying at low altitude. The balloons act as transmitters in the sky and relay communications to LTE mobile phones for fast communication network recovery in disaster areas. In this configuration, the EUTELSAT KA-SAT 9A satellite is used to connect each balloon to the Internet backbone. Studies on the scenarios and various system development and integration modules have continued over the 2014-2015 financial year. The official presentation of the technical solution for a set of scenarios is expected to take place at the end of 2015.

A second European programme was launched in December 2013, bringing together eight partner companies including Eutelsat to pool satellite-based observation, geolocation and communications technologies for risk prevention, focusing in particular on the forest fire scenario. Christened PHAROS, this programme involves interconnecting camera and sensor networks in orbit and on the ground in order to ensure constant monitoring of high-risk areas. It can be used, for example, to identify the start of fires at an early stage. The data collected by the ground cameras and sensors are transmitted by satellite to control centres through new-generation "Smart LNB" transmitter/receiver heads. These two-way feeds can be potentially used in other applications within the M2M or SCADA services, including those relating to safety, thereby allowing for cost reductions (in particular).

Supporting digital development in rural areas

Please refer to the Section 10 "Serving specific requirements by addressing the challenges of public policies with regard to digital inclusion" at the beginning of this report.

Support for teaching science, a major challenge for development

Eutelsat also actively supports the teaching of science at school. Our Group has been maintaining relationships between schools and companies for many years, forging close ties with students in the telecom or spatial sectors. Eutelsat implements educational partnerships for younger students aimed at promoting pupils' interest in science and technology.

Since 2013, Eutelsat has partnered with "Planète Sciences" to develop school activity modules aimed at explaining to French schoolchildren how satellites work. With a focus on experiments and the involvement of young people, this action was deployed across France in 2014 and 2015, visiting as a priority schools in rural areas.

In Africa, Eutelsat has been holding a competition since 2011 with broadcaster MultiChoice Africa, inviting young people aged between 14 and 19 and from 42 countries to demonstrate the connection between the science subjects taught at school and their applications for the development of their continent. Each year this competition revolves around a new theme and contestants are asked to write an essay or design a poster. The competition is accompanied by a set of resources made available to schools (educational booklets, films and websites) and is supported by 1000 MultiChoice resource centres equipped for recording distance learning programmes broadcast by satellite. The fourth DStv Eutelsat Star Awards received more than 1,000 essay and poster entries. Chaired by astronaut Paolo Nespoli from the European Space Agency, the international jury met in Livingstone (Zambia) to select this year's winners. Joseph Mahiya (Zambia), Best Essay, won a trip to Paris and to French Guiana where he will watch a live satellite launch. Hannah Kasule (Uganda), Best Poster, was also invited by Eutelsat to travel to France in April 2015 and visited the satellite control centre. She also visited the premises of an international television channel, a satellite construction plant in Toulouse and participated in the Unesco's 70th anniversary ceremony.

L'"*Arrondi Solidaire*"–Solidarity in favour of local employment and micro-credit

All these operations serve as powerful motivators for our employees. They show a caring and responsible entrepreneurship that is a source of pride and loyalty for our teams. They are accompanied by other personal initiatives such as "*l'Arrondi Solidaire*", where Eutelsat S.A. was the first French company to offer this programme to its employees in 2010. It allows employees to donate the Euro cents from their salaries each month to charitable causes. The amount is matched by the Company and paid to charities working for local employment and microcredit such as "ADIE" and "Planet Finance".

Teleport visits

In a spirit of openness and with the goal of increasing understanding of the satellite world, the teleport in Rambouillet regularly receives visitors of all types for tours of the site (schools, local elected representatives…).

10.3.3 Outsourcing and relationships with suppliers

10.3.3.1 How the Company's purchasing policy takes into account social and environmental issues

Given the highly technically nature of Eutelsat's business, it works with a limited number of major suppliers that manufacture and launch the Group's satellites. These main suppliers are principally located in Europe and the US and therefore are held to high standards for social responsibility. The Section 10.2.1.1 of this report addresses Eutelsat's relationships with these main suppliers specifically as it relates to environmental implications.

As for the purchasing of goods and services for use in its offices, the Purchasing Department in the headquarters in Paris ensures that the main suppliers, such as the suppliers of computer equipment, have established a policy that takes account of environmental and social issues.

10.3.3.2 Importance of outsourcing and the Company's social and environmental responsibility in its relationship with suppliers and subcontractors

Eutelsat currently has contracts with four of the world's major satellite manufacturers, and four leading satellite launchers. In addition to providing Eutelsat with satellites that are compliant with the French Government's Space Act, each of these manufacturers has policies on minimizing their environmental impact and ensuring sustainability. See Section 10.2.1.1 "Impact of satellites and launch services on the environment".

10.3.4 Fairness in practices

10.3.4.1 Measures taken to prevent corruption

The fight against corruption is part of the Group's commitments to clients and business partners. The Group's Code of business practice and ethics states that "in conducting its business, Eutelsat does not allow any corrupt practices".

Over the past years, the Group made some progress in formalizing anti-corruption procedures in the framework of a continuous improvement process. Main steps taken under the leadership of the Corporate Secretary and of the Director of Internal Audit and Control include:

- the Group's "Ethics Code" was published, affirming the Group's commitments against corruption. It was distributed to all employees and made available on the Group's corporate website www.eutelsat.com;
- an audit has been performed by an external body to assess risk;
- a Handbook of Procedures was put together describing the procedures implemented in order to avoid corruption;
- guidelines have been established for selection and monitoring of sales agents and consultants, in particular in countries that are considered higher-risk;
- a committee to ensure respect existing anti-corruption rules, composed of the Group General Counsel , the Chief Commercial Officer, the Director of Commercial Development and Marketing and the Director of Human Resources, has been put in place.

During the financial year, the progress achieved in the field of anti-corruption procedures as well as potential improvements were presented to Executive Committee, the Audit Committee and the Board of Directors of Eutelsat Communications

During financial year 2014-2015, the Group pursued its improvement efforts with, inter alia:

- training sessions in order to increase employee awareness in relation to corruption risks, particularly the sales staff,
- the establishment of a professional whistleblowing system, under the responsibility of the General Secretary and of the General Counsel, aimed at encouraging employees to report any conduct or facts likely to constitute acts of corruption and which, as such, could have a significant impact on the business or reputation of the Group or expose it to liability. It supplements the other existing whistleblowing systems (to line management or the staff representatives). Staff members may report an alert by sending an e-mail.

In order to achieve further improvements, the Group will implement employee training in order to increase employees' awareness, particularly for those who are most directly exposed to potential corruption.

10.3.5 Other measures taken in favour of human rights

Since 2009, Eutelsat has seen a substantial increase in the number and duration of instances of these acts of intentional interference with satellite signals. Jamming is defined as interference to the satellite networks which is obvious and deliberate and with the intention of disrupting or even preventing the clear reception of certain TV channels.

Intentional interference – an attack on the free flow of information

By definition, deliberate interference is a violation of freedom of information cited in Article 19 of the Universal Declaration of Human Rights (1948) and by the International Covenant on Civil and Political Rights of the United Nations (1966). The latter is binding on signatory states, and declares in Article 19.1 that "everyone has the right to freedom of expression; this right includes freedom to seek, receive and impart information and ideas of all kinds, regardless of boarders, via either verbal, written, printed or artistic means, or through any other media of his choice." The European Convention to safeguard Human Rights (Article 10) and the Charter of Fundamental Rights of the European Union, covered by a European Treaty, adds that freedom of information should not be restricted by the interference of public authorities. Hence, the Charter of Fundamental Rights of the European Union provides in Article 11 that "everyone has the right to freedom of expression. This right includes freedom to hold opinions and freedom to receive and impart information and ideas without interference by public authority and regardless of boarders".

Furthermore, we have found that the channels suffering the most interference are those of international news channels (such as BBC, Voice of America, Deutsche Welle, Al Jazeera, etc.). A number of incidents of intentional interference have also occurred during major sporting events and on sports channels.

Eutelsat activities to combat intentional interference

To combat this situation, Eutelsat has taken the lead with several activities. The technical teams have developed devices to make future satellites more resilient to interference and ensure better protection for channel broadcasting, in accordance with the principle of continuity of service based business relationships with its customers.

In addition, Eutelsat conducts ongoing monitoring of intentional interference; especially tracking the origin of interference, when channel broadcast disruption can be identified.

These initiatives enable Eutelsat to contribute to the analysis of these activities that penalise its business. In a series of seminars in which the Company participated: notably, a BBC-sponsored conference in London in November 2012; “Naming and shaming the jammers”, a seminar hosted by Eutelsat in January 2013; a seminar on Satellite Interference Reduction organized by the GVF Group for Cabsat in Dubai in March 2013, Eutelsat has stressed that the fight against deliberate interference should focus on better geo-localisation of the originating signal and the establishment of a framework for collecting all relevant data on this issue. Eutelsat also supported the IFRI (*Institut Français des Relations Internationales*) research program on the issue of harmful interferences which resulted in a report published in January 2014 (see www.ifri.org/?page=detail-contribution&id=7980&id_provenance=97).

