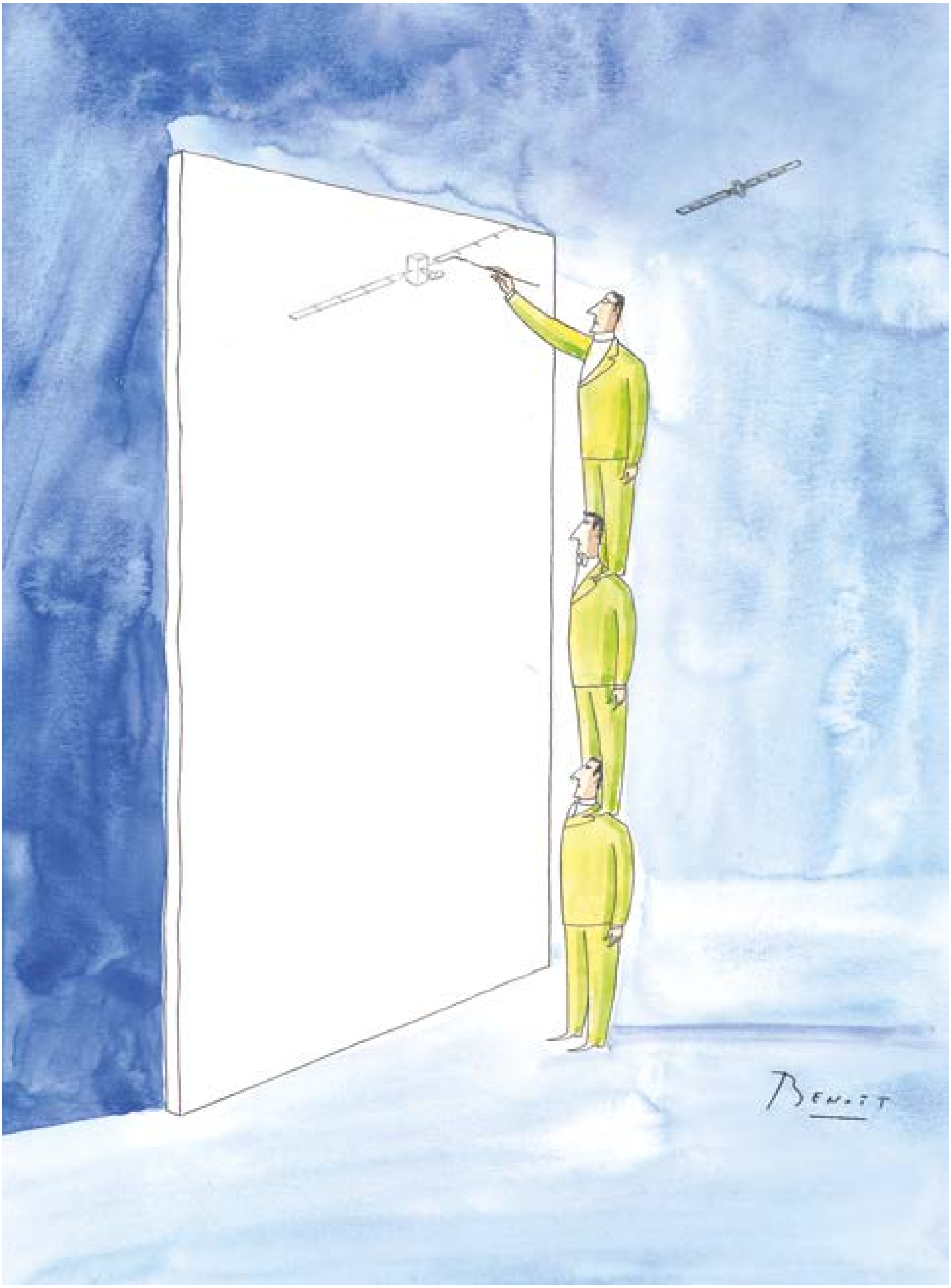
eutelsat
COMMUNICATIONS

Space
for a digital world



REFERENCE DOCUMENT 2012 - 2013

EUTELSAT COMMUNICATIONS: CREATING SPACE FOR YOUR COMMUNICATIONS

Every day, Eutelsat demonstrates its expertise as a satellite company that contributes essential resources supporting the growth of digital communications.

As a player at the heart of video and broadband markets, the greatest advances are yet to come. Ongoing progress brings with it the perspective of an increased role for satellites in order to optimise the use of spectrum that is a valuable and finite resource, and to transform the digital society into an environment of economic and social benefit for all.

With these goals in mind, our Group is pursuing a development strategy based on investment and innovation, operational excellence and the creation of lasting value.

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Société anonyme (limited company) with a share capital of 220,113,982 euros
Registered office: 70, rue Balard, F – 75015 Paris
481 043 040 R.C.S. Paris

MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

"OVER THREE DECADES, OUR COMPANY HAS DEMONSTRATED ITS ABILITY TO RECORD GROWTH WHERE POSSIBLE..."

In 2012-2013, our Group once again recorded growth, against an unexpectedly contrasting global backdrop for the fixed satellite service sector. Our revenues have increased by 5.1% to 1,284 million euros, EBITDA rose by 4.0% to 995 million euros, and our net income by 8.8% to 355 million euros. This last figure enabled us to offer our shareholders a higher dividend amount of 1.08 euro per share (+8%).

Our main business, Video Applications, remains well positioned on the market. Revenues from this segment have increased by 4.0% with the introduction of 400 new television channels and the growing success of High Definition television in all regions covered by our fleet. Our Data and Value-Added Services have generated growth of 7.6%. This market is driven by the sharp increase in Value-Added Services, up 30.7%, which enjoy dynamic IP service sales on our KA-SAT satellite while the Data Services market has been affected by lower sales volumes than expected in Africa, due to temporary excess capacity in the region. Lastly, the Multi-Usages segment, which covers our services provided to administrations and governments, remains stable following the integration of the EUTELSAT 172A satellite (previously named GE-23), offsetting the direct effects of U.S. federal budget cuts on contract renewals.

While growth in global demand for satellite capacity is currently less robust than in the last decade, our Group is benefitting from investments made in recent years to increase its exposure on the most vibrant markets. Our order backlog is up at nearly 5.4 billion euros. This represents 4.2 years of revenues and provides our Group with long-term visibility on its revenues, in particular those generated by the video segment which accounts for over 90% of total revenues.

A driving force behind our organic growth, major satellite resources will enter into service by early 2016, increasing our in-orbit capacity and extending our fleet's coverage. Three of the satellites under procurement – EUTELSAT 9B, EUTELSAT 8 West B and EUTELSAT 36C – will consolidate our flagship broadcasting positions in Europe, the Middle East and Africa in 2015. The Video Applications segment will also be boosted by the signature of an agreement with Russian operator RSCC in July 2012. This partnership has provided our

Group with broadcasting resources on two new orbital positions covering Eastern Russia and Siberia.

This strategic agreement in Russia, in addition to the successful integration of the GE-23 satellite (renamed EUTELSAT 172A) covering the Asia-Pacific, highlights Eutelsat's ability to both strengthen its business on its traditional core markets and develop targeted profitable growth in other regions of the world.

I would like to above all present our progress in Latin America, as we are stepping up a gear in this region. In terms of volume, this market is already as important as Western Europe. It is also the market that is set to generate the most robust growth for Fixed Satellite Services, ahead of the Russia/Central Asia and African markets on which our Group continues to enjoy a firm foothold.

Eutelsat is using two levers to become a major player in Latin America. We announced our order for the EUTELSAT 65 West A satellite when we published our annual results. This satellite will be located at the 65° West orbital position above Brazil, one of our key markets. It will operate a portfolio of orbital rights acquired last year. The second driver of our strategy in the region is the acquisition, announced on 31 July, of 100% of the Mexican operator Satmex. Satmex owns 11% of the Latin American market with three satellites in operation. This position will be further consolidated in 2015 by two satellites currently under procurement. Subject to government and regulatory approvals, this operation is set to be completed by the end of 2013.

Continuing to carefully exercise its role in the Company's governance, the Board of Directors evolved during the financial year 2012-2013 and more recently. It now has 10 Directors, including six independent directors and three women. The appointments of Elisabetta Oliveri and Miriem Bensalah Chaqroun were approved by the General Shareholders' Meeting held on 8 November 2012; in February 2013, Ross McInnes was co-opted by the Board of Directors in replacement of Olivier Rozenfeld, and took over his role as Chairman of the Audit Committee. More recently, during the meeting of the Board of Directors held on 16 September 2013, Jean-Martin Folz resigned from his duties as Chairman of the Board and

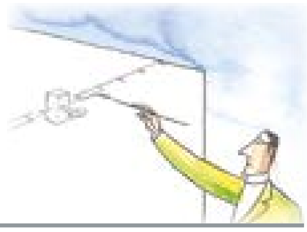
indicated that he would not request the renewal of his term of office, which is to expire at the next General Shareholders' Meeting, in order to comply with the provisions of the AFEP-MEDEF governance code relating to multiple directorships. The Board unanimously decided to merge the duties of Chairman and of Chief Executive Officer, and to appoint me as Chairman and CEO. I wish to offer my warmest thanks to Jean-Martin Folz for his valuable contribution to our Board during his two years as Chairman.

Our Group is underpinned by solid fundamentals and is fully committed to successfully completing each expansion beyond our traditional borders. As a result, we face the year 2013-2014 with confidence and energy. Eutelsat celebrated its thirtieth anniversary in 2013. Over three decades, our Company has demonstrated its ability to record growth where possible, by leading complex and often highly innovative industrial programmes serving the booming digital economy. Our ambition is to continue in this direction, by ensuring a balanced development of our businesses, targeted geographic expansion and a stringent control of our balance sheet required to keep profitability at a high. To reach this target, I am proud to be able to rely on an international team of highly experienced and knowledgeable men and women, whom I thank for their commitment and efficiency.

Michel de Rosen

Chairman and Chief Executive Officer

1. PRESENTATION OF EUTELSAT COMMUNICATIONS



1.1 Significant facts of the financial year and key figures

SIGNIFICANT FACTS

Financial year 2012-2013

Successful launches and entry into service of the EUTELSAT 21B, EUTELSAT 70B and EUTELSAT 3D satellites.

Acquisition of the GE-23 satellite (renamed EUTELSAT 172A) and of related assets, providing Eutelsat with presence in the Asian-Pacific region.

Strengthening of the long term partnership with RSCC for the development of the Russian broadcasting market through the EUTELSAT 36C (36° East), Express-AT1 (56°East) and Express-AT2 (140°East) satellites.

Continuation of the Group's in-orbit expansion plan with the procurement of EUTELSAT 8 West B, addressing the Middle East and North African broadcasting markets, and of EUTELSAT 65 West A, addressing Latin-American markets.

Continuation of the commercial development, with the opening of new offices in key growth areas: Singapore, Dubai and Johannesburg.

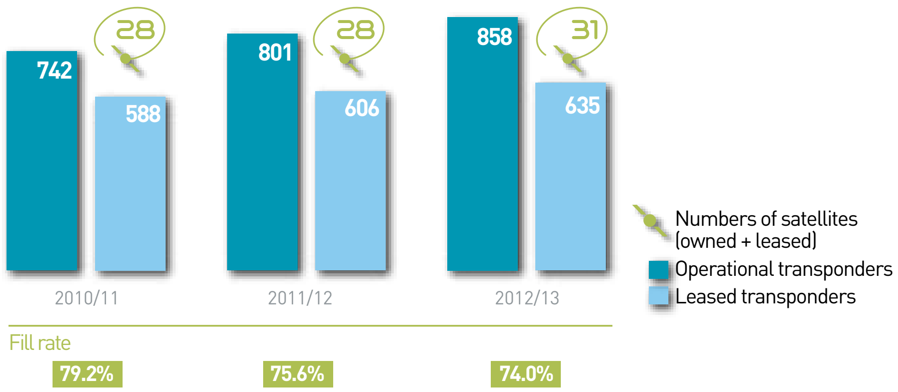
Since 30 June 2013

Announcement on 31 July 2013 of the acquisition of 100% of the capital of the Mexican satellite operator Satélites Mexicanos, S.A. de C.V. ("Satmex") for an amount of 831 million U.S. dollars. This operation should be finalized by 31 December 2013.

Successful launch of EUTELSAT 25B in August 2013. The satellite will enter in operational service by the end of October 2013.