Changes in the regulatory framework under the auspices of the International Telecommunications Union (ITU) and the ANFr (National Frequencies Agency)

Intentional interference is also considered illegal under Article 45 of the Constitution of the International Telecommunications Union (ITU) and Article 15 of the Radio Regulations. This is why the ANFr systematically files complaints with ITU authorities against territories from which the intentional interference activity are pinpointed.

Moreover, following the initiatives that Eutelsat has actively contributed to, the Radio-communication Bureau of the ITU recommended the implementation of a series of measures in order to strengthen the regulation on the issue of interference. Its key proposal was to be able to mobilize a network of independent stations to better monitor the phenomenon (ITU signature of a Memorandum of Cooperation), to increase and/or confirm efficiency in the geo-localisation of deliberate interference.

Faced with the hitherto limited tools and measures available to ITU to address and reduce deliberate jamming operations which have heavily targeted Eutelsat satellites in recent years, France had also initiated a draft resolution on the issue which was discussed at CEPT before being submitted as a Common European Proposal at the ITU’s Plenipotentiary Conference held in October/November 2014.

With the help of several countries and the collective involvement of the satellite industry and its customer base, as well as international television channels (EBU, BBC, BBG, etc.), the Conference adopted the Resolution COM5/2 on transparency and confidence-building measures in outer space activities.

The resolution strengthens the resources used by ITU to avoid harmful interference, which include greater sharing of best practices, ITU's newly granted ability to draw on a network of independent monitoring stations to confirm cases of deliberate jamming including interference geolocation, and the setting up by ITU of a database for identifying such cases.

Lastly, Eutelsat has contributed and will continue to contribute to the development of regulations by supporting relevant international bodies including: ITU and COPUOS (United Nations Committee on the Peaceful Uses of Outer Space) and their national authority partners such as ANFR as well as international organizations like Eutelsat IGO.

Furthermore, Eutelsat follows up on issues regarding the protection of intellectual property rights, in particular the broadcasting of content by “pirate” channels. Since March 2014, the Group has joined an Anti-Piracy Coalition that brings together key players in the industry (satellite operators, content providers, distributors, advertisers, etc.) in the Middle East and North African Region to monitor satellite TV piracy, ensure sharing of all data and information on pirate channels and raise awareness of the consequences of piracy.

10.4 Methodology and scope

In compliance with Decree no. 2012-557 of 24 April 2012 relative to transparency obligations for companies relating to social, environmental and societal information associated with the application of Article 225 of Law no. 2010-788 dated 12 July 2010 and Article 12 of Law no. 2012-387 dated 22 March 2012 that amended Article L. 225-102-1 of the French *Code of Commerce*, the Group gathered information to address the elements that are relevant for its activity among the 42 items defined by the law.

10.4.1 Methodology

Each of the Eutelsat Communications Group operating subsidiaries provided certain information necessary to draft this report. The section on "social aspects" has been consolidated by the Human Resources Department in the Group's largest subsidiary, Eutelsat S.A., located at the Group's Headquarters in Paris, France. Information regarding "environmental impacts" primarily reflects input from Eutelsat's suppliers (satellite manufacturers and satellite launch services). We have also included certain information from the Group's Italian and Mexican subsidiaries and teleports located in Rambouillet (France), Turin (Italy) and Mexico as they have a limited environmental impact. "Societal information" was gathered mainly from the operating Company, Eutelsat S.A. but reflect a Group-wide picture.

In addition, considering the Group's increased international footprint as a result of the acquisition of Satmex, a cross-reference table with items of the GRI (Global Reporting Initiative) is attached as a schedule to this report. The indicators have also been defined, whenever possible, in a manner consistent with the GRI standard.

The Group's Sustainability Committee meets at least twice per year, which serves as the conduit for feeding information used to prepare this report. This committee is made up of 15 members from several departments throughout the Group and includes members from subsidiaries situated outside of France. Two senior sponsors, the Group CFO and the Head of Human Resources, ensure that information on sustainability issues is communicated to the Group's Board of Directors.

10.4.2 Scope

As the Group's operating subsidiary, Eutelsat S.A. constitutes the vast majority of employees (circa 57%). Information from this subsidiary serves as an "internal benchmark" for the Group. Regarding the other subsidiaries taken into account in the perimeter, please refer to the Section 5.1 « the Group's simplified organizational chart» of this document. When information reported comes exclusively from a specific subsidiary, we have made this clear. The timeframe of quantitative information in this report reflects the calendar year 2014 (1 January 2014 to 31 December 2014), unless otherwise stated.

Location of GRI elements – G4			
		Page	Section
1	**Strategy et analysis**		
1.1	Statement from the most senior decision-maker of the organization		-
1.2	Description of key impacts, risks and opportunities		12, 2
2	**Organizational profile**	6	introduction
2.1	Name of organization	1, 6	introduction
2.2	Primary brands, products and/or services		3

2.3	Operational structure of the organization		5
2.4	Location of the organization’s headquarters	1	introduction
2.5	Number of countries where the organization operates		5
2.6	Nature of ownership and legal form	75,1	9, intro
2.7	Markets served		2
2.8	Scale of the reporting organization		10.1.1
2.9	Significant changes during the reporting period [...]		1.2
2.1	Awards received during the reporting period		-
3	**Report parameters**	1	
3.1	Reporting period for the information provided		Introduction, 6
3.2	Date of the most recent previous report (if any)		-
3.3	Reporting cycle		6
3.4	Person to contact		-
3.5	Process for defining report content		10.4
3.6	Report scope and boundary		10.4
3.7	State any specific limitations on the scope [...]		10.4
3.8	Basis for reporting on joint ventures		10.4
3.9	Data measurement techniques and the bases of calculations [...]		10.4
3.1	Explanation of the effects of any re-statements [...]		10.4
3.11	Significant changes		1.2
3.12	Table identifying the location of the GRI Standard Disclosures		10.4.2
3.13	Policy and current practice with regard to seeking external assurance for the report		Appendix 7
4	**Governance, commitments and engagement**		
4.1	Governance structure of the organization		9, appendix 5
4.2	Indicate if the Chairman of the Board of Directors is also an executive officer		9
4.3	[...] indicate the number of independent and/or Non-Executive Board members		9, appendix 5
4.4	Mechanisms [...] recommendations or direction to the Board of Directors		9, appendix 5
4.5	Linkage between compensation [...] and the organization’s performance		9.9.4
4.6	Processes in place for the Board of Directors to ensure conflicts of interest are avoided		appendix 5
4.7	Process for determining the [...] qualifications and expertise [...]		appendix 5
4.8	[...] statements of mission or values, Codes of Conduct and principles [...]		appendix 5
4.9	Procedures of the Board of Directors for overseeing [...]		appendix 5
4.1	Processes for evaluating the Board of Directors’ own performance [...]		appendix 5
4.11	How the precautionary approach is addressed by the organization		N/A

4.12	Externally developed [...] charters, principles or other initiatives [...]		10
4.13	Memberships in associations [...]		10
4.14	List of stakeholder groups engaged by the organization		10.1.3
4.15	Basis for identification and selection of stakeholders with whom to engage		N/A
4.16	Approaches to stakeholder engagement, including frequency of engagement [...]		10.3
4.17	Key topics and concerns that have been raised through stakeholder engagement [...]		10.3

11 OTHER INFORMATION PRESENTED

11.1 Research and Development

The Group spent 12.5 million euros on research and development during the financial period ended 30 June 2015, including 8.6 million euros development costs recorded as intangible assets.

11.2 Table of results for the last five financial periods

As required by article R. 225-102 of the *Code de commerce*, a table showing the Company's results over each of the last five financial periods (see appendix 3) has been attached to this report.

11.3 Non-deductible charges and expenditures laid down in article 39.4 of the General Tax Code for the year ended 30 June 2015

Non-deductible charges and expenditures of 8.2 thousand euros were reported by the Company for the year ended 30 June 2015 and the associated income tax expense (and additional contributions) was 3.1 thousand euros.

11.4 Agreements covered by Article L.225-38 of the Code de commerce

Pursuant to article 225-38 of the French *Code de commerce*, the following agreements authorised by the Board of Directors remained in force during the financial year:

- A re-invoicing agreement in the event of the acquisition of shares in the market by Eutelsat Communications, as part of the implementation of Free Share Grant plans of the company Eutelsat Communications for the benefit of the employees and management of the Eutelsat Group;
- A tax consolidation agreement dated 2 July 2007.

11.5 Acquisition of shares by the Company

The Company did not purchase any of its own shares during the fiscal year ended 30 June 2015. The Company owned 151,794 of its own share at 30 June 2015.

The Company also entered into a liquidity agreement with Exane BNP PARIBAS which, as of 30 June 2015, had acquired a total of 53,000 shares in the name of and on behalf of the Company, amounting to a total of 1.6 million euros.