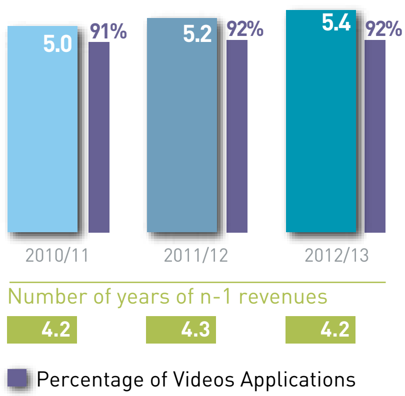
KEY FIGURES

FILL RATE

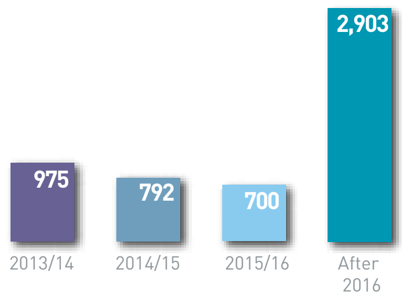


KA-SAT specific fill rate calculation: fill rate considered at 100% when 70% of the capacity is leased.

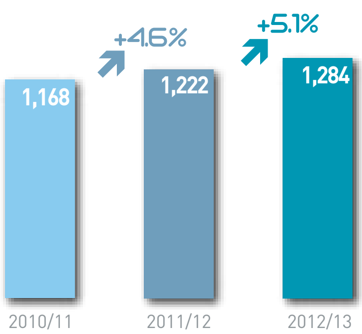
BACKLOG (Bn €)



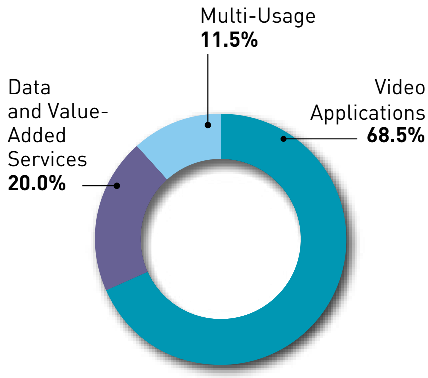
BREAKDOWN OF THE BACKLOG BY YEAR (M€)



REVENUES GROWTH (M€)

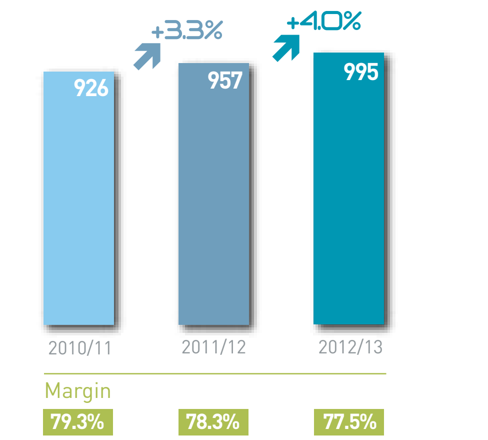


2012/2013 REVENUES BY APPLICATION (M€)*



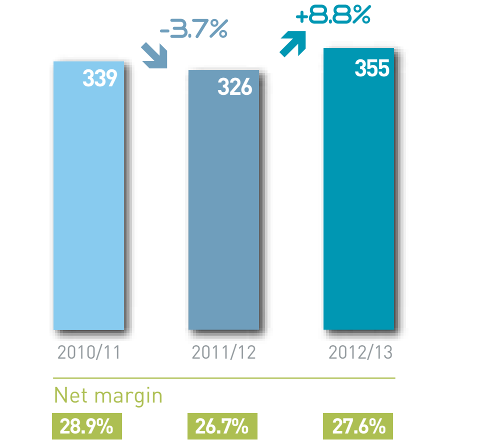
* Excluding other and non recurring revenues.

EBITDA (M€)*

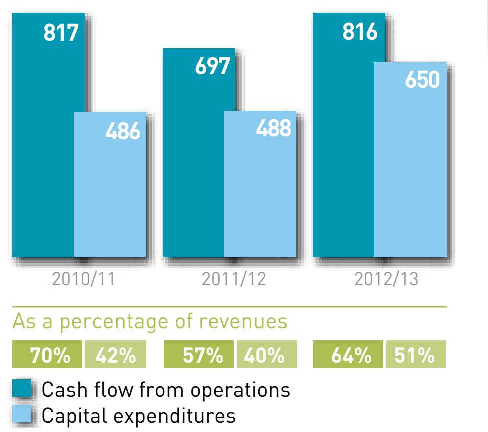


* EBITDA is defined as the operating result before amortisation and depreciation, impairment of assets and other operating income and expense.

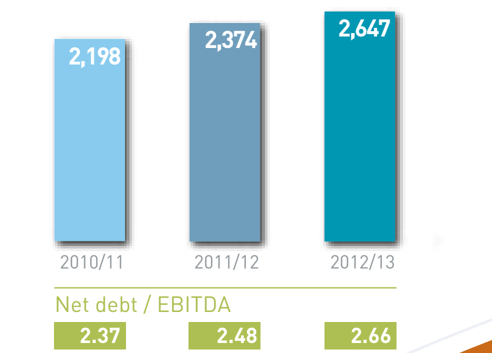
NET INCOME GROUP SHARE (M€)



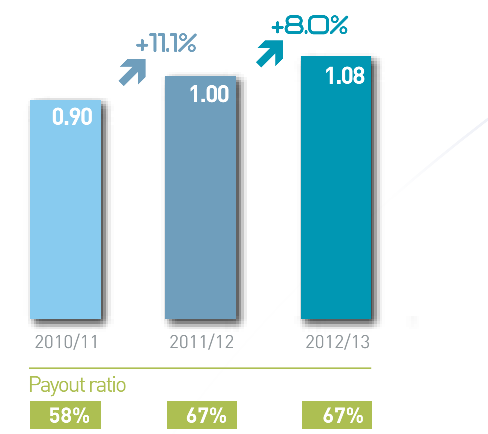
CASH FLOW FROM OPERATIONS (M€)



NET DEBT (M€) AND LEVERAGE



DIVIDEND PER SHARE (€) AND PAYOUT RATIO



1.2 Main markets and competition

THE FIXED SATELLITE SERVICES (FSS) INDUSTRY

In over 30 years of experience as a pioneer in terms of technological innovation and geographical positions, Eutelsat has taken up a key role among major international telecommunications operators in an industry known for its high level of resilience and driven by multiple growth engines.

Eutelsat operates a fleet of 31 satellites in 21 orbital positions, located between 15° West and 172° East (as of 30 June 2013) and providing coverage of Extended Europe[1], a large part of the Asian continent together with a portion of the American continent. The Group delivers its services to broadcasters and network operators directly or *via* distributors.

Fixed Satellite Services' 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 world's fast growing TV market, expanding volumes of communication, particularly on the Internet, and the satellite's inescapable role 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 12.0 billion U.S. dollars as of 31 December 2012, including 10.4 billion U.S. dollars in infrastructure revenues. Total infrastructure revenue in Extended Europe and in Latin America amounted to 6.3 billion U.S. dollars.

A BUSINESS WITH STRONG VISIBILITY

Eutelsat is a core player in markets boasting maximum 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 at international level and strong requirements in terms of capital expenditure and technical expertise;
- availability of satellite capacity must be secured over the long term for all customers, especially those in the video 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, this being particularly the case with Video Applications.

Video Applications, representing Eutelsat's prime business, boast noticeably high market resilience, providing strong visibility on future revenues as illustrated by a significant backlog.

As of 30 June 2013, Eutelsat registered revenues of 1,284 million euros, of which nearly 70% were generated by Video Applications. As of 30 June 2013, the backlog stood at 5.4 billion euros, including 92% for Video Applications.

90% of Eutelsat's activities are performed on the vibrant digital TV and broadband markets.

A BUSINESS SET FOR STEADY GROWTH

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

The buoyant 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.

Growth in the video sector has been particularly strong:

- the number of homes equipped with a satellite terminal should increase globally by 71 million between 2012 and 2017, the market penetration rate for satellite-based TV services rising from 29 to 32% of the global population (source: Screendigest);
- the number of channels beamed by satellite throughout the world has increased from 23,000 to 33,000 over the last five years and it should reach more than 47,000 in 2022 (source: Euroconsult 2013);
- the development of High Definition (HD) broadcasting contributes to the sector's future growth. According to Euroconsult, 37% of channels should be broadcast in High Definition by 2022, against 13% now.

These trends reflect an increasing need for satellite capacity, which should rise by 26% between 2012 and 2017 (source: Euroconsult) in the most dynamic areas, which include Latin America, sub-Saharan Africa, the Middle East and North Africa, Russia and Central Asia.

Digital economy is another growth driver for emerging markets as it requires implementation of infrastructures capable of supporting the massive surge in data and video services. According to the VNI Index published by CISCO in 2013, the volume of data exchanges worldwide should increase by 23% on average per year between 2012 and 2017.

(1) Extended Europe consists of Western Europe, Central Europe, Russia and Central Asia, North Africa, the Middle East and sub-Saharan Africa.

Today, Eutelsat is a major player in the emerging markets, its customers including particularly dynamic TV platforms such as Multichoice in sub-Saharan Africa, NTV+ and Tricolor TV in Russia, Cyfrowy Polsat and NC+ in Poland. In these markets, the Group is also dynamic in the telecoms sector.

Eutelsat has developed a historical presence in faster growing businesses.

DEMAND IS SUPPORTED BY THE DIGITAL REVOLUTION

Eutelsat plays a key role in converging the media and Internet

The use of TV services changes over time. Larger TV screens lead to improvements in image quality, as well as to the development of the High Definition format, and soon the Ultra High Definition. Even if linear television remains the main technology for operating video content, there is an increasing trend towards the combined use of traditional television and Internet, which paves 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 prices and speeds comparable to ADSL offers.

More generally, for homes unserved by fibre optic networks, a hybrid infrastructure combining satellite and broadband terrestrial networks is a promising solution that enables 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 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.

Satellites play a key role in propelling forward the digital revolution around the globe, particularly in areas underserved or unserved by terrestrial networks.

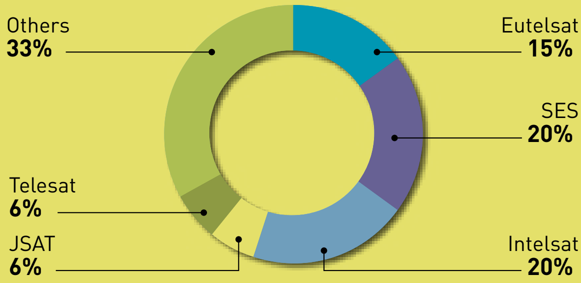
A SUSTAINED CAPACITY OFFER

Eutelsat supports the development of regional operators

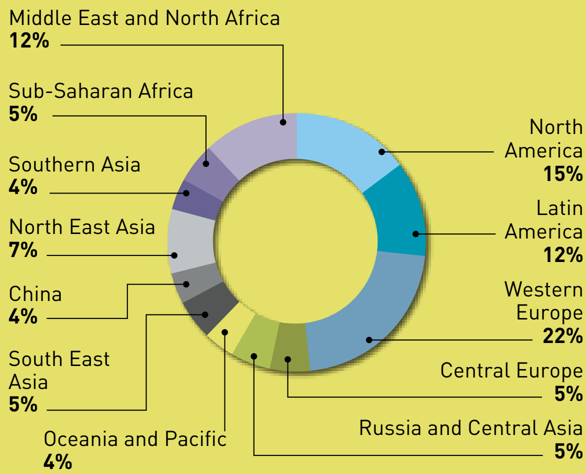
The satellite capacity offer is on the rise. Regional operators have launched large-scale investment programmes in order to expand in their own markets and compete with global operators. New regional operators are entering the market.

However, their development can face various obstacles such as the heavy cost of capital expenditure, the level of expertise and the commercial efforts required, intricate regulations at international level, etc.