11.6 Employee participation in the share capital of the Company

Further information is given in the special report by the Board of Directors drawn up in application of the provisions of Article L.225-177 and L.225-197-1 of the Code de Commerce.

Senior managers and employees hold 0.75% of the Company’s capital. The shares they hold result from i) the stock warrants subscribed for by certain managers and corporate officers (*mandataires sociaux*) during the financial years 2005-2006, ii) a capital increase reserved for employees at the time of the Company’s IPO, iii) the offer to exchange shares in October 2007, iv) the Board's policy to allocate free shares; v) the acquisition of shares by Senior managers on the market..

11.7 shares owned by Company management (“mandataires sociaux”)

At 30 June 2015, Michel de Rosen, Chief Executive Officer, and Michel Azibert, Deputy Chief Executive Officer, owned respectively 112,059 and 25,036 shares of the Company.

In addition, the transactions referred to in Article L. 621-18-2 of the *Code monétaire et financier* relating Eutelsat Communications shares during the financial year ended 30 June 2015, were as follows:

- On 30 July 2014, in the framework of the Free Share allocation plan on 28 July 2011, Michel de Rosen was definitively allocated 5,341 free shares;
- in the framework of the exercise the scrip dividend option, Michel de Rosen received 4,459 shares on 11 December 2014;
- On 30 July 2014, in the framework of the Free Share allocation plan on 28 July 2011, Michel Azibert was definitively allocated 3,287 free shares;
- Michel Azibert has acquired, on 16 September 2014, 19,000 shares of Eutelsat Communications;
- in the framework of the exercise the scrip dividend option, Michel Azibert received 99 shares on 11 December 2014;
- Michel Azibert has acquired, on 7 January 2015, 2,650 shares of Eutelsat Communications.

11.8 Dividend policy and allocation of results

The dividend payout policy is set by the Board of Directors after analysis, in particular, of the Group's results and financial position.

As for the last three financial years, Eutelsat Communications undertook the distribution of:

- an amount of 1.00 euros per share fully subtracted from the distributable profit in respect of the financial year ended 30 June 2012;
- an amount of 1.08 euros per share fully subtracted from the distributable profit in respect of the financial year ended 30 June 2013;
- an amount of 1.03 euros per share subtracted from the distributable profit in respect of the financial year ended 30 June 2014, with the option for shareholders to receive the entire part of the dividend either in cash or in new shares (scrip dividend) of the Company. 66% of the rights were exercised in favour of the scrip dividend. As a consequence 6,858,356 new shares will be issued and delivered on 11 December 2014.

	Income eligible for tax reduction *(in euros)*		Income not eligible for the 40% tax reduction(1) *(in euros)*
	Dividend	Other distributable income	
2011 - 2012	220,113,982.00 (i.e. 1.00 per share)	-	-
2012 - 2013	237,723,100.56 (i.e. 1.08 per share)	-	-
2013-2014	226,717,401.46 (i.e. 1.03 per share)	-	-

(1) Reduction provided by Article 158-3-2° of the French General Tax Code.

For the financial year ended 30 June 2015, the Board of Directors decided, on 29 July 2015, to propose to the General Meeting of Shareholders a dividend of 1.09 euro per share or a total distribution of 247,399,848.42 euros based on the number of shares as of 30 June 2015, representing a distribution rate of 70% of the net income attributable to the Group.

This amount will be taken in full from profit available for distribution.

In future, Eutelsat Communications' goal is to distribute between 65% and 75% of the Net Income Attributable to the Group to its shareholders. This goal is by no means a commitment by the Group and future distributions will depend on the Group's results, financial situation and a number of restrictions.

11.9 Delegations of authority and financial authorisations granted to the Board of Directors by General Meetings of Shareholders

The table below summarises the delegations of power and authorisations granted to the Board by the General Meetings of Shareholders on 8 November 2012, 7 November 2013 and 7 November 2014 remaining in force at the filing date of this Reference Document:

	Operation concerned	Maximum nominal amount	Duration of authorisation and expiry date
1.	**Authorisation granted to the Board of Directors for the purchase by the Company of its own shares** (10th resolution - OGM of 7 November 2014).	10% of the share capital except for shares acquired with a view to their retention or future delivery in connection with a merger, demerger or asset-for-share transfer or external growth operations: 5% of share capital.	Maximum duration of 18 months as from the OGM of 7 November 2014.
2.	**Delegation of power to the Board of Directors:**		
	(i) to issue ordinary shares in the Company and/or securities conferring rights to ordinary shares in the Company: **a - with maintained preferential subscription rights for shareholders** (12st resolution OGM of 7 November 2013), **b - without preferential subscription rights for shareholders in the case of a public offering** (13nd resolution OGM of 7 November 2013), **c - without preferential subscription rights for shareholders in the case of a private placement pursuant to chapter II of the Article L. 411-2 of the Financial and Monetary code** (14rd resolution OGM of 7 November 2013), **d - in the event of a public exchange offer initiated by the Company** (17th resolution OGM of 7 November 2013), **e - to remunerate contributions in kind within the limit of 10% of the Company's share capital except public exchange offer initiated by the Company** (18th resolution OGM of 7 November 2013);	a.) 44 million euros (chargeable to the total common ceiling for the 12th to 14th, 17th to 19th and 21st resolutions of the OGM of 7 November 2013); b), c), d) and e) 22 million euros (chargeable to the total common sub-ceiling for the 13th and 14th, 17th to 19th and 21st resolutions of the OGM of 7 November 2013); c) 20% of share capital per year; e) 10% of share capital	Maximum duration of 26 months as from the OGM of 7 November 2013.
	(ii) to increase the share capital through the incorporating of reserves, profits, premiums or other sums whose capitalisation is admitted (11th resolution OGM of 7 November 2013);	44 million euros (separate ceiling).	Maximum duration of 26 months as from the OGM of 7 November 2013.
	(iii) to issue: **a - ordinary shares as a result of the issuance by the Company's subsidiaries of securities conferring rights to the Company's ordinary shares** (19th resolution OGM of 7 November 2013), **b - securities conferring rights to the allocation of debt securities** (20th resolution OGM of 7 November 2013).	a) 22 million euros (chargeable to the total common sub-ceiling for the 13th and 14th, 17th to 19th and 21st resolutions of the OGM of 7 November 2013); b) 1.5 billion euros (separate ceiling).	Maximum duration of 26 months as from the OGM of 7 November 2013.
3.	**Authorisation granted to the Board of Directors to increase the number of shares to be issued in the case of a capital increase with or without preferential subscription right, decided in application of the resolutions 12th to 14th** (16th resolution OGM of 7 November 2013).	Ceiling set forth in the resolution under which the initial issue has been decided +15% of initial offering size.	Maximum duration of 26 months as from the OGM of 7 November 2013.
4.	**Authorisation granted to the Board of Directors to:**		
	(i) increase the share capital by issuing ordinary shares and/or securities conferring rights to the Company's capital reserved to members of a Company or Group savings plan (21st resolution OGM of 7 November 2013);	€2 million (chargeable to the sub-ceiling common to the 13th to 14th, 17th to 19th and 21st resolutions of the OGM of 7 November 2013).	26 months as from the OGM of 7 November 2013.
	(ii) to reduce the share capital by cancelling shares acquired by the	10% of the share capital by periods of 24	A maximum of 18 months as from the

	Operation concerned	Maximum nominal amount	Duration of authorisation and expiry date
	Company under its share repurchase programme (11th resolution OGM of 7 November 2014).	months.	OGM of 7 November 2014.

11.10 Post balance-sheet events

The satellite "Eutelsat Quantum" has been ordered in July 2015. See section 1.2 and 4.3.2 for more details.

None

12 THE GROUP'S RISKS FACTORS

Before making an investment decision, investors and shareholders are invited to read all the information contained in this reference document, including the risks described below.

At the filing date of this reference document, the risks described are those whose occurrence is likely to have a significant adverse impact on the Group, its business, financial situation and/or results, and which are important when making an investment decision.

Group risks may be divided into three categories:

– operational risks;

– risk relating to changes in the satellite communications market;

- financial risks and other risks.

This section briefly outlines the main risks that the Group might face in the course of its business. They are mentioned purely for illustrative purposes and are not exhaustive in nature. These risks, or any other non-identified risks at the date this reference document was filed, or those considered as without significance by the Group at the filing date of this reference document, might have an adverse effect on the Group's business, financial situation, results or future development. Furthermore, it should be borne in mind that some risks, irrespective of whether or not they are mentioned in this reference document, may result or arise from external factors, such risks being beyond the Group's control.

12.1 Operational risks

12.1.1 The Group might not be able to meet its launch or activation timeframes for new satellites

The Group plans to launch five new satellites (EUTELSAT 9B, EUTELSAT 8 West B, EUTELSAT 117 West B, EUTELSAT 65 West A and EUTELSAT 172 B) before the end of calendar year 2017. Furthermore, in the framework of a long-term lease agreement, the Group will lease capacity on EUTELSAT 36C satellite, which should be launched in the fourth quarter of calendar year 2015. The purpose of these satellites is to ensure the continuity of service provided by some existing satellites, increase resources in certain orbital positions, consolidate the Group's service offering and step up the level of security at certain orbital positions.