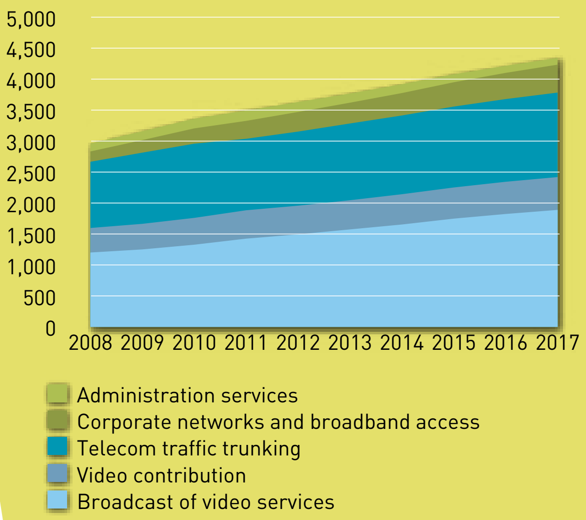
OPERATORS GLOBAL MARKET SHARE (BASED ON INFRASTRUCTURE REVENUES)



BREAKDOWN BY REGION OF INFRASTRUCTURE REVENUE FOR FSS SECTOR



BREAKDOWN BY APPLICATION OF TRANSPONDER DEMAND IN EXTENDED EUROPE AND LATIN AMERICA



Source: Euroconsult, 2013 edition.

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Eutelsat has entered into several mutually beneficial, 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 1,500 TV channels broadcast by satellite. In Russia, Eutelsat continues its partnership at 36° East with RSCC, the country's leading operator, covering more than 10.7 million homes in Russia. During the financial year ended 30 June 2013, this partnership was consolidated with the signature of long-term agreements with RSCC for capacity leased on the EUTELSAT 36C (36° East), Express-AT1 (56° East) and Express-AT2 (140° East), enabling Eutelsat to extend its footprint to the whole of Russia as early as the 2013-2014 financial year. Last but not least, the partnership between Eutelsat and Eshail'Sat, the Qatari operator, is materializing with the successful launch of the EUTELSAT 25B satellite at 25.5° East in August 2013, to further develop satellite services in the Middle East and North Africa.

Eutelsat has established long-term partnerships with key regional players.

THE GROUP'S STRATEGY

Leveraging on its business portfolio at the crossroads between media and the Internet, and committed to developing digital economy, Eutelsat's ambition is to strengthen its positions in favour of technologies and markets that are key to tomorrow's growth.

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 five main objectives:

- consolidating its flagship positions in the Video Applications business, and developing new ones;
- capturing opportunities for long-term growth in the area of Value-Added Services and governmental services;
- leveraging on all drivers to establish a greater presence in emerging countries;
- 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 ITS FLAGSHIP POSITIONS IN THE VIDEO 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 build up the world's largest satellite broadcasting systems in coverage of Europe, the Middle East and parts of Africa and Asia. This flagship position was reinforced with the redeployment of EUTELSAT 3C at 13° East under the name EUTELSAT HOT BIRD 13D in replacement of EUTELSAT HOT BIRD 13A. HOT BIRD is Europe's leading neighbourhood, serving over 120 million homes as of 30 June 2013.
- 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. This orbital position offers an unequalled potential for growth for Video Applications, with a growing audience that has now reached over 30 million viewers. During the financial year 2012-2013, Video's buoyant market was further anchored by the signature of commercial contracts with the Group's key customers and the launch of the EUTELSAT 8 West B satellite in 2015, which will significantly boost Eutelsat's resources at this position.
- The 36° East 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, Ukraine and Africa. The launch of the EUTELSAT 36C satellite by 2015 will boost this flagship position. Within the framework of this long-term partnership with RSCC, Eutelsat signed during the 2012-2013 financial year several long-term capacity lease agreements on the Express-AT1 and Express-AT2 satellites, to be launched in the fourth quarter of 2013 and with coverage of Siberia and Eastern Russia, providing the Group with coverage of almost all of the Russian territory.
- Furthermore, Eutelsat further develops its other orbital positions used by its fleet, in particular the 7° East, 16° East, 9° East positions and plans to open new ones. In June 2013, Eutelsat ordered the EUTELSAT 65 West A satellite to be deployed at the 65° West orbital position for coverage of the Brazilian market in preparation for the Olympic Games in Rio de Janeiro in 2016.

CAPTURING OPPORTUNITIES FOR LONG-LASTING GROWTH IN THE AREA OF VALUE-ADDED SERVICES AND SERVICES TO ADMINISTRATION

In the market for Data and Value-Added Services, broadband access and the development of mobile communications solutions are crucial challenges which Eutelsat has fully anticipated and will be ready to address with the entry into operational service of the EUTELSAT KA-SAT 9A satellite in May 2011. Despite its limited impact on Group revenues, the portion of revenues generated by Value-Added Services has increased year-over-year by 30.7% from 4.1% of revenues to 5.2%.

Eutelsat-operated 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 Extended 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.

Governmental services in the defence and security areas are poised to build up a buoyant market in the medium term, thereby representing an important challenge not only as a result of developments in IT systems, but also of the increasing use of commercial resources by

1

governments whose long-term policy include a more efficient use of public resources.

INCREASING EUTELSAT'S COVERAGE OF RAPIDLY EXPANDING MARKETS WHILE KEEPING A STRONG CUSTOMER BASE IN EUROPE

Eutelsat's strategy consists in combining profitable investments in mature countries with the benefits drawn from dynamic emerging markets focused on volume-based profitability.

To this purpose, the Group continues its policy of organic growth and development of partnerships with foreign operators at flagship positions including 7°/8°West and 36°East especially. Furthermore, the acquisition of the GE-23 satellite (renamed EUTELSAT 172A) during the 2012-2013 financial period allows to open new business opportunities for Eutelsat, especially in the Asia-Pacific region, where demand for mobility services and corporate networks is rapidly expanding. Accordingly, Eutelsat's strategy continues to be one of targeted acquisitions in high growth markets. The acquisition of the Mexican satellite operator Satmex announced on 31 July 2013, with a closing expected by the end of calendar year 2013, as well as the recent order of EUTELSAT 65 West A, a tri-band satellite for the Latin American markets, scheduled for a launch in the first half of 2016 at the 65° West orbital position, is also a cornerstone of the Group's willingness to reinforce its presence in the regions where expected growth is the highest, Latin America being one of those markets.

Investments in new satellite capacity which Eutelsat plans to launch by 2016 will be primarily focused on fastest growing markets.

Lastly, the opening of offices in Dubai, Singapore and Johannesburg during the 2012-2013 financial period demonstrates the Group's willingness to be located as closely as possible to its clients.

POSITIONED AS A COMPLEMENT TO TERRESTRIAL INFRASTRUCTURES

Eutelsat intends 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.

FLEXIBILITY AND INNOVATION TO ENSURE LASTING GROWTH FOR EUTELSAT'S CLIENT BASE

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

Flexibility concerns:

- the fleet, developed in such a way that a satellite is capable of replacing another one in a cascaded way: concentrating the main part of the fleet on the European orbital arc; ensuring similar design for all satellites, and ;
- satellites as such, designed to adjust to market conditions: large coverage, adjustable spot beams, in-orbit reconfiguration.

Innovation has been another key driver at Eutelsat for over 30 years. In this area, the Group's objective is three-fold: (i) making sure that the largest number of territories enjoys the numerous benefits of digital revolution; (ii) ensuring that the general public is provided with high quality services, (iii) improving long-term competitiveness. Eutelsat teams are known for their excellent expertise throughout the world. Representing the most recent technological innovation to date, the EUTELSAT 8 West B satellite is to be launched in 2015. This satellite will be the first to embark a new generation of advanced functionalities for enhanced performance, flexibility, and transmission security.

OUTLOOK[1]

Revenues (at constant currency and excluding non-recurring revenues)

Based on a nominal satellite deployment plan, the Group targets organic revenue growth above 2.5% for the current year. With the deployment of additional capacity, mainly in 2014 and 2015, average revenue growth should be above 5% for the two subsequent years to 30 June 2016.

EBITDA

The EBITDA margin is targeted at around 77% for each fiscal year until 2016.

Active and targeted investment policy

The Group will continue to pursue a targeted investment policy. Average investments will stand at around 550 million euros a year over the three fiscal years to 30 June 2016. This includes capital expenditures and payments under export credit facilities and under long-term lease agreements on third party capacity.

Sound financial structure

The group will maintain a sound financial structure to support an investment grade rating. Over the long term, it aims at a net debt / EBITDA below 3.3x.

Attractive shareholder remuneration

The Group remains committed to sharing its profits with its shareholders over the fiscal years 2013-2016, with a pay-out ratio of 65% to 75% of Group share of net income.

(1) Revenues, EBITDA and Capex targets are given excluding the impact of the acquisition of Satmex. In addition, in a press release dated 4 October 2013, the Company indicated that revenues from the disputed frequencies were expected to be approximately 20 million euros for the remainder of the fiscal year 2013-2014 and approximately 25 million euros for each of the two following years. If and when necessary, Eutelsat will adjust this financial outlook (see Section 7.10).

1.3 Group activities

VIDEO APPLICATIONS

With 866 million euros, accounting for nearly 70%[2] of Eutelsat's revenues, Video Applications post for the 2012-2013 financial period a new year of sustained growth, up 4.0% on 2011-2012, mainly driven by the contribution of in-orbit resources launched during the previous financial year.

BUSINESS SKILLS AND KNOW-HOW

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 an audience of 204 million households in Europe, the Middle East and Africa, Eutelsat provides satellite capacity to major broadcasters. More than 4,660 TV channels (including 419 in High Definition) and 1,154 radio stations are broadcast *via* the Group's in-orbit resources on 31 satellites as of 30 June 2013.

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).

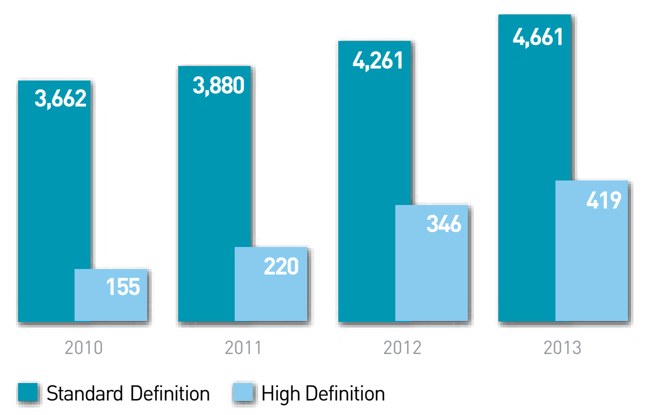
MARKET TRENDS AND PROSPECTS

In Extended Europe and in Latin America, the demand for capacity for the transmission of Video Applications should continue to be high and increase at a weighted average annual rate of 4.3% between 2012 and 2017 (source: Euroconsult).

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

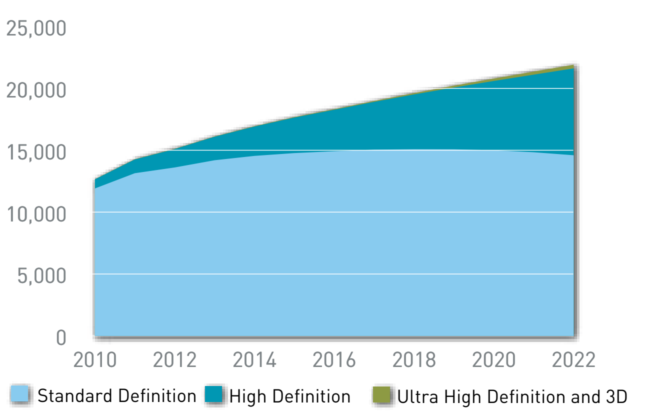
- **the increase in the number of televisions channels**, driven mainly by emerging markets. The number of channels should rise from more than 15 000 in 2012 to nearly 22,000 in 2022 in Extended Europe and in Latin America;
- **the widespread adoption of High Definition.** Requiring 2.5 times more satellite capacity than standard television, HD has seen its penetration rate on Eutelsat satellites increase in one year from 8% to 9%. According to Euroconsult, the number of HD channels should progress at a weighted average annual rate of 16.8% in Extended Europe and in Latin America for the 2012-2022 period to amount to about 7,000 channels in 2022;
- **Ultra High Definition technology** is emerging and the appropriate equipment should begin to appear in a few years' time. 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)** offers satellite operators an opportunity to supply the capacity to feed terrestrial retransmitters and provide additional coverage for homes located in shadow areas;
- **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, thereby optimising the use of bandwidth

TV CHANNELS BROADCAST ON THE GROUP'S SATELLITES



Source: Eutelsat Communications.