The Group may not be able to keep to the scheduled timetable for launching these new satellites.

A significant delay in satellite construction, or a delay or failure in the launch of one of these satellites, would impair the Group's ability to generate new sales opportunities, implement its development strategy, meet its contractual service continuity commitments to customers and end users, or meet its growth objectives. Any significant delay or failure in the launch of any of its satellites could thus have a significant negative impact on the Group's business, financial situation, results and objectives.

"Non-recurring revenues" included, notably but not exclusively, indemnities for the late delivery of satellites amounting to 0.5 million euros as of 30 June 2014. There were no non-recurring revenues as of 30 June 2015.

12.1.2 Access to space according to the Group's timetable is a crucial part of its satellite deployment plan and growth strategy

Given the small number of launch service providers with the technical ability to launch the satellites already ordered, as well as future satellites that have not yet been ordered, the Group considers that this small number constrains its operating flexibility and could increase the cost of its launch programme within the timeframe set out by the Group.

Should one of the launch service providers prove incapable of meeting its contractual commitments towards the Group within the specified deadline due to operating (e.g. following a failed launch) or financial difficulties, the Group could reallocate the relevant satellite to another launch service provider or even, in some cases, sign new launch service contracts that could prove more costly than the current contracts. Such events could have a significant detrimental impact on the Group's business (e.g. delayed satellite activation) and financial position.

In order to keep as close as possible to the original timetable for its deployment plan and thereby reduce costs, the Group has diversified its launch service providers. The Group thus currently intends to use three different launch service providers: Arianespace, International Launch Services, Sea Launch A.G., Space X Exploration Technologies Corp., etc.

12.1.3 The Group's satellite deployment plan is dependent on a few major suppliers

The number of satellite manufacturers capable of designing and building satellites in compliance with the technical specifications and quality required by the Group is limited, as is the number of suppliers capable of launching these satellites. The limited number of suppliers could reduce the Group's bargaining power and increase the cost of implementing its programme within the scheduled timeframe.

The satellites under procurement as of 30 June 2015 were procured from the following manufacturers: Airbus Defence and Space, Thales Alenia Space, Space Systems Loral Inc and Boeing.

As of 30 June 2015, future payments on satellite construction, launch and financing contracts amounted to 777 million euros. These future payments are spread over 16 years.

The Group has also made commitments with other suppliers for the provision of services and acquisitions of fixed assets relating to the monitoring and control of satellites. The following table lists the payments for these services and acquisitions as of 30 June 2014 and 30 June 2015:

	As of 30 June	
(in millions of euros)	2014	2015
2015	51	-
2016	25	75
2017	22	38
2018	19	27
2019 and beyond(*)	75	19
2020 and beyond		80
TOTAL	**192**	**239**

(*) For the period presented as of the financial year closed on 30 June 2014

As of 30 June 2015, payments to suppliers pursuant to the Law on Modernising the Economy were as follows:

(in thousands of euros)	Under 30 days	Between 30 and 60 days	Over 60 days	Total
Payables due	186	-	53	239
Payables to come	223	-	-	223

The Group considers that it is not dependent on suppliers other than satellite manufacturers and launch operators.

The limited number of suppliers could therefore have a significant negative impact on the Group's business, financial situation and results.

12.1.4 The Group is also exposed to the risk that its suppliers may experience operational or financial difficulties

In the event of a Group supplier being unable to fulfil its contractual commitments towards the Group within the agreed timeframe, the Group would be forced to reallocate the satellites concerned to other service providers and, in some cases, enter into new launch service contracts which might prove more costly. Such events could have a significant negative impact on the Group's business, financial situation and results.

12.1.5 The satellites operated by the Group may experience failures or malfunctions in-orbit

Satellites are sensitive to the external environment. Once they are in orbit, malfunctions may occur for various reasons and reduce their remaining operating life and/or permanently or intermittently reduce their transmission capacity, which could have a considerable adverse impact on the Group's business, financial situation and results.

In the event of a satellite failure or in-orbit malfunction, the Group may not be able to guarantee continuity of service for all its clients by using redundant equipment or back-up capacity on another satellite, particularly if there is a lack of available satellite capacity suitable for the needs of the customers concerned. Similarly, the Group may not be able to guarantee continuity of service for all customers at that orbital position by successfully launching a replacement satellite or one capable of carrying out the tasks of the defective satellite.

In the event of a satellite failure or in-orbit malfunction, the Group may have difficulty in retaining its customers (who could terminate or renegotiate their capacity allotment agreements) and might not be able to enter into new capacity allotment agreements on satisfactory terms.

Until 30 June 2015, the Group currently has an In-Orbit Life insurance programme covering its satellites on the basis of their net book value.

From 1st July 2015, the Group adapted its policy to take into account not only the net book value of the satellites but also the revenues generated by those with the highest contribution. The policies cover the partial losses and/or deemed total losses of the insured satellites under certain conditions. In spite of total or partial insurance coverage, a failure or loss of one or more of the Group's satellites could have a significant negative impact on its business, financial situation and results.

Furthermore, this insurance programme does not protect the Group against losses such as opportunity cost, interruption of business, delayed activations, image losses or, to a certain extent, losses of revenues.

Finally, insurance companies could challenge the causes of the failure or malfunction or the amount of the indemnity. The Group cannot guarantee that, in the event of a proven failure or malfunction on any of its satellites covered under insurance programmes insurers would compensate the Group within a reasonable timeframe or for the amount claimed by the Group. A lack of compensation, late compensation or partial compensation of losses sustained could have a significant adverse impact on the Group's business, financial situation and results.

12.1.6 In the future, insurance policy premiums for satellites in-orbit and satellite launches could increase and insurance cover could be more difficult to obtain or renew

Numerous factors, some of which are outside the Group's control, may affect the cost of insurance premiums; these mainly include statistics on satellite failures or launch failures across the sector as a whole.

The Group might not be able to renew its In-Orbit Life insurance plan on comparable terms. A deterioration in the In-Orbit Life insurance market or an increase in insurance premiums could prompt the Group to reduce its coverage of partial losses or losses deemed total, which itself could lead to an increase in the Group's exposure to the consequences of a failure or malfunction in-orbit.

In addition, the Group covers the launch of its satellites through a launch-plus-one-year insurance.

The Group might not be able to obtain this additional cover or launch insurance for the other satellites currently under construction, or for future satellites, on satisfactory terms. This situation could result from a reduction in the supply of insurance products and services or a substantial increase in launch insurance premiums due, in particular, to launch failure statistics across the whole industry. This could have a significant negative impact on the Group's business, financial situation and results.

12.2 Risks relating to the change in the telecommunications market

12.2.1 The Group might not be able to meet demand for satellite capacity at certain orbital positions

Available satellite capacity is currently lower than demand in some frequency bands (Ku and C-bands) and/or in Extended Europe and Latin America. This situation, which could persist, results from a mismatch between the long-term investment and operation cycles of satellites and cyclical variations in demand.

The Group might not be able to meet additional demand for satellite capacity from existing customers at certain orbital positions. These customers could then lease additional satellite capacity from other operators and/or decide to terminate their allotment agreements with the Group and to transfer a part of or all the capacity they lease from the Group to other satellite operators that do have capacity available, which could have a significant negative impact on the Group's business, financial position and results.

Furthermore, due to occasionally high satellite capacity utilisation rates, and given the limited number of customers and/or end-users of satellite capacity, the Group might not be in a position to satisfy demand from new customers should a situation of limited capacity last, especially if the Group were to experience delays or failures with upcoming satellite launches. This could have a significant negative impact on the Group's business, financial situation and results.

12.2.2 The Group's development is closely tied to future demand for satellite services which might not materialise or which the Group might not be able to meet

The Group's development notably depends on future demand for Video Applications, which is partly linked to the expected development of DTH (Direct-to-Home) broadcasting in emerging countries, high-definition television (HDTV) and satellite-based Internet access. This growth in demand may not materialise. Moreover, the Group might not be in a position to make the investments necessary at the appropriate time to meet this demand. In particular, with HDTV consuming more satellite capacity than is the case with the current satellite TV broadcasting standard, the Group might not be in a position to invest in additional satellites at the appropriate time or in proportions enabling it to meet market demand. If demand for video services does not increase or the Group is not in a position to meet this demand, this could have a significant negative impact on its business, financial position and results.

The audiovisual industry is sensitive to variations in advertising budgets and consumer spending, which are in turn affected by the economic environment as a whole. In recent years, many television channels, broadcasting platform operators and cable TV operators have experienced financial difficulties as a result of declining advertising revenue and global economic slowdown. The Group cannot guarantee that the audiovisual industry, which is an important part of its end-user base, will not be similarly affected by a sluggish world economy, resulting in weaker demand or additional pressure on prices. Such a downturn could have a significant negative impact on the Group's business, financial position and results.