EVOLUTION OF THE NUMBER OF SD, HD AND UHD CHANNELS IN EXTENDED EUROPE AND LATIN AMERICA



Source: Euroconsult, 2013 edition.

(2) The share of each application as a percentage of total revenues is calculated excluding "other revenues" and "one-off revenues".

between TV channels, which reduces the cost of access to satellite capacity for new entrants;

- **the development of interactive platforms** due to the emergence of new, less 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.

TARGETED PRESENCE ON STRONG GROWTH MARKET SEGMENTS

Fast-expanding geographical zones, such as Africa, the Middle East, Russia and Asia offer major growth opportunities due to the relatively weak growth of terrestrial infrastructures.

Western Europe and Central Europe

- The three HOT BIRD satellites located at the orbital position 13° East constitute the leading transmission array in Europe, the Middle East and North Africa with 1,082 channels transmitted at 30 June 2013 (including 145 in HD).
- This premium position is strengthened by the EUTELSAT 9A satellite located at the position 9° East, which was transmitting 339 TV channels at 30 June 2013 (including 53 in HD).
- The position 16° East is used by digital television broadcasting platforms in Central Europe and in the Balkans. This position was transmitting 666 channels at 30 June 2013 (including 46 in HD), which meant an increase of 16.8% compared to 30 June 2012. In terms of direct satellite reception, the position 16° East has an audience of more than 3 million homes (source: Eutelsat international observatory on cable and satellite homes 2010).

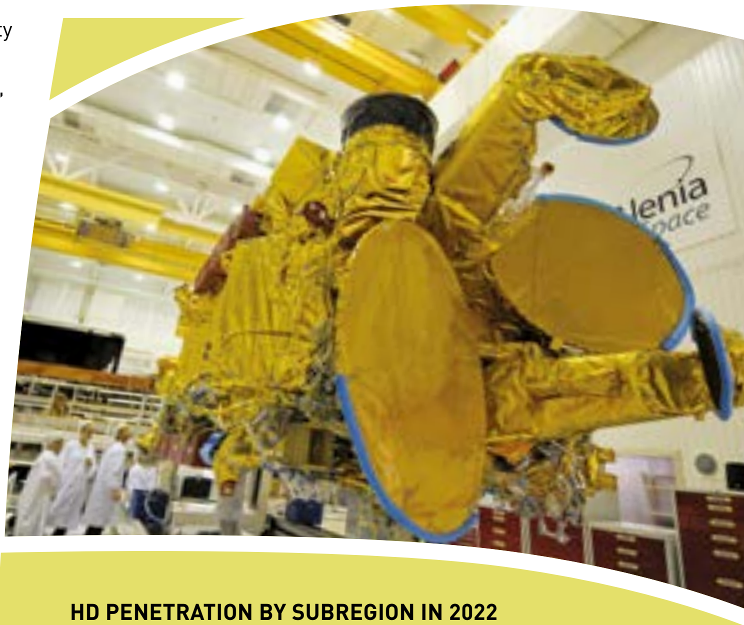
Moreover, Eutelsat also develops innovative commercial solutions for serving certain markets where the group is not a leader. This, for example, is the case in France with the Fransat service, which transmits TNT channels free *via* the Eutelsat 5 West A satellite. This package was being received in mid-2013 by around 1.5 million TV viewing homes equipped for direct reception individually and by 500,000 homes collectively.

Russia and Central Asia

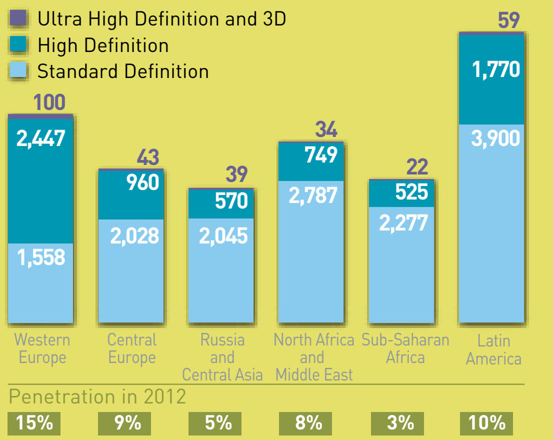
- The Group continues to develop the orbital position 36° East with its partner RSCC to cater more closely to growing needs in the Russian market. At 30 June 2013, 761 channels were being transmitted (including 66 in HD), against 715 one year previously. The commissioning of the EUTELSAT 36C satellite, which will be launched at the end of 2015, will help to strengthen this partnership and the Group's activities in this position. The Group has also continued to develop its presence in Russia by signing long-term agreements with RSCC at the orbital positions 56° East and 140° East in order to extend its coverage for broadcasting services across the entire Russian territory.
- The Group also holds a key position in the Turkish market in the position 7° East where the leading pay TV platform in the country, Digiturk, is a reference customer. At 30 June 2013, 224 channels were being broadcast (including 35 in HD), against 213 one year previously.

Middle East and North Africa

- Thanks to the position 7°/8° West developed in partnership with Nilesat, the Group is the leading broadcasting operator in the Middle East and North Africa with nearly 1,000 channels transmitted from the Eutelsat and Nilesat satellites at 30 June 2013 (including 66 in HD).
- Market growth is driven not only by the development in High Definition, but also by the increase in the number of free to air channels.

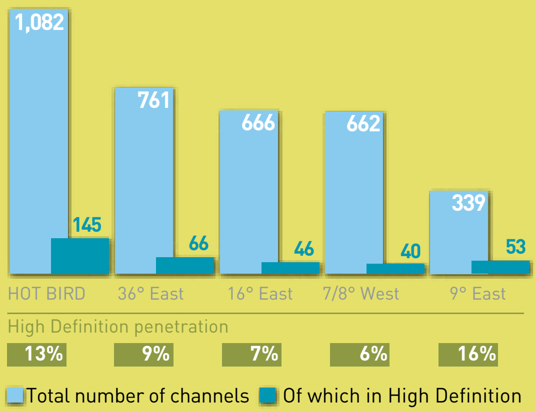


HD PENETRATION BY SUBREGION IN 2022



Source: Euroconsult, 2013 edition.

NUMBER OF TV CHANNELS BROADCAST FROM THE MAJOR BROADCAST ORBITAL POSITIONS AS OF 30 JUNE 2013



Source: Eutelsat Communications.

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- In order to consolidate its leadership, the Group will increase its broadcasting resources at the position 8° West with the EUTELSAT 8 West B satellite, which will be launched in 2015. These resources will be added to those already exploited at the adjacent orbital position 7° West.

Sub-Saharan Africa

- With a TV penetration rate of 30% in 2010, comparatively weak in Europe and the Middle East, this market has a strong growth potential.
- For more than 10 years, the Group has been developing the leading position 36° East with the MultiChoice pay TV package, in addition to the position 16° East, used by digital broadcasting platforms such as CanalSatellite Réunion and Parabole Océan Indien.
- With these positions, Eutelsat is creating an environment favourable to the growth of new audiovisual content and packages.
- Nearly 655 channels were being broadcast from Eutelsat satellites at 30 June 2013 aimed at this market, which has a market share close to 50%.

The Eutelsat strategy has helped establish 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 antennas directed at the Group's satellites.

Of the Group's customers for satellite capacity for Video Applications, Sky Italia and Mediaset in Italy, BSkyB in the United Kingdom, Orange and Bis in France, KabelKiosk in Germany, Polsat and NC+ in Poland, TricolorTV and NTV+ in Russia, Hello HD in Hungary, DigitAlb in Albania, Al Jazeera Sport in the Middle East, Multichoice and Zap in Africa, or DigiTurk in Turkey have all either launched or developed their commercial HD TV programmes during the course of the financial year.

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 NewSpotter service, available on the KA-SAT satellite, extends the perimeter of current affairs programmes by offering TV broadcasters a solution capable of directly transporting standard digital and High Definition content from deployment terminals, both easily and cheaply.

The Group's customers for this type of service include, in particular, the European Broadcasting Union, television channels (BBC, CBS, Mediaset, NBC, NHK, RAI, TF1), and video reporting professionals, such as APTN and Enex.

DIGITAL CINEMA

Satellite is also an economical solution for distributing content to cinemas, regardless of their location, with guaranteed reliability. This is a key asset in the digital cinema market. During the 2012-2013 financial year, the Group and the Belgian company DCINEX, the leading digital cinema service company in Europe, together created a joint company called DSAT Cinema in order to offer specialist services to cinema operators in Europe. On 21 June 2013, DSAT Cinema announced that the number of installed cinemas in Europe had reached the 1,000 sites, in other words 7,000 cinemas. This now constitutes the leading European network for cinema distribution *via* satellite.

DATA AND TELECOMS SERVICES

Data and telecoms services together form Eutelsat's second main business, recording earnings of 398 million euros over the 2012-2013 financial year, thereby contributing to a little more than 30% of the Group's revenues, driven notably by the development of high-speed Internet access solutions.

BUSINESS SKILLS AND KNOW-HOW

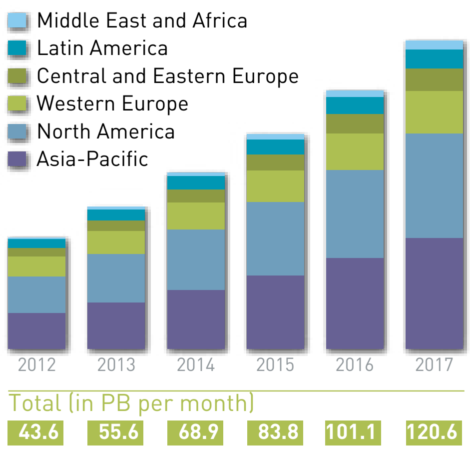
Eutelsat develops applications aimed at making high-speed connectivity available to everyone: businesses, local authorities and private customers.

The data and telecoms services business segment covers capacity leased by leading telecoms operators for feeding their VSAT networks, and Value-Added Services that bundle capacity with the supply of terminals and ground services.

Overview of the Group's data and telecoms services

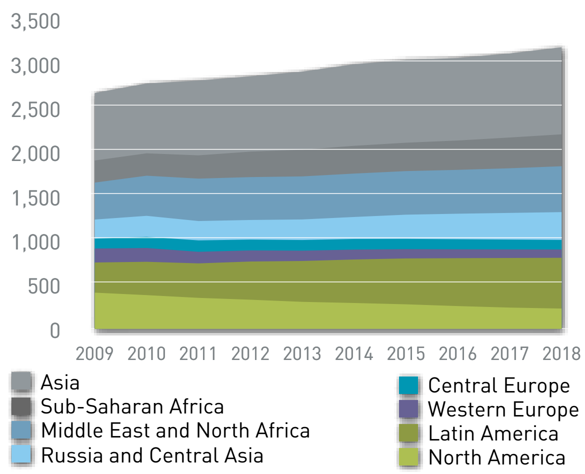
Applications	Customers
Data Services	**14.8% of revenues at 30 June 2013**
Professional VSAT data communication networks	System integrators and communication network operators, mass distribution, oil industry
Mobile network connection: connecting mobile networks including in the most remote areas	Telecom operators
Internet backbone connection	Internet service providers (ISPs)
Value-Added Services	**5.2% of revenues at 30 June 2013**
D-STAR™/D-SAT™ professional high-speed Internet access solutions and offerings for business networks on KA-SAT	Companies or local authorities served rarely or not at all by high-speed terrestrial networks
High-speed Internet access solutions for the general public	Internet access providers, terrestrial broadcast network operators, local authorities
Mobile Internet access solutions or extension of mobile telephony networks	Ships, business aviation, trains
Mobile services (EutelTRACS)	Road transport companies
Multi-Usages Services	**11.5% of revenues at 30 June 2013**
Provision of capacity services to government agencies	Local government, civil security services

GLOBAL INTERNET TRAFFIC EVOLUTION (IN PB PER MONTH)



Source: Cisco, VNI 2013.