The ongoing consolidation among satellite TV broadcast platform operators and/or cable operators that has already taken place in Spain, Poland, Italy and France could also give TV broadcast platform operators or cable operators greater bargaining power with satellite operators or their distributors, thereby causing increased pressure on prices. Such consolidation could have a significant negative impact on the Group's business, financial position and results.

The adoption of new technical broadcasting standards, which has resulted in and could continue to result in a higher signal compression rate, has reduced and could further reduce the demand for transponders for a given number of television channels. If the decline is not offset by an increase in the number of channels transmitted, the overall demand for transponders could decrease, which could have a significant negative impact on the Group's business, financial position and results.

Another key component of the Group's strategy is developing Value-Added Services (especially IP access solutions). This will depend, in part, on continued growth in demand for broadband Internet services which is not guaranteed and is not easily predictable. Demand for broadband Internet services could decrease or experience slower growth than in the past few years. Even if this demand does continue to grow, the Group cannot guarantee that such growth will generate increased demand for satellite services due to the cost of access to satellite capacity. Furthermore, the Group might not be able to provide broadband Internet services that correspond to market demand or offer competitive prices, especially in the event of any failure involving its EUTELSAT KA-SAT 9A programme.

If the demand for satellite broadband Internet services does not develop as predicted or the Group is not able to meet it adequately, this could have a significant negative impact on its business, financial position and results.

Development of the Group's business also depends on its available capacity in the various frequency bands requested by customers. Availability is insufficient in some frequency bands, and this could have a significant negative impact on the Group's ability to meet its customers' needs in these bands.

12.2.3 The Group is exposed to risks inherent in the international nature of its customer base and business

The Group provides satellite telecommunications services to customers in about 150 countries and could develop its activities in other countries. Consequently, the Group is exposed to geopolitical, economic or other risks inherent in the international nature of its commercial activities. Pricing, tax, regulatory and customs policies pertaining to the services provided by the Group, business practices in certain countries and their political or economic instability could prevent the Group from implementing its development strategy and thereby have a significant negative impact on its business, financial position and results.

Additionally, if the Group had to bring legal action against its customers or commercial partners located outside the European Union, it could prove difficult to assert its rights, which could have a significant negative impact on its business, financial position and results.

Furthermore, in the normal course of its business, the Group occasionally encounters difficulty in recovering payment for clients' use of satellite capacity. In this respect, the standard contracts entered into with customers provide for suspension or interruption of services in the event of payment default.

The in-house Credit Management team of the Financial Department has exclusive responsibility for checking payments. In the event of a dispute, it contacts the Legal Department which handles any litigation with the support of specialised law firms.

In fiscal year 2014-2015, the Group continued to be impacted by the economic environment in certain areas for certain applications. As a consequence, customers located in geographical areas deemed to be potentially the most exposed to the impact of the financial crisis are monitored closely.

As of 30 June 2015, the net book value of provisions for bad debt was 60.1 million euros (46.1 million euros as of 30 June 2014). Unrecoverable losses stood respectively at 4.7 million euros and 0.3 million euro as of 30 June 2015 and 30 June 2014.

Moreover, the Group considers that healthy receivables are not really a risk, apart from the possibility of customers located in geographical areas deemed to be potentially the most exposed to the impact of the economic crisis.

12.2.4 A substantial percentage of the Group's revenue is generated by Government Services, which depend heavily on the global political and economic context

Over the last few years, the Group has generated some of its revenues (14% of the Group's revenues for the financial year ended 30 June 2015) in the Government Services market segment. This segment includes the direct or indirect supply of services to governments, especially in the United States, on the basis of one-year capacity allotment agreements. Obtaining and/or renewing capacity allotment agreements for this segment depends to a great extent on the international political and economic context. As a result, the Group cannot be certain that it will be capable of continuing to generate a comparable level of revenues from the Government Services segment.

Any failure to obtain new contracts or any termination, non-renewal or renewal under less favourable terms of such contracts could have a significant negative impact on the Group's business, financial position and results.

12.2.5 The Group is dependent on several major customers

The Group generates a significant portion of its business from a limited number of customers including distributors, most of which are telecommunications operators. As of 30 June 2015, the Group's 10 largest customers represented 43% of its revenues. Some of the Group's major customers could decide to terminate their contracts, not to renew them, or to renew them on terms, particularly price terms, that are less favourable to the Group. This could have a significant negative impact on its business, financial position and results.

Moreover, some of the Group's major customers in terms of capacity and revenues, particularly those located in emerging markets, could encounter or are encountering financial difficulties that are likely to result in late payments, unpaid debts, or bankruptcy, which could lead to termination of the relevant capacity agreements without the Group being able to replace the defaulting customers with new customers, which could also have a significant negative impact on the Group's business, financial position and results.

12.2.6 A growing portion of the Group's customers are end-users and demand for capacity is becoming increasingly fragmented

For several years now, end-users have made up a growing percentage of the Group's customers. Furthermore, some distributors could ask the Group to take over end-user contracts. These customers could have less extensive financial resources than traditional distributor-customers, which could increase the risk of outstanding debts and thereby have a significant adverse impact on the Group's business, financial situation and results.

Moreover, the satellite capacity needs of end-user customers may be lower than the capacity requested by distributor-customers. Thus, a larger proportion of the Group's new capacity allotment agreements may involve the use of only a fraction of a transponder and not an entire transponder. If an end-user customer using a fraction of a transponder were not to pay their invoices or were not to comply with any other contractual commitment *vis-à-vis* the Group, the Group might not be able to discontinue the services provided to that customer without interrupting service for all customers using that same transponder. This fragmented capacity demand could have a significant negative impact on the Group's business, financial situation and results.

In addition, the Group's new consumer broadband activity includes building a base of individual subscribers to Internet services via a network of distributors and re-sellers, thus using a business-to-business-to-consumer model. This business model is new to Eutelsat and its success has yet to be established. As of 30 June 2015, around 185,000 terminals were activated on EUTELSAT KA-SAT 9A, including terminals for small and medium-size companies.

12.2.7 The Group is faced with considerable competition from satellite and terrestrial network operators

The Group is faced with significant competition from international, national and regional satellite operators. The Group's main competitors are other major international satellite operators, such as SES and Intelsat. These competitors offer greater satellite capacity and geographical coverage than the Group, and more financial resources are available to them. The Group is also in competition with regional and national satellite operators, some of which enjoy advantages (e.g. tax or regulatory advantages) in their domestic markets. Increased competition between satellite operators could lead to greater pressure on prices, which could have a significant negative impact on the Group's business, financial position and results.

The Group is also in competition with terrestrial network operators (cable, fibre optic, DSL, radio multiplex transmission and VHF/UHF transmission, especially digital) for many transmission services and Value-Added Services, particularly for broadband IP access but also for TV broadcasting services (ADSL TV, DTT). Heightened competition could result in greater pressure on prices for satellite broadcasting and telecommunications services. Furthermore, any improvement or increase in the geographical reach of the terrestrial network operators could prompt the Group's customers to opt for the telecommunications solutions offered by these operators, thereby making it more difficult for the Group to keep or develop its customer portfolio. Stiffer competition with terrestrial network operators could thus have a significant negative impact on the Group's business, financial position and results.

12.2.8 The Group may be affected by the departure of key employees or be unable to hire the staff needed for its operations

For management and operational purposes, the Group relies on a number of key employees who have very specialised skills and extensive experience in their respective fields. If these employees were to leave, particularly those occupying commercial, technical and regulatory positions, the Group might have difficulty in replacing them. Moreover, the Group's business, characterised by continuously-evolving technology, requires the ability to constantly attract new, highly qualified employees. In the future, if the Group is unable to retain or replace these employees, or is unable to attract new, highly-qualified employees, this could have a significant negative impact on its business, financial situation and results.

12.3 Financial risks and other risks

12.3.1 The Group has a high level of debt

As of 30 June 2015, the Group's consolidated net debt was 3,841million euros and mainly comprised: (i) 600 million euros of borrowings under Eutelsat Communications Refinancing Loan, (ii) 2,880 million euros of bonds issued by Eutelsat S.A., (iii) 667 million euros of debt related to satellite and launch services financing agreements, (iv)115 million euros for the Foreign exchange portion of the cross-currency swap; and (v)420 million euros in cash and marketable securities (net of bank credit balances).

The Group's high leverage could:

– make it difficult for the Group to meet commitments regarding its debt;

– limit the Group's ability to obtain loans or raise additional equity capital;

– increase the Group's vulnerability in an unfavourable economic or industry environment;

– limit the Group's ability to make certain types of investments.

All of the consequences relating to the Group's high debt level, including those mentioned above, could affect the Group's ability to meet its debt-related commitments, which could result in a significant negative impact on the Group's business, financial situation and results.

Since 30 June 2014, the Group concluded the early refinancing of the 800 million euro bank term loan of the holding company, Eutelsat Communications S.A, expiring in December 2016.

The refinancing, arranged by a pool of nine banks, was undertaken via the following operations:

- A new term loan of 600 million euros expiring in March 2020 (with two possible extension facilities of one year each subject to lender agreement) remunerated at a EURIBOR rate plus a margin linked to the long term rating attributed to Eutelsat Communications S.A. by Standard & Poor's (S&P);
- The early reimbursement of 200 million euros, using the Group's cash reserves which amounted to 469 million euros at 31 December 2014.

These operations enable Eutelsat to extend its debt maturity profile and will reduce financial charges by circa 15 million euros before tax on an annualized basis (excluding arrangement fees and hedging instruments).

At the same time, the Group renegotiated a revolving credit facility of 200 million euros for a duration of five years with two possible extension facilities of one year each subject to lender agreement, replacing the previous facility of the same amount, expiring in December 2016.

As of 30 June 2015, the breakdown of Group's financing sources was the following: 16% bank, 78% bond debt and 6% export-credit agencies.

12.3.2 A change in the Group's debt rating could affect the cost and terms of its debt as well as its ability to raise financing

The Group's debt instruments are rated by independent rating agencies, namely (i) Moody's Investor Service (with the Eutelsat Communications S.A.'s debt rated Ba1/Stable Outlook and Eutelsat S.A.'s debt rated Baa3/Stable Outlook) and (ii) Standard & Poor's (with Eutelsat Communications S.A.'s debt rated BBB-/ Negative Outlook and Eutelsat S.A.'s debt rated BBB/Negative Outlook). These ratings affect the cost and terms of the Group's credit facilities. Any future rating downgrades, should they occur, could affect the Group's ability to obtain financing and the terms associated with that financing. On 1 August 2013, following the announcement by the Group of the acquisition of Satmex, Standard & Poor's and Moody's Investors Service put the Group's credit ratings under watch with negative implications. They indicated that this could result in a downgrade of the Group's credit ratings by a maximum of one notch, depending on the final structure of the acquisition financing. In October 2013, Standard & Poor's removed the watch and confirmed the BBB- rating of Eutelsat Communications S.A.'s debt and the BBB rating of Eutelsat S.A.'s debt, albeit with a Negative Outlook (Stable Outlook previously). On 28 November 2013, Moody's lowered the rating of Eutelsat S.A.'s debt from Baa2 to Baa3 (with Stable Outlook) and the rating of Eutelsat Communications S.A.'s debt from Baa3 to Ba1 (with Stable Outlook).

Ratings are unchanged since the events mentioned above.

The Group cannot guarantee that it will be able to take measures enabling it to improve or maintain its ratings, nor that agencies will regard such measures as sufficient. Additionally, factors beyond the Group's control, such as those related to its industry segment or the geographical areas in which it operates, may affect its credit ratings.

Consequently, the Group cannot guarantee that its debt rating will not be downgraded in the future, which could have a significant negative impact on its business, financial situation and results.

12.3.3 The Company is a holding company that depends on its subsidiaries for the resources required to pay dividends. The ability of its subsidiaries to make distributions may be subject to certain constraints

The Company is a holding company that has only limited capacity to generate revenues. The Company therefore depends on its subsidiaries for the resources required for any payment of dividends or any other form of distribution to its shareholders.

As of 30 June 2015, the Company had a high level of debt with 600 million euros in bank borrowings drawn under the Refinancing Agreement. These borrowings do not carry guarantees from Eutelsat Communications subsidiaries, nor any pledge of assets to the lenders.

The distributable funds of its principal operating subsidiary, Eutelsat S.A., could be seriously affected by its costs, whether or not they result in any disbursement and, in particular, by any impairment of assets recorded in Eutelsat S.A.'s financial statements. In the past, Eutelsat S.A. recorded substantial asset write-downs and may record such write-downs in the future, thereby reducing its distributable net income. Any decline in its subsidiaries' distribution capacity could have a significant negative impact on the Company's financial situation and results.

12.3.4 Eutelsat S.A., the Group's main operating subsidiary, could be subject to new financing requests regarding the financial guarantee it provides to the IGO's Closed Pension Fund

Before Eutelsat S.A. was set up and prior to the transfer by IGO of its operating activities, the IGO managed a pension fund (the "Closed Pension Fund") for its staff members. The rights of the Closed Pension Fund's beneficiaries were fixed, and management of the fund and the corresponding assets were assigned to a Trust, which was also charged with managing the associated pension liabilities.

As of 30 June 2015, the discounted value of the Trust's pension liabilities amounted to 231.8 million euros in Eutelsat Communications' consolidated financial statements, and the fair value of its assets was 153.6 million euros. The calculation of total pension liabilities is based on actuarial assumptions including the discount rate, the long-term yield on assets invested, and the estimated life expectancy of the Closed Pension Fund's beneficiaries. Estimated total pension liabilities may be higher or lower depending on the scenario applied. Pursuant to the transfer agreement dated 2 July 2001, Eutelsat S.A. took over the unlimited financial guarantee given by the IGO to cover any financing shortfall in the Closed Pension Fund. Any shortfall in the amount needed to finance the Closed Pension Fund could involve the Group in new obligations as regards the financial guarantee, which could have a significant negative impact on the Group's business, financial position and results. The unlimited financial guarantee taken over by Eutelsat S.A. may be activated under certain conditions so as to make up for any such future funding shortfall. During the year ended 30 June 2014, the amount of guarantee being called upon was 2.5 million euros. This amount was measured on the basis of the Trust's projections, taking into account future market developments and will be paid in three settlements during the financial year ending 30 June 2014, 2015 and 2016.

Furthermore, in accordance with the agreements governing the Closed Pension Fund, the Trust's administrators have the power to liquidate the Closed Pension Fund if certain events should occur, including if they deem that the Closed Pension Fund cannot continue to be managed effectively. In the event that administrators of the Trust liquidate the Closed Pension Fund, they would appoint an actuary to determine any shortfall between the value of the Closed Pension Fund's assets compared to its liabilities, and the Group would be compelled to pay the difference, which could be substantial.

The Group cannot predict with great certainty the amount it might have to pay if the guarantee were enforced. Any financing shortfall in the Closed Pension Fund could generate new obligations for the Group pursuant to the financial guarantee. This could have a significant negative impact on the Group's business, financial situation and results.

12.3.5 Foreign exchange risk

The euro is the currency used by the Group to draw up its financial statements. However, since a portion of the Group's activities is carried out outside the eurozone and as some of its principal suppliers are located outside the eurozone, the Group must contend with the risk of fluctuations in foreign exchange rates when conducting its business.

Some of the Group's revenue, costs and investments are denominated in other currencies, mainly the U.S. dollar. As a result, fluctuations in exchange rates may have a negative impact on the Group's results.

Moreover, considering that development of the Group's business outside the eurozone is a key component of its business strategy, its exposure to exchange rate fluctuations could increase in the future. This geographical expansion could result in an increase in EUR/USD and BRL/Euro exchange rate risks.

The Group is also exposed to EUR/USD exchange rate risks because some purchases of satellites and launch services are denominated in U.S. dollars. These contracts involve significant amounts, generally in excess of US$50 million, whose payment may be phased over time. As of 30 June 2015, the Group owed phased payments totalling 132 million U.S. dollars during the financial year 2015-2016, mainly regarding five contracts in U.S. dollars.

Fluctuating exchange rates could lead to an increase in the price of the Group's capacity and services when paid in currencies other than the euro. These fluctuations could then reduce demand from customers paying in currencies other than the euro. Even if there is no change in demand, fluctuations in the exchange rate could have an impact on the Group's revenues because a portion of its revenues is in currencies other than the euro.

In order to hedge the risks of fluctuating foreign exchange rates, the Group carries out synthetic forward sales of U.S. dollars and euros with knock-in options which are exercised or not, depending on the exchange rates on their expiry date. The Group does not automatically hedge all of its contracts denominated in U.S. dollars.

Moreover, the Group's clients located in emerging countries may encounter difficulties in obtaining euros or U.S. dollars, especially because of currency controls or may face a strong decrease of the euro-equivalent of revenues generated in local currency. This could significantly affect their ability to pay in euros or in U.S. dollars, thereby exposing the Group to additional exchange rate risks.

In fiscal year 2014-2015, the general economic environment in Russia, and particularly the in particular the sharp fall in the value of the rouble has put pressure on Eutelsat's Russian customers with euro-denominated contracts. For these reasons Eutelsat accepted to renegociate with its Russian clients with the aim of alleviating some contract term. For fiscal year 2014-2015, the impact on revenues was circa 2 million euros.

Finally, during the last financial year the Group acquired Satélites Mexicanos, which accounts are held in U.S. dollars. EUR/USD exchange-rate variations could therefore generate a translation risk when the Group consolidates the accounts of this subsidiary.

In order to hedge the translation risk, the hedging policy of the Group consists in creating liabilities denominated in the currency of the cash-flows generated by these assets. Among the hedging instruments used, The Group also uses currency derivatives (cross-currency swaps), documented as hedges of net investments in foreign operations.