GLOBAL DEMAND FOR TELECOM SERVICES, INCLUDING SERVICES TO ADMINISTRATIONS (IN NUMBER OF TRANSPONDERS)



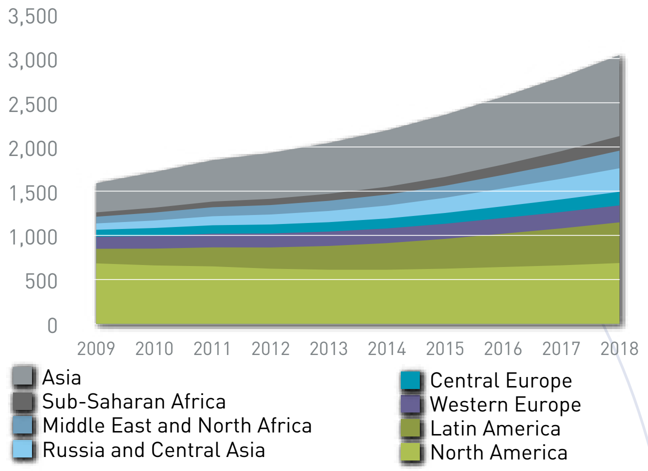
Source: Euroconsult, 2013 edition.

MARKET TRENDS AND PROSPECTS

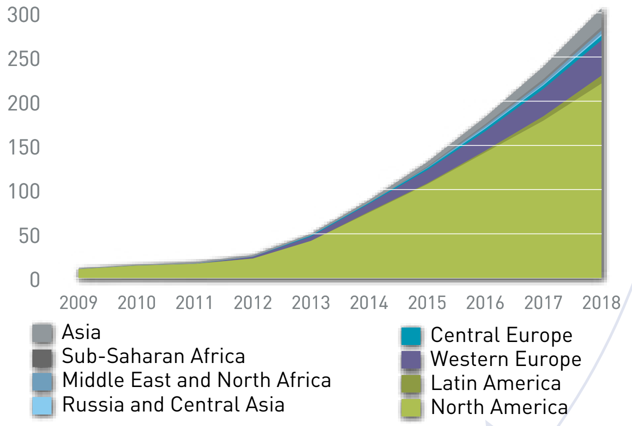
The trends impacting the market are as follows:

- In a digital economy, which is typified by an environment that needs to be increasingly connected, the need for capacity is constantly growing. This growth is mainly driven by the increase in video use. In 2012, according to Cisco (VNI Index 2013), Video Applications on the Internet generated 60% of world IP traffic.
- 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. In five years, the number of VSAT terminals installed around the world has doubled, and has reached close to 3 million sites (source: Comsys 2012).
- The increase in High Throughput Satellites 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.

DEVELOPMENT IN NUMBER OF V-SAT PER REGION (IN THOUSANDS)



GLOBAL DEMAND EVOLUTION FOR HTS TELECOM SERVICES (IN GBPS)



Source: Euroconsult, 2013 edition.

DEVELOPMENT OF KEY ADVANTAGES FOR EACH MARKET SEGMENT

Eutelsat's data and high-speed activities are chiefly aimed at regions where the satellite provides additional coverage to the terrestrial networks. Benefiting from major exposure in the emerging markets that are driving this growth, the Group mainly serves the needs of Internet Access Providers by connecting local platforms to the Internet backbone; with the expansion of mobile networks providing interconnectivity *via* satellite for transmitters in rural areas; and by providing high-speed access for users located outside terrestrial network coverage zones.

A pioneer in the implementation of HTS technology-based solutions with the commissioning of the Eutelsat KA-SAT 9A satellite in May 2011, Eutelsat offers the general public a highly competitive high-speed Internet access solution, aimed at a market of nearly 30 million homes in Extended Europe. In order to satisfy growing application needs, the Group will also integrate a Ka-band payload on some of its future satellites, such as EUTELSAT 3B and EUTELSAT 36C.

The Group also assists in the development of mobile communications towards high-speed services in the Ku and Ka-bands, which provide permanent connectivity for boats, trains and, more recently, aircraft.

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

During the 2012-2013 financial year, the Group strengthened its in-orbit resources, with the launch of three satellites (EUTELSAT 21B, EUTELSAT 70B and EUTELSAT 3D) and the acquisition of the EUTELSAT 172A satellite. With its fleet of 31 satellites providing vast and diversified coverage, Eutelsat can therefore offer top-level capacity.

Furthermore, the opening of offices in Johannesburg, Dubai and Singapore, helps to strengthen Eutelsat's commercial presence in areas where demand is greatest.

Telecoms

- The emerging markets (Africa, the Middle East, Latin America and Asia-Pacific) are particularly dynamic and are therefore driving growth, but have mobile network and Internet backbone connection problems.
- As a result of its historical presence on these markets, the Group serves the needs of telecoms operators wishing to connect their local platforms *via* its satellites to the international networks (Internet, voice) or extend their GSM and 3G mobile networks.
- According to Euroconsult, demand for capacity for telecom services should remain well oriented and grow at a 3.7% CAGR from 2012 to 2017 in Extended Europe and in Latin America. These applications, however, have an abundance of capacity and experience competition from the terrestrial networks.

Professional business networks

- Three key sectors attract this segment of clientele: the gas and petroleum industry for connecting drilling platforms on land and at sea; the banking sector; and mass distribution for the secure transmission of financial and logistical data between establishments.
- The demand for satellite capacity is especially strong in the petroleum, gas and mining sector, due to the increase in use and proliferation of exploration and production sites.

- According to Euroconsult, demand for capacity for corporate networks should remain well oriented and grow at a CAGR of 9.3% from 2012 to 2017 in Extended Europe and In Latin America.

High-speed Internet and mobility

- 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.

  The range of services for private individuals offers download speeds of 20 Mbps and upload speeds of 6 Mbps, as well as the benefit of highly significant download volumes.

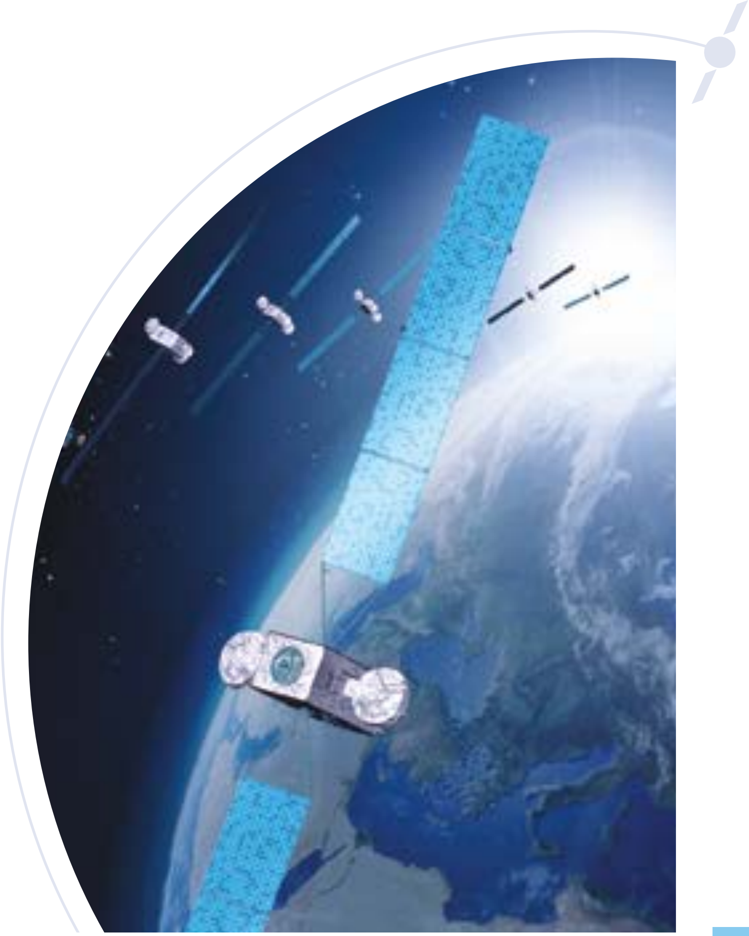
  These offers are marketed by retailers who supplement the Internet access offer with additional services, such as voice on IP or access to a television package *via* satellite.

  In 2012, the number of homes equipped with a satellite terminal connected to the Internet rose by over 18% to 2.3 million around the world. According to the European Commission ("EU Scoreboard"), high-speed access is increasing all over Europe, since satellite has made it possible to cover 4.5% of the population who had hitherto not been covered. The European Commission pointed out that it was now working to strengthen access to the Internet *via* satellite in areas where it could continue to narrow the digital divide.
- The range of services *via* satellite 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: Access, devised to provide 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), an offer enabling flexible bandwidth allocation on several beams on the KA-SAT satellite.

  There have been many developments built around high-speed Internet access services, especially for mobility, with a growing need in the sea, rail and air transport industry.

  Eutelsat's new 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. In January 2013, Eutelsat and Live TV signed an agreement with the Irish airline company Aer Lingus to provide the company's average carrier fleet with an in-flight Internet connection offering throughput speeds of up to 100 Mbps.



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Multi-Usages

- Government missions these days require reliable global communications that can be rapidly deployed throughout the world. Offering a vast coverage zone extending from the Atlantic to the Pacific, the Group's satellites provide direct links between Europe, the Middle East, Africa, Western Asia and America.
- Eutelsat provides direct or indirect Multi-Usages Services to local authorities, *via* capacity allocation agreements, in the American market in particular.
- Although short-term demand is stable due to budget restrictions implemented by local authorities, medium and long-term prospects are positive thanks to the development of:
  - government programmes to reduce the digital divide in the field of education or health (e-Education, e-Santé...);
  - intelligence, surveillance and reconnaissance systems.

1.4 In-orbit operations

OPERATIONNAL REVIEW

Since 1 July 2012 the Group has successfully launched the EUTELSAT 21B, EUTELSAT 70B, EUTELSAT 3D and EUTELSAT 25B satellites:

- **EUTELSAT 21B:** built by Thales Alenia Space and launched in November 2012, this satellite replaced the satellite EUTELSAT 21A in December 2012. It offers increased bandwidth (40 Ku-band transponders *versus* 29 on EUTELSAT 21A), higher power and improved flexibility. In addition to an enhanced beam spanning Europe, North Africa, the Sahel and Central Asia, it features two dedicated high-energy beams covering North West Africa and the Middle East/Central Asia, optimised for data, broadband and professional video services. EUTELSAT 21A is now operating in inclined orbit at 48° East under the name of EUTELSAT 48C;
- **EUTELSAT 70B:** built by EADS Astrium and launched in December 2012, this satellite replaced the EUTELSAT 70A satellite in January 2013. This satellite has been custom-designed to optimise resources at 70.5° East, which is a point of reference for data services, broadband access, mobile backhauling and professional video exchanges. With high frequency reuse, four powerful beams, covering Europe, Africa, Asia and Australia, are connected to 48 Ku-band transponders. EUTELSAT 70A is now operating at 25.5° East under the name of EUTELSAT 25C;
- **EUTELSAT 3D:** built by Thales Alenia Space and launched in May 2013, it replaced EUTELSAT 3C in June 2013.
  EUTELSAT 3C was redeployed at the 13° East orbital position in July 2013. It replaced EUTELSAT HOT BIRD 13A and is now operating under the name EUTELSAT HOT BIRD 13D. EUTELSAT HOT BIRD 13A has since been repositioned at the premium 7°/8° West video neighbourhood where it brings incremental capacity under the name EUTELSAT 8 WEST C;
- **EUTELSAT 25B:** built by Space Systems/Loral Inc. and launched in August 2013, this satellite has replaced the EUTELSAT 25C satellite at the orbital position 25.5° East. Operated in partnership with Es'hailSat (former Qatar Satellite Company), the satellite embarks 46 transponders, 24 in Ku-band and 22 in Ka-band. Eutelsat will own 16 Ku-band transponders and seven Ka-transponders on this satellite. With eight Ku-band transponders, it will ensure the continuity of services provided by the previous satellite with enlarged coverage of the Middle East, North Africa and Central Asia. It will also provide this orbital position with its first resources in Ka-band, allowing Eutelsat to offer new services to its clients in these regions. Once EUTELSAT 25B becomes operational, EUTELSAT 25C will be relocated at another orbital position.

Furthermore, the Group has carried out the following operations during the financial year:

- in August 2012, the EUTELSAT 48B satellite was redeployed at 28.5° East where it is now operating under the name EUTELSAT 28B;
- in September 2012, the GE-23 satellite was acquired and is now operating at 172° East under the name EUTELSAT 172A;
- in February 2013, EUTELSAT 25A was replaced by EUTELSAT 25C at 25.5° East. EUTELSAT 25A, which become EUTELSAT 4B, has since been de-orbited.

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 add supplementary capacity on seven satellites by June 2016. This investment programme aims to consolidate the Group's future growth by reinforcing in-orbit resources at rapidly expanding orbital positions, improving its range of services by securing in-orbit resources and benefiting from new growth opportunities with innovative applications for its customers and end-users.

The Group intends to pursue a targeted investment policy directed at the renewal and expansion of its infrastructure. Average annual capital expenditure will stand at 550 million euros until June 2016. It is specified that this amount includes the reimbursements of export credits as well as payments under long-term lease agreements on third-party satellites. The sources of the attended financing for the Group's future investments are specified in Section 6.1.3.5 of this Reference Document.

NEW SATELLITE ORDERS

During the last financial year, the Group has signed two satellite supply agreements for 100%-owned satellites:

- **EUTELSAT 8 West B:** scheduled for launch in the third quarter of 2015; this satellite will replace EUTELSAT 8 West A at the 8° West orbital position. It will reinforce in-orbit resources to meet the strong video market demand at 7°/8° West;
- **EUTELSAT 65 West B:** scheduled for launch in the first quarter of 2016, this satellite will inaugurate Eutelsat's new orbital position at 65° West. The satellite will mainly cover Brazil's coastal area in Ka-band, and the main capitals and cities in South America in Ku- and C-band, as well as the French Antilles and Guyana.

Furthermore, within the framework of a long-term partnership with the Russian operator RSCC, the Group has signed long-term leases during the last financial year for capacity on the following satellites:

- **EUTELSAT 36C** whose mission will be to 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 second quarter of 2015;
- **Express-AT1 and Express-AT2**, two satellites that will significantly increase broadcasting resources in Ku-band at 56° East and 140° East respectively, covering Central and Eastern Russia. Currently under construction at ISS Reshetnew, the satellites will embark a payload developed by Thales Alenia Space and will be launched in the fourth quarter of 2013.

SATELLITE PROGRAMMES UNDER PROCUREMENT

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

- **EUTELSAT 3B**, so as to reinforce capacity at 3° East. Ordered from EADS Astrium, this satellite embarks 51 transponders in the Ku-, C- and Ka-bands for coverage of Europe, Africa, the Middle East, Central Asia and some parts of Latin America, notably Brazil. EUTELSAT 3B will provide video, data, Internet and telecom services. It is due to be launched in the first half of 2014;
- **EUTELSAT 9B**, ordered from EADS Astrium and planned for launch in the first 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.

LAUNCH SERVICES OF SATELLITES

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 so as to be launched by 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 service agreements.

During the financial year closed on 30 June 2013, the Group has signed launch contracts with Arianespace, International Launch Systems and Sea Launch A.G.

However, as of the date of the issue of this Reference Document, not all satellites under procurement are yet coupled with a launch service.

SATELLITES AND COVERAGE AREAS

EUTELSAT'S RESOURCES

October 2013

stable orbit

inclined orbit

* Capacity on third-party satellites.

Future satellites:

- Express-AT1*
- Express-AT2*
- EUTELSAT 3B
- EUTELSAT 9B
- EUTELSAT 8 West B
- EUTELSAT 36C*
- EUTELSAT 65 West A


LSAT HOT BIRD
13C, 13D
EUTELSAT 16A
EUTELSAT 16B
EUTELSAT 16C
EUTELSAT 48A
EUTELSAT 48C
EUTELSAT 21B
SESAT 2*
53° E
EUTELSAT 33A
EUTELSAT 172A
EUTELSAT 25C
EUTELSAT 28A
EUTELSAT 28B
EUTELSAT 70B
EUTELSAT 36A
EUTELSAT 36B

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SATELLITE FLEET

As of 30 June 2013, the Group operated a fleet of 26 geostationary satellites in stable orbit, of which three were leased from third parties. In addition, the Group operated capacities on five satellites in inclined orbit.

Fully owned capacity

New name of the satellite	Orbital position	Geographic coverage	Nominal capacity (number of transponders)	Launch date	Estimated end of operational use in stable orbit as of 30 June 2013[1] (calendar year)
EUTELSAT HOT BIRD 13A	13° East	Europe, North Africa, Middle East	28 Ku / 4 Ka	August 2002	Q2 2018
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[2]	13° East [2]	Europe, North Africa, Middle East	64 Ku	February 2009	Q1 2024
EUTELSAT 12 West A	12.5° West	Europe, Middle East, America	19 Ku	August 2002	Q2 2018
EUTELSAT 8 West A	8° West	Europe, Middle East, America	26 Ku	September 2001	Q1 2019
EUTELSAT 7 West A	7° West	Middle East, North Africa	50 Ku	September 2011	Q4 2032
EUTELSAT 5 West A	5° West	Europe, America, Africa	35 Ku / 10 C	July 2002	Q3 2019
EUTELSAT 3D[3]	3° East	Europe, Middle East, Africa	53 Ku / 3 Ka	May 2013	Q1 2038
EUTELSAT 7A	7° East	Europe, Middle East, Africa	42 Ku / 2Ka	March 2004	Q2 2021
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	Q4 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	Q4 2032
EUTELSAT 25C[4]	25,5° East	Europe, North Africa, Middle East	20 Ku	November 2002	Q4 2016
EUTELSAT 25B[5]	25,5° East	Europe, North Africa, Middle East	8 Ku / 7 Ka	August 2013	NA
EUTELSAT 28A	28.5° East	Europe	24 Ku	March 2001	Q3 2018
EUTELSAT 28B	28.5° East	South-West Asia	8 Ku	December 2008	Q2 2020
EUTELSAT 33A	33° East	Europe	20 Ku	September 2003	Q3 2014
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 70B	70.5° East	Europe, Middle East, Asia	48 Ku	December 2012	Q4 2031
EUTELSAT 172A	172° East	Asia-Pacific, Australia, New Zealand	20 Ku / 18 C	December 2005	Q4 2020
EUTELSAT 4B[6]	4° East	Europe, North Africa, Middle East	Ku	October 1998	Inclined orbit
EUTELSAT 16B	16° East	Europe, Middle East, Indian Ocean	Ku	February 1998	Inclined orbit
EUTELSAT 16C	16° East	Europe, Middle East, Africa, Asia	Ku	April 2000	Inclined orbit
EUTELSAT 48A	48° East	Central Europe, Middle East, Central Asia	Ku	November 1996	Inclined orbit
EUTELSAT 48C	48° East	Europe, Middle East, Africa, Asia	Ku	April 1999	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 2013 in Section 6.2 "Financial information for the year ended 30 June 2013" of this Reference Document).
(2) As of 30 June 2013, EUTELSAT HOT BIRD 13D (ex-EUTELSAT 3C) was in the process of being redeployed to 13° East to replace EUTELSAT HOT BIRD 13A beginning of July 2013. The latter is operational under the name Eutelsat 8 West C at the date of this Reference Document.
(3) For regulatory reasons, EUTELSAT 3D will be operated with 32 Ku-Band and 1 Ka-Band transponders at the 3°East orbital position.
(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.
(5) EUTELSAT 25B, launched in August 2013, was being deployed at 25.5° East at the date of this Reference Document.
(6) As of the filing date of this Reference Document, EUTELSAT 4B reached the end of its life and was de-orbited.

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Capacity leased from third parties

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 2013 (calendar year)
Telstar 12[1]	15° West	Europe, America	4 Ku	October 1999	Q2 2016
EUTELSAT 3A[2]	3° East	Europe, Middle East, Central Asia, Africa	7 C	May 2007	Q2 2015
SESAT™ 2[3]	53° East	Europe, North Africa, Middle East, Asia	12 Ku	December 2003	Q1 2016

(1) Owned by Loral Skynet. This capacity corresponds to the one operated by Eutelsat.
(2) Previously known as Sinosat3 or ChinaSat5C and owned by China Satcom. 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.

Satellite programmes under procurement

Satellite name	Manufacturer	Geographical coverage	Estimated launch period [1]	Capacity	Operating orbital position
Express-AT1[2]	ISS Reshetnev	Siberia	Q4 2013	19 Ku	56° East
Express-AT2[2]	ISS Reshetnev	Far East Russia	Q4 2013	8 Ku	140° East
EUTELSAT 3B	EADS Astrium	Europe, Africa, Middle East, Central Asia, Latin America	H1 2014	30 Ku / 9 Ka / 12 C	3° East
EUTELSAT 9B	EADS Astrium	Europe, North Africa, Middle East	Q1 2015	60 Ku	9° East
EUTELSAT 8 West B	Thales Alenia Space	Middle East, North Africa, South America	Q3 2015	40 Ku / 10 C	7°/8° West
EUTELSAT 36C[2]	Astrium	Russia, Subsaharian Africa	H2 2015	Up to 52 Ku / 18 Ka	36° East
EUTELSAT 65 West A	Space Systems/Loral Inc.	Latin America	H1 2016	Up to 58 Ku / C / Ka	65° West

(1) A supplementary period of one to two months after the launch date to estimate the satellite's start of operations date.
(2) Satellites in partnership with RSCC. The indicated number of transponders is Eutelsat's transponders only.

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1.5 Management

EXECUTIVE COMMITTEE

The nine members of the Executive Committee of Eutelsat Communications define and implement the Group's strategy whose major directions are reviewed by the Board of Directors.


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1 **MICHEL DE ROSEN**
Chairman
and Chief Executive Officer

2 **MICHEL AZIBERT**
Deputy CEO
Committee Deputy Chairman

3 **ANTOINE CASTAREDE**
Chief Financial Officer
Committee member

4 **JACQUES DUTRONC**
Chief Development
and Innovation Officer
Committee member

5 **ANDREW JORDAN**
Executive Vice-President
Strategic Projects
Committee member

6 **JEAN-FRANÇOIS LEPRINCE RINGUET**
Chief Commercial Officer
Committee member

7 **RAPHAËL MUSSALIAN**
Chief Technical Officer
Committee member

8 **JEAN-LOUIS ROBIN**
Director of Human Resources
and Information Systems
Committee member

9 **EDOUARD SILVERIO**
Group General Counsel
and Company Secretary
Committee member

MANAGEMENT COMMITTEE

The **Management Committee manages** Eutelsat's operating activities. In addition to the members of the Executive Committee, the Management Committee comprises Antonio Arcidiacono, Director of Innovation, Jean-François Bureau, Director of Institutional and International Affairs, Manuel Calvo Serrano, Director of Operations, Francesco Cataldo, Deputy Commercial Officer, Ignacio Gonzalez Nunez, Chief Risk Officer, Bernard Kasstan, Satellite Fleet Manager, Yohann Leroy, Director of Engineering, Jean-Hubert Lenotte Director of Strategy, Vanessa O'Connor, Director of Corporate Communications, Arduino Patacchini, Director of Multimedia and Value-Added Services, Ariane Rossi, Deputy Chief Financial Officer.

1.6 Social and societal responsibility

Eutelsat's people reflect a broad range of expertise and cultures and sit at the heart of the Group's success. They carry out their work across a large and international footprint to meet customer needs and to build lasting relationships with partners and stakeholders. Technological excellence as well as ethical and responsible attitudes underpin Group culture. The main objectives of Eutelsat's human resources policy are to pursue a long tradition of success and innovation, to increase market knowledge in order to improve reaction to new business opportunities, to constantly improve skill sets in anticipation of changing markets and to recruit and build employee loyalty through a stimulating work environment.

Eutelsat grounds its human resources management policy on a long-term vision designed to reinforce a sense of belonging and employee loyalty as well as to attract highly-qualified talent. A number of principles underline this objective: on-going training for almost two out of three employees during the year, a priority towards internal mobility during recruitment processes, fair remuneration packages through annual evaluation procedures, a highlevel of social security cover and an employee company savings scheme with a match funding policy.

Sharing in the growth of the Company is also provided through free share allocation plans for all employees who are in the Group for over three months.

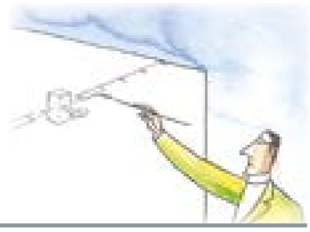
As of 31 December 2012, women represented 31% of Eutelsat S.A.'s workforce. The Group is keen to attract a larger proportion of women to scientific and technical careers, and as such works closely with educational establishments to achieve a better gender balance with the recruitment of engineers and executives. Internal training and promotion also contributes to this objective.