The Group put in place foreign exchange rate swaps for a notional amount of 500 million euros in order to hedge its net investment in Satmex.

Considering its exposure to foreign-currency risk, the Group believes that a 15-cent increase in the euro/US dollar exchange rate would have no significant impact on Group income and would result in a negative change in Group OCI amounting to -265.3 million euros and a change of 100.0 million euros in Group translation reserve reserve related to Cross-currency swap Please refer to the note 26.1 of the notes to the consolidated financial accounts for more information.

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APPENDIX 1

CONSOLIDATED FINANCIAL STATEMENTS OF EUTELSAT COMMUNICATIONS AT 30 JUNE 2015

APPENDIX 2

COMPANY FINANCIAL STATEMENTS OF EUTELSAT COMMUNICATIONS AT 30 JUNE 2015

APPENDIX 3

TABLE OF RESULTS FOR THE LAST FIVE FINANCIAL PERIODS

(art. R225-102 of Code de Commerce)

End of financial year *Length of financial year (months)*	*30/06/2015* *12*	*30/06/2014* *12*	*30/06/2013* *12*	*30/06/2012* *12*	*30/06/2011* *12*
SHARE CAPITAL AT YEAR END					
Share Capital	226 972 338.00	220 113 982.00	220 113 982.00	220 113 982.00	220 113 982.00
Number of shares					
- ordinary shares	226 972 338.00	220 113 982.00	220 113 982.00	220 113 982.00	220 113 982.00
- with preferential dividend					
Number of shares that may be created in the future:					
- via the exercise of convertible bonds					
- via subscription rights					
TRANSACTIONS AND RESULTS					
Revenues excluding taxes	1 594 956.61	1 456 079.92	2 227 990.44	3 318 050.63	1 702 255.25
Net income / (loss) before employee profit sharing, income tax, net depreciation, amortisation and provisions	250 015 385.30	267 130 078.84	180 875 183.65	874 828 496.01	285 745 092.40
Income Tax	(15 304 880.25)	(13 000 207.00)	(16 266 338.00)	(49 306 254.00)	(32 442 216.00)
Employee profit sharing for the year					
Amortisation and provisions	6 252 827.35	537 058.06	3 672 856.55	6 844 640.99	3 962 304.40
Net Result	259 067 438.20	279 593 227.78	193 468 665.10	917 290 109.02	314 225 004.00
Distribution	247 399 848.42	226 483 288.64	237 234 920.04	219 166 206.00	197 577 912.60
PER SHARE DATA					
Net income / (loss) after employee profit sharing and income tax, but before net depreciation, amortisation and provisions	1.17	1.27	0.90	4.20	1.45
Net income / (loss) after employee profit sharing and income tax, net depreciation, amortisation and provisions	1.14	1.27	0.88	4.17	1.43
Dividend per share	1.09	1.03	1.08	1.00	0.90
EMPLOYEES					
Average number of employees	2.00	2.00	2.00	2.00	1.00
Total payroll costs	1 889 968.62	1 351 724.80	1 015 886.48	1 219 415.79	716 000.08
Employee welfare contributions and similar charges (social security, employee organisations, etc.)	678 850.01	365 195.40	1 540 544.77	2 161 451.92	1 837 202.39

APPENDIX 4

TABLE OF STATUTORY AUDITORS' FEES

	Ernst & Young				Mazars			
	Amount		Amount		Amount		Amount	
(in thousands of euros)	N	%	N-1	%	N	%	N-1	%
AUDIT								
Statutory audit, certification, review of separate and consolidated financial statements								
Eutelsat Communications	168	18%	168	18%	133	29%	133	27%
Other subsidiaries	724	78%	706	69%	322	69%	330	66%
Other due care and services directly linked to the statutory audit task								
Eutelsat Communications	-	-	-	-	-	-	-	-
Other subsidiaries	5	-	40	4%	11	2%	37	7%
Sub-total	**897**	**97%**	**913**	**89%**	**466**	**100%**	**500**	**100%**
OTHER SERVICES, WHEN APPROPRIATE								
Legal, tax, social	29	3%	109	11%	-	-	-	-
Information technology	-	-	-	-	-	-	-	-
Internal audit	-	-	-	-	-	-	-	-
Others (to be specified if more than 10% of statutory audit fees)	-	-	-	-	-	-	-	-
Sub-total	**29**	**3%**	**109**	**11%**	-	-	-	-
Total	**926**	**100%**	**1,022**	**100%**	**466**	**100%**	**500**	**100%**

APPENDIX 5

REPORT FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS OF EUTELSAT COMMUNICATIONS IN ACCORDANCE WITH ARTICLE L.225-37 OF THE FRENCH *CODE DE COMMERCE*

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

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

1 Governance of the Company

> *1.1 Reference Code*

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

> *.1.2 Lack of control or concerted action*

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

> *1.3 Duties of the Board of Directors*

Pursuant to the provisions of Article L. 225.35 of the French Commercial Code in particular, the Board of Directors is responsible for directing the Company’s business activities and ensuring that this framework is properly implemented. Subject to the powers expressly reserved for General Shareholders Meetings, the Board of Directors can address any matter that affects the Company or the Eutelsat Group functioning properly.

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

- **Medium term operations**: the medium-term plan aims to establish the Group's objectives and define the resources required to achieve these objectives, together with the Group's financial and business activity forecasts.
  The Group's five year plan, as well as any operation that has a significant impact on the Company’s structure or strategy, is subject to prior approval from the Board of Directors.

- **Investments and financial commitments:** the Group’s consolidated Annual Budget, which establishes the financial and budgetary objectives for the coming year and which is included in the medium term plan, is subject to prior approval from the Board of Directors at the beginning of each fiscal year.

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

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

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

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

> *1.4 Composition of the Board of Directors*

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

Name	Date of first appointment/co-optation	Term of office expires at the close of the General Meeting called to examine the financial statements for the fiscal year ended
Miriem Bensalah Chaqroun	08 November 2012	30 June 2016
Lord Birt	10 November 2006	30 June 2015
Jean-Paul Brillaud	08 November 2011	30 June 2015
Michel de Rosen (Chairman)	10 November 2009	30 June 2016
Bpifrance Participations, represented by Jean d'Arthuys	17 February 2011	30 June 2018
Bertrand Mabille	10 May 2007	30 June 2017
Ross McINNES	06 February 2013	30 June 2018
Elisabetta Oliveri	08 November 2012	30 June 2016
Carole Piwnica	09 November 2010	30 June 2016

> 1.5 Independent Directors

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

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

> 1.6 Gender Representation

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

> 1.7 Directors' term of office

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

> 1.8 Employee representation on the Board of Directors

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

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

> 1.9 Board meetings and information communicated to the Board of Directors

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

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

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

> *1.10 Conflicts of interest and related party transactions*

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

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

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

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

> *1.11 Assessment of the Board of Directors*

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

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

> *1.12 Board of Directors and Committees*

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

Governance, Selection and Remuneration Committee

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

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

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

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

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

Audit Committee

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

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

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

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

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

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

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

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

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

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

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

> *1.13 Observer*

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

> *1.14 Separating the roles of Chairman and Chief Executive Officer*

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

2. Eutelsat Group Senior Management

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

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

> *2.1 Principles and rules for determining compensation and benefits granted to corporate officers*

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

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

> *2.2 Granting stock options or performance based shares to corporate officers*

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

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

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

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

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

3 Other information

> *3.1 Conditions for admission to and participation in the General Shareholders' Meetings*

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

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

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

> *3.2 Factors likely to have an impact in the event of a public offering*

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

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

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

4 Internal control procedures

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

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

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

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

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

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

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

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

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

> 4.1 Procedures relating to the satellite fleet and its operation

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

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

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

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

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

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

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

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

> 4.2 Satellite control system IT security and certification

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

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

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

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

For the Rambouillet teleport, certification covers activities relating to:

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

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

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

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

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

> 4.3 Procedures for preventing and managing the Group's other operating risks

The Company's Business Continuity Plan

The continuity plan includes the following items:

- mapping of critical processes and their recovery objectives. This mapping is derived from an analysis of the impacts on business performance in various crisis scenarios;
- crisis management procedures (logistics, external and internal communications, decision-making process);

- business procedures describing the necessary duties to be performed at the backup site;
- backup information system (applications, systems and network infrastructure, telephony);
- procedures describing emergency actions to be carried out in a crisis scenario; and
- necessary logistics for activating the plan (backup positions for users, rooms with technical facilities to accommodate the backup infrastructure).

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

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

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

Information systems security

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

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

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

Safety measures

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

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

> *4.4 Processing accounting and financial information*

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

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

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

> 4.5 Eutelsat Communications Finance

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

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

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

> 4.6 Operating subsidiaries

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

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

> 4.7 Preparing the consolidated financial statements

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

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

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

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

- a single source for information used in the legal consolidation and reporting process, managed in a shared database;

- that legal data is entered by the various senior managers in the companies comprising the Group and stored in the system.