Another key principle of the human resources policy is prevention of all forms of discrimination, along with diversity in terms of age, ethnic origin and professional experience. Eutelsat is a signatory of the Charter of Workplace Diversity and was the first company in the telecommunications sector to sign a Senior Agreement on work-time flexibility. It was also the first French firm to offer employees Solidarity Rounding, an initiative in favour of local employment and small-loan matching by the Company.

Section 3 of this Reference Document describes the Group's environmental, social and societal policy.

Eva Chemng'orem (Kenya) the DStv Eutelsat Star Awards winner 2012 in the poster category visiting Astrium with Eutelsat in Toulouse (France).

See Section 3.3 "Support for teaching science, a major challenge for development".



2.1 Composition of the Board of Directors

The Company was incorporated on 15 February 2005, as a *société par actions simplifiée* (joint-stock company) and was transformed into a *société anonyme* (limited company) with a Board of Directors on 31 August 2005.

As of the filing date of this Reference Document, the Company is managed by a Board of Directors comprising ten Board Members (six of whom are independent). Each Board Member has a four-year renewable term of office.

During the financial year ended 30 June 2013, the composition of the Board of Directors changed as follows:

- the Board of Directors meeting of 30 July 2012 acknowledged the resignation of Abertis Telecom and Abertis Infraestructuras with effect of 25 June 2012 in the extension of the transfer of 7% of the company's share capital by Abertis to CIC;
- the General Meeting of Shareholders, held on 8 November 2012, has appointed Miriem Bensalah Chaqroun and Elisabetta Oliveri as Board Members;
- the Board of Directors meeting of 7 February 2013 acknowledged the resignation of Olivier Rozenfeld and co-opted Ross McInnes to cover his mandate for the remaining period.

At its meeting of 16 September 2013, the Board of Eutelsat Communications was informed by its Chairman, Jean-Martin Folz, that he would not seek to renew his mandate, which expires at the General Assembly of Shareholders of 7 November 2013, in order to respect corporate governance recommendations on multiple directorships by the Afep-Medef. To enable the Board to immediately appoint a successor and to avoid uncertainty during a period of transition, Jean-Martin Folz has resigned as Chairman. He will remain a Board member until the General Assembly. Noting that the recent developments of Eutelsat and the reorganisation of shareholders no longer justifies the separation of the roles of Chairman and CEO, the Board decided to merge the two functions, reverting to the practice in place from 2004 to 2009. The Board subsequently unanimously decided to appoint Michel de Rosen, who has been CEO since 2009, as Chairman and CEO of Eutelsat Communications.

The composition of the Board of Directors as of the filing date of this Reference Document is shown in the table below:

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
Jean-Martin Folz **Eutelsat Communications** 70, rue Balard 75015 Paris	Board Member, Chairman of the Board of Directors (until 16 September 2013)	*First appointment/ Co-opting:* 8 November 2011	*Current offices and functions:* In France: • Board Member and Chairman of the Board of Directors of Eutelsat S.A. (until 16 September 2013).	*Current offices and functions:* In France: • Board Member of Alstom • Board Member of Axa • Board Member of Saint-Gobain • Board Member of Société Générale Outside France: • Board Member of Solvay (Belgium)
		Expiry date of office: General Meeting to be held to approve the accounts for the financial year ending 30 June 2013	*Offices and functions having expired:* None	*Offices and functions having expired:* In France: • Board Member of Carrefour
Michel de Rosen **Eutelsat Communications** 70, rue Balard 75015 Paris	Board Member, Chief Executive Officer and Chairman of the Board of Directors (since 16 September 2013)	*First appointment/ Co-opting:* 9 November 2009	*Current offices and functions:* In France: • CEO and Board Member (Chairman of the Board of Directors since 16 September 2013) 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)	*Current offices and functions:* Outside France: • Board Member of Hispasat S.A. (Spain) • Board Member of Solaris Mobile Ltd (Ireland) • 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)	*Offices and functions having expired:* In France: • CEO of SGD Outside France: • CEO of Viro-Pharma (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
Lord John Birt **Eutelsat Communications** 70, rue Balard 75015 Paris	Vice President, Board of directors	*First appointment/ Co-opting:* 10 November 2006	*Current offices and functions:* None	*Current offices and functions:* Outside France: • Non-executive Director of Infinis Ltd (United Kingdom) • Non-executive Director of Shopvolution (United Kingdom) • Chairman of Paypal Europe (Luxemburg) • Chairman of Terra Firma Investor Advisory Board (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)
Jean-Paul Brillaud **Eutelsat Communications** 70, rue Balard 75015 Paris	Board Member	*First appointment/ Co-opting:* 8 November 2011	*Current offices and functions:* In France: • Board Member of Eutelsat S.A.	*Current offices and functions:* None
		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:* 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)	*Offices and functions having expired:* Outside France: • Board Member of Hispasat S.A. (Spain) • Board Member of Solaris Mobile Ltd (Ireland)
***Fonds Stratégique d'Investissement* (since 12 July 2013 Bpifrance Participations)** **Represented by: Thomas Devedjian** 56, rue de Lille 75007 Paris	Board Member	*First appointment/ Co-opting:* 17 February 2011	*Current offices and functions of the permanent representative, Mr. Thomas Devedjian:* In France: • Permanent representative of the *Fonds Stratégique d'Investissement* (since 12 July 2013 Bpifrance Participations), Board Member of Eutelsat S.A.	*Current offices and functions of the permanent representative, Mr. Thomas Devedjian:* In France: • Permanent representative of *Fonds Stratégique d'Investissement* (since 12 July 2013 Bpifrance Participations) • Board Member of Eramet • Board Member of Paprec • Observer at the Board of CMA-CGM • Board Member and Member of the Executive Committee of *Fonds Stratégique d'Investissement* (since 12 July 2013 Bpifrance Participations)
		Expiry date of office: General Meeting to be held to approve the accounts for the financial year ending 30 June 2014	*Offices and functions of the permanent representative, Mr. Thomas Devedjian, having expired:* None	*Office and functions of the permanent representative Mr. Thomas Devedjian having expired:* In France: • Permanent representative of *Fonds Stratégique d'Investissement* (since 12 July 2013 Bpifrance Participations), Board Member of Novasep • Member of the Supervisory Board of Holding d'Infrastructures des Métiers de l'Environnement (HIME) Outside France: • Member of the Supervisory Board of Apcoa (Germany)

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: • 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: • President 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 2013	*Offices and functions having expired:* None	*Offices and functions having expired:* In France: • Member of the Supervisory Board of Cofitel • CEO of CWT France • Chairman of the Supervisory Board of Jet Multimédia • Chairman of the Supervisory Board of Adeuza • Board Member of So Ouat

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
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 Outside France: • Board Member of Naxos UK (United Kingdom) • Board Member of Amyris (USA) • Board Member of Big Red (USA) • Board Member of Elevance (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:* 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:* In France: None 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 Council (MBBC) • Member of the Young President's Organization (YPO) • President of the Confédération Générale des Entreprises du Maroc (CGEM)
		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:* • Director of the Mohammed V Foundation for Environmental Protection • Member of the Board of the Social Development Agency (ADS)

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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:* In France: None Outside France: • CEO of Gruppo Fabbri Vignola (Italy) • Board Member of Gruppo Editoriale L'Espresso (Italy) • Board Member of Azienda Trasporti Milano (Italy) • Board Member of SNAM (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:* In France: None Outside France: • CEO and Board Member of Sirti S.p.A. (Italy) • CEO and Board Member of SEIRT SA (Italy)
Ross McInness 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: • Deputy CEO of Safran • Board Member of Aircelle • Board Member of Turbomeca • Board Member of Messier-Bugatti-Dowty • Board Member of Morpho • Board Member of Snecma • Board Member and Chairman of the Audit Committee of Faurecia • Board Member of Financière du Planier • Permanent Representative of Santé Europe Investissements SARL at the Board of Directors and Member of the Audit Committee of Générale de Santé Outside France: • Board Member of Safran USA, Inc. (USA) • Permanent Representative of Établissements Vallaroche at the Board of Directors of Soreval (Luxemburg) • Permanent Representative of Santé Europe Investissements SARL at the Board of Directors of Santé SA (Luxemburg)

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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
Ross McInness		*Expiry date of office:* General Meeting to be held to approve the accounts for the financial year ending 30 June 2014	*Offices and functions having expired:* None	*Offices and functions having expired:* In France: • Board Member of Sagem Défense Sécurité • Board Member of Vallaroche Conseil • Permanent Representative of Safran at the Board of Directors of Établissements Vallaroche • Member of the Advisory Board 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 • 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-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 Outside France: • 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)

BOARD MEMBERS AT 30 JUNE 2013

Jean-Martin Folz (DoB: 11 January 1947—66 years old), a French national. J.-M. Folz is a graduate of France's *École Polytechnique* and the *École des Mines*. He began his career in the French administration where he served in various ministries from 1972 to 1978 before joining Rhône-Poulenc as plant manager and later Executive Vice President of the Chemical Specialities Division. In 1984 he became Chairman and Chief Executive Officer of Jeumont-Schneider. He joined Péchiney in 1987 as Chief Operating Officer before becoming Chairman of Carbone Lorraine (now Mersen). He was Chief Executive Officer of Eridania Béghin-Say from 1991 to 1995. In 1995, J.-M. Folz joined PSA Peugeot-Citroën and served as the Group's CEO from 1997 until February 2007. He was Chairman of AFEP (the French association of private companies) from 2007 to 2010. His current Board Memberships include Alstom, AXA, Saint-Gobain, Société Générale and Solvay (Belgium).

Michel de Rosen (DoB: 18 February 1951—62 years old), a French national, joined Eutelsat Communications on 1 July 2009 as Deputy Chief Executive Officer, before being appointed as Chief Executive Officer by the Board of Directors on 9 November 2009 and Board Member of the Company by the Eutelsat Communications General Meeting of Shareholders held on the same date. As of 16 September 2013, he was appointed as Chairman and Chief Executive Officer of Eutelsat Communications. In parallel, M. de Rosen was appointed CEO of Eutelsat S.A. by the Board of Directors of Eutelsat S.A. on 10 November 2009 and Board Member of Eutelsat S.A. by the Eutelsat S.A. General Meeting of Shareholders on the same day. M. de Rosen graduated from the French *Hautes Études Commerciales* (HEC) Business School and the *École Nationale d'Administration* (ENA). He began his career in the French *Inspection générale des finances*. He was a member of the Minister of Defence's office from 1980 to 1981 and then Chief of Staff for the Minister for Industry and Telecommunications from 1986 to 1988. In the Rhône-Poulenc Group, M. de Rosen was CEO of Pharmuka (1983-1986), CEO of Rhône-Poulenc Fibres and Polymères (1988-1993), then Chairman and CEO of Rhône Poulenc Rorer (United States, 1993-1999). From 2000 to 2008, M. de Rosen was CEO of the American company Viro-Pharma before returning to France in 2008 as Chairman and CEO of the company SGD.

Lord John Birt (DoB: 10 December 1944—68 years old), a British national, served as Director General of the BBC (1992-2000) then as a Strategy Adviser to the British Prime Minister, Tony Blair (2000-2005). He was also Chairman of Waste Recycling Group (2006), Infinis Ltd (2006-2007) and Maltby Capital Ltd (2007-2010). He worked as an adviser to McKinsey (2000-2005) and Capgemini (2005-2010). He is currently Chairman of Terra Firma's Investor Advisory Board and Chairman of Paypal Europe. Lord Birt is a graduate of Oxford University. He has been a Director of Infinis since 2007.

Jean-Paul Brillaud (DoB: 29 October 1950—62 years old), a French national. Before being appointed a Board Member, J.-M. Brillaud joined the Group in 1999 as Director of Strategic Affairs and Institutional Relationships. J.-M. Brillaud was appointed to the Eutelsat S.A. Management Board in 2001 and served as Deputy Chief Executive Officer of the Company and of Eutelsat S.A. between 2005 and 2011. During his career with the Company, he oversaw the transformation of Eutelsat from an international organisation to a limited company ("*société anonyme*"), led its strategic development and steered it through the IPO process. Before joining the Group, Jean-Paul Brillaud was Deputy Director of Space Telecommunications at France Télécom where he was notably responsible for managing France Télécom's space segment investments and for the operations of the satellite communications centre. He began his career with the CNET (*Centre National d'Études des Télécommunications* – Centre for Telecommunications Research). Jean-Paul Brillaud is a graduate of the *École Nationale Supérieure des Télécommunications*.