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

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

> *4.8 Delegation of signing authority*

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

> *4.9 Managing and monitoring the Group's supplier contracts*

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

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

> *4.10 Managing and monitoring the Group's customer contracts*

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

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

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

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

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

> 4.11 Delegation of powers

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

> 4.12 Customer risk management

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

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

> 4.13 Procurement procedures

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

The following authorization procedure must precede all purchases:

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

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

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

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

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

> 4.14 Addressing the Group's main financial risks

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

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

Foreign exchange risk:

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

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

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

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

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

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

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

> 4.15 Addressing the risk of corruption

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

5 Risk management policy

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

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

- to undertake to identify the major risks likely to affect the Group's operations and activities and define an associated risk management policy and procedure in conjunction with the other departments involved;
- to assist the Group's Senior Management and Audit Committee in applying a risk management policy consisting of all the envisaged measures to prevent and reduce risks, improve their control and organise contingency plans;
- to ensure that employees adhere to the risk management policy and that the appropriate communications with respect thereto are distributed;

- to ensure that the Group’s interests are protected by making sure that risks likely to affect the Group are defined in a suitable manner and that the Company's operations, activities and internal control procedures are carried out in such a way as to minimize the risks to the Group as much as possible; and
- to ensure that the risk management policies are implemented in an appropriate manner and that they are taken into account when conducting the Company’s business.

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

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

APPENDIX 6

TABLE OF COMPENSATION OF DIRECTORS AND CORPORATE OFFICERS IN THE JUNE 2015 AFEP-MEDEF RECOMMENDED FORMAT

Summary of compensation, stock-options and shares received by the Company's executive and non-executive Directors and Corporate officers (Table no. 1)

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

Summary of compensation received by each executive corporate officer (Table no. 2)

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

Attendance fees and other remuneration received by non-executive corporate officers (Table no. 3)

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

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

Performance shares granted to each Director and Corporate Officer (Table no. 6)

Not applicable to the financial year ended 30 June 2015.

Phantom shares granted to each Director and Corporate Officer (Table no. 6 BIS)

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

Performance shares which became available to each Director and Corporate Officer (Table no. 7)

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

History of performance shares granted to each Director and Corporate Officer (Table no. 9)

	Plan n° 1	Plan n° 2	Plan n° 3
Date of the Board of Directors meeting	1 February 2010	28 July 2011	08 November 2012
Total number of shares attributed	700,000 (1)	700,000 (2)	347,530
– to Directors and Corporate Officers	66,952 (1)	84,000 (2)	33,800
Michel de Rosen	66,952 (1)	52,000 (2)	20,900
Michel Azibert	N/A	32,000	12,900
Date of vesting	02 February 2013	29 July 2014	09 November 2015
Date available	02 February 2015	29 July 2016	09 November 2017
Performance plan conditions (for Directors and Corporate Officers)	25% of grant based on EBITDA performance per financial year 25 % of grant based on the return on capital employed 25% of grant based on the Company's net earnings per share and25% of grant based on TSR objective	25% of grant based on EBITDA performance per financial year 25 % of grant based on the return on capital employed 25% of grant based on the Company's net earnings per share and25% of grant based on TSR objective	25% of grant based on EBITDA performance per financial year 25 % of grant based on the return on capital employed 25% of grant based on the Company's net earnings per share And 25% of grant based on TSR objective
Vested shares at 30 June 2015	536,091	132,230	-
Cumulated number of cancelled or outdated shares	163,909	567,770	-
Performance shares remaining at financial year-end	-	-	347,530

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

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

Employment contract and pensions (Table no. 10)

	Employment contract		Supplementary pension scheme		Payments of benefits due or likely to be payable as a result of termination or change in office		Payments pursuant to a non-competition clause	
Corporate officers and Executive Directors	Yes	No	Yes	No	Yes	No	Yes	No
M. de Rosen **Chief Executive Officer, Chairman of the Board of Directors (since 16 September 2013)** Appointed on: 10 November 2009 End of office: General Meeting approving the financial statements for the financial year ending 30 June 2016		X(1)		X		X		X
M. Azibert **Deputy Chief Executive Officer** Appointed on: 05 September 2011		X(2)		X		X		X

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

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

APPENDIX 7

VERIFICATION REPORT FOR SOCIAL AND ENVIRONMENTAL INFORMATION

At the request of Eutelsat Communications, SGS ICS conducted the verification of information contained in the management report established for the financial year which ended on June 30, 2015, in accordance with the provisions of Article L.225-102-1 Commercial Code (Grenelle II of July 12, 2010) and Decree No. 2012-557 of April 24, 2012 on the transparency obligations of corporate social and environmental responsibility. With regards to the application of article 225 of Law No.2010-788 of 12 July 2010 and Article 12 of Law No 2012-387 of 22 March 2012 which amended Article L.225 – 102-1 of the commercial code and with regards to the decree of May 13, 2013 which determines the manner in which the independent third party should lead its mission.

It is the responsibility of the Board of Directors to prepare a report on the management of the Company including social, environmental and societal information, to define the appropriate standard(s) used for the establishment of qualitative or quantitative data, and to ensure its provision.

SGS ICS's responsibility, as an independent third party, accredited by COFRAC (n°3-1086, scope available on www.cofrac.fr) is to verify that the management report includes all of the information prescribed in Article R.225-105-1, to give a reasoned opinion as to the accuracy of the information and to the explanations given by the Company regarding the absence of certain information, and to indicate the procedures implemented to accomplish our verification assignment.

Nature and scope of the verification

SGS ICS's verification process consists of:

- Reviewing the statement on sustainable development policies in relation to the social and environmental impacts of the Company's business activities, its societal commitments and the actions that stem from these policies and commitments.

- Comparing the list of information mentioned in Eutelsat Communications' 2014-2015 management report against the list set forth under article R. 225-105-1 and noting, where applicable, any missing information not accompanied by explanations as mentioned under the third paragraph of article R. 225-105.

- Verifying that the Company has a data collection process in place to ensure that the information mentioned in the management report is complete and consistent and identifying any irregularities.

Verification procedures

SGS ICS carried out its assignment to Eutelsat Communications including its subsidiaries and companies in which it has a controlling interest, on an international scale, as Eutelsat Communications draws up consolidated accounts.

SGS ICS carried out its assignments from June 9 to July 17, 2015 (10 days worked) conducting interviews with individuals involved in the collection, validation and publication of quantitative and qualitative data from within the Holding Company and two (2) of its subsidiaries, Eutelsat SA and Skylogic, representing 71.78 % of the staff.

- SGS ICS has reviewed the reliability of the internal standards, procedures and internal control systems for the aggregation of data and information on each site.

- Regarding the quantitative data a suitable sample was selected for evaluation at each site. These evaluations consisted of verifying formulas and data reconciliation with supporting documents. Eighteen (18) indicators were selected in terms of their relevance (conformity with the law and taking into account the sector activity), their reliability, neutrality and completeness,
    - Social component (Coverage rate: 72%) : headcount - policies implemented regarding training – number of training hours – annual performance review – staff turnover – frequency and severity of accidents at work – diversity.
    - Environmental component (Coverage rate: 72%): electricity consumption – diesel consumption – water consumption – paper consumption - measures to improve energy efficiency and use of renewable energy – _ waste - prevention, recycling and waste disposal - biodiversity.
    - Societal component (Coverage rate: 57%): responsible purchasing policy – territorial, economic and social impact – prevention of corruption.
- Random checks were performed on the remaining quantitative and qualitative data in the final phase of consolidation.
- Three (3) assessors were assigned to this verification assignment.
- Seven (7) interviews were conducted with the Financial Department, the Human Resources Department, the Purchasing Department, the General Services Department, the Information Services Department, the Institutional Affairs Department and the Engineering Department.

Declaration of independence and competence

SGS is the world's leading inspection, verification, testing and certification company. We are recognized as the global benchmark for quality and integrity. With more than 80,000 employees, we operate a network of more than 1,500 offices and laboratories around the world.

SGS ICS is the French subsidiary 100% owned by the SGS Group. SGS ICS states that its assignment and its opinion has been developed in complete independence and impartiality from Eutelsat Communications and that the accomplished work has been conducted in line with SGS Group's Code of Ethics and in accordance with good professional practice of an independent third party organisation.

Assessors are authorized and mandated on every assignment on the basis of their knowledge, experience and qualifications.

Certification and reasoned opinion

Based on the statement of guidelines for sustainable development of Eutelsat Communications, the social and environmental impacts associated with its activities, and its societal commitments and procedures,

- We certify that information included in Eutelsat Communications' 2014-2015 management report are in compliance with the list set forth under article R. 225-105-1 and that any exceptions have been duly justified.
- We declare that we have not identified any significant anomalies likely to call into question the fair representation of the information contained in the 2014-2015 management report.

Completed the 21th of July 2015, in Arcueil,
Technical Director of Inspection,

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