Fonds Stratégique d'Investissement (since 12 July 2013: Bpifrance Participations) is currently represented by T. Devedjian (DoB: 16 June 1971—42 years old). T. Devedjian, a French national, is a graduate of the Paris *Institut d'Études Politiques* (IEP) and of the French *Hautes Études Commerciales* (HEC) Business School, and a graduate in law and alumnus of the *École Nationale d'Administration* (ENA) (Cyrano de Bergerac, 1997-1999 promotion). T. Devedjian was a civil administrator (1999) at the Ministry of Economy, Finance and Industry and Deputy Director of the external agriculture policy (1999-2001), credit-assurance (2001-2002) and External Economic Relations departments before becoming Deputy Director of the Energy, Telecommunications and Commodities office of the Treasury Department (2002-2004). He also served as technical Adviser to the Cabinets of Nicolas Sarkozy (2004), Hervé Gaymard (2004-2005) and Thierry Breton (2005-2006) (successive French Ministers of Economy, Finance and Industry). He was Associate Director of Eurazeo investing (2006-2009), and has been a Director and member of the Executive Committee of the *Fonds Stratégique d'Investissement* (FSI, Caisse des Dépôts et Consignations group) since 2009. He is Board Member of Eramet, Paprec and Observer at the Board of CMA-CGM. On 12 July, 2013, FSI will become an entity of Bpifrance (50% CDC and 50% French State) and will be renamed Bpifrance Participations. Thomas Devedjian will be a Director and member of the Executive Committee.

Bertrand Mabille (DoB: 18 March 1964—49 years old), a French national, has been Chief Executive Officer of Carlson Wagonlit France since October 2008 and, since March 2012, Executive Vice President France and Mediterranean for CWT. He was briefly Chairman of the Supervisory Board of Jet Multimedia in late 2008, after having been successively Chief Executive Officer of SFR Entreprises in 2005 and Director of Strategy and Regulatory Affairs for the SFR Cegetel Group since 2003. From 2000 to 2003, he worked for Thomson as the Group Director for Strategic Partnerships, then Chairman and Chief Executive Officer of Nextream, a joint subsidiary of Thomson and Alcatel. From 1995 to 2000, B. Mabille worked for the French Prime Minister's office. B. Mabille is a graduate of the *École Normale Supérieure* and the *École Nationale Supérieure des Télécommunications*.

Carole Piwnica (DoB: 12 February 1958—55 years old), a Belgian national and a graduate in law from the *Université Libre de Bruxelles* (Belgium), holds a Masters degree in Law from New York University and is a member of the Paris and New York Bars. After a career with several international law firms, C. Piwnica is currently a Board Member of Naxos UK (private equity firm) and a member of the Boards of Sanofi (healthcare), Louis Delhaize (retail) and Amyris Inc (industrial biotechnology). Prior to that, C. Piwnica was notably Chairman of the Board of Directors of Amylum Group, Board Member and Vice Chairman (regulatory affairs) of Tate & Lyle Plc (food ingredients) and Board Member of Dairy Crest Group Plc (food). She also served as a member of the Compensation Committee and Chairperson of the "Social Responsibility" Committee of the Aviva Plc Board of Directors, as well as Board Member of Louis Delhaize (retail).

Miriem Bensalah Chaqroun (DoB: 14 November 1962 - 51 years old), a Moroccan national, graduated from ESC Paris and is the holder of an MBA in International Trade and Finance from the University of Dallas (USA). She began her career at *Société Marocaine de Dépôt et Crédit* (SMDC) in the Securities Department. In 1990, she joined Holmarcom Group, where she currently sits at the Board, and she is the CEO of the subsidiary *Eaux minérales d'Oulmès*. She is also Director and

Chairwoman of the Audit Committee of Bank Al Maghrib and Director of the Morroco Central Bank. M. Bensalah Chaqroun is also Director of the Mohammed VI Foundation, Chairwoman of the Euro-mediterranean Board for Mediation and Arbitration, member of the Arab Business Council (ABC), member of the Management Board of the Moroccan British Business Council (MBBC), member of the Young President's Organization (YPO). She has been, since May 2012, the President of the *Confédération Générale des Entreprises du Maroc* (CGEM), the Moroccan employers' federation, and she is the first woman ever performing this function.

Elisabetta Oliveri (DoB: 25 October 1963—49 years old), an Italian national, holds a Master degree in Electronics Engineering from the University of Genova (Italy). She started her career as Project Manager successively at Digital Equipment and Automa. From 1991 to 2002, she worked for Marconi S.p.A., the Italian company of Marconi Group Plc, specialized in telecommunications for military and civil markets in Italy and abroad, as Project and Test Manager, and then as Business Development Manager. She then moved to the SIRTI group, which is the Italian leader in network engineering, of which she became the General Manager in 2003 and the CEO in 2008. Since September 2011, E. Oliveri has been working with the Italian Group Fabbri Vignola, leader in the food stretch packaging sector; she was appointed as CEO in September 2012. E. Oliveri also holds Directorships in Gruppo Editoriale L'Espresso (2012), Azienda Trasporti Milano (2011) and SNAM (ENI group, 2010).

Ross McInnes (DoB: 8 March 1954 – 59 years old) holds both French and Australian citizenship. After graduating from Oxford, Ross started his career with Kleinwort Benson Bank in London, then in Rio de Janeiro. In 1980, he joined the corporate finance arm of Continental Bank (which became part of Bank of America), where he held several positions as Vice-President, working in Chicago and Paris. In 1989, Ross McInnes moved to the industrial sector by joining large international groups such as Ferruzzi Corporation of America as Chief Financial Officer. The group included Eridania Beghin-Say, where he became Chief Financial Officer in 1991 and later a member of the Board of Directors in 1999. The following year, he moved to Thomson-CSF (now Thales) as Senior Vice President and CFO, playing a major role in the company's transformation. In 2005, he was appointed Executive Vice President of Finance for the PPR Group (Pinault-Printemps-La Redoute) before joining the Supervisory Board of Générale de Santé in 2006. On request from the Supervisory Board, he served as interim Chairman of the Management Board from March to June 2007. He then served as Vice Chairman of Macquarie Capital Europe, a company specialised in infrastructure investments. In March 2009, Ross McInnes joined the Safran Group as Adviser to the Chairman of the Management Board, before becoming Executive Vice President of Economics and Finance in June 2009. He served as a member of the Management Board between July 2009 and April 2011. On 21 April 2011, he was appointed Deputy Chief Executive Officer in charge of Finance at Safran.

BOARD MEMBERS AT 30 JUNE 2013 WHOSE TERMS OF OFFICE EXPIRE AT THE GENERAL MEETING OF SHAREHOLDERS APPROVING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

The terms of office of Mr. Jean-Martin Folz and Mr. Bertrand Mabille have expired at the General Meeting held to approve the accounts for the financial year ending 30 June 2013. The draft resolutions adopted by the Board of Directors of the company on 16 September 2013, and to be submitted for approval on 7 November 2013, provide to renew the term of offices of Mr. Bertrand Mabille for a further 4 years. As Mr. Jean-Martin Folz is not applying for the renewal of his office, the Board of Directors did not submit any draft resolution accordingly to the General Meeting.

BOARD MEMBERS RESIGNING DURING THE FINANCIAL YEAR ENDED 30 JUNE 2013

Olivier Rozenfeld (DoB: 24 November 1970—42 years old), a Belgian national, began his career at Merrill Lynch in the Investment Banking department where he was involved in various privatization programmes before joining the team at Goldman Sachs as head of primary issues in New York and Hong Kong. O. Rozenfeld served as CFO of the Iliad group between January 2001 and January 2008. He is a Board Member of the Iliad group and of OpenERP in Belgium. Olivier Rozenfeld has also been a member of the Supervisory Board of LowendalMasaï. He is a graduate of the Solvay Business School (Belgium).

OBSERVER (*CENSEUR*) WITHIN THE BOARD OF DIRECTORS

Pursuant to the Letter-Agreement between the Company and Eutelsat IGO and the Company's By-laws, Mr. Christian Roisse, Executive Secretary of Eutelsat IGO, sits on the Board of Directors as an observer (*censeur*).

Finally, pursuant to its policy aimed at improving labour relations within the Group, in a previous financial year, the Company entered into an agreement with the Work council of its operating subsidiary, Eutelsat S.A., under which the two representatives of the Eutelsat S.A. Work council on the Board of Directors of Eutelsat S.A. are invited to attend the meetings of the Board of Directors of the Company and are provided with the same information as the Board Members of the Company.

2.2 Key management personnel

As of the filing date of this Reference Document, the Company's key management personnel were as follows:

Surname, first name, business address	Office	Date of first appointment and expiry date of office	Other offices and positions held within the Eutelsat Group over the past 5 years	Offices and positions held outside the Eutelsat Group over the past 5 years
Michel de Rosen **Eutelsat Communications** 70, rue Balard 75015 Paris	Board Member, Chief Executive Officer and Chairman of the Board of Directors (since 16 September 2013)	*First appointment/ Co-opting:* 9 November 2009	*Current offices and functions:* In France: • CEO and Board Member (Chairman of the Board of Directors since 16 September 2013) of Eutelsat S.A. • Representative of Eutelsat S.A., Chairman of Eutelsat VAS S.A.S. Outside France: • Chairman of the Board and Board Member of Eutelsat Inc. (USA) • Board Member of Eutelsat International Ltd (Cyprus)	*Current offices and functions:* Outside France: • Board Member of Hispasat S.A. (Spain) • Board Member of ABB Ltd (Switzerland) • Board Member of Solaris Mobile Ltd (Ireland)
		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. • Board member of Skylogic S.p.A. (Italy)	*Offices and functions having expired:* In France: • Chairman and CEO of SGD Outside France: • CEO of Viro-Pharma (USA)
Michel Azibert **Eutelsat Communications** 70, rue Balard 75015 Paris	Deputy CEO	*First appointment:* 28 July 2011 (effective 1 September 2011)	*Current offices and functions:* In France: • Deputy CEO of Eutelsat S.A. Outside France: • Member of the Advisory Board of Eutelsat Services & Beteiligungen GmbH (Germany) • Board Member of Eutelsat Inc. (USA)	*Current offices and functions:* Outside France: • Board Member of Hispasat (Spain) • Board Member of Solaris Mobile Ltd (Ireland)
		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	*Offices and functions having expired:* In France: • Deputy CEO of TDF (2007-August 2011) • Board Member of Mediamobile, subsidiary of TDF Outside France: • Board Member of Digita (Finland) • Board Member of Media Broadcast (Gemany) • Board Member of Levira (Estonia) • Board Member of Antenna Hungária (Hungaria) • Board Member of Axión (Spain)

2.3 Compensation and benefits

2.3.1 COMPENSATION AND OTHER BENEFITS PAID TO THE COMPANY'S CORPORATE OFFICERS ("MANDATAIRES SOCIAUX") AND SENIOR MANAGEMENT

All standardised information as laid down in the Afep-Medef recommendations of June 2013 is presented in Chapters 2 and 3 of this Reference Document.

Pursuant to the Afep-Medef Code, the compensation package awarded to Corporate Officers as described below shall be submitted to an advisory vote by shareholders at the Annual General Meeting of Shareholders to be held on 7 November 2013.

The following table presents a summary of compensation and stock/purchase options or free shares granted to Executive Directors and Corporate Officers during the financial years ended 30 June 2012 and 2013:

SUMMARY OF COMPENSATION AND BENEFITS PAID TO EXECUTIVE DIRECTORS AND CORPORATE OFFICERS (TABLE 1 – AMF RECOMMENDATION)

(in euros)	Financial year 2011-2012	Financial year 2012-2013
M. de Rosen **Chief Executive Officer, Chairman of the Board of Directors (since 16 September 2013)**		
Compensation (see table 2 for details)	570,624	712,932
Valuation of options granted during the financial year	N/A	N/A
Valuation of performance shares granted during the financial year	1,242,179	446,125
Total	**1,812,803**	**1,159,057**
M. Azibert **Deputy CEO (since 5 September 2011)**		
Compensation (see table 2 for details)	362,033	497,874
Valuation of options granted during the financial year 2012-2013	N/A	N/A
Valuation of performance shares granted during the financial year 2012-2013	764,418	275,174
Total	**1,126,451**	**773,048**

The following table summarises the compensation paid to Executive Directors and Corporate Officers during the financial years ended 30 June 2012 and 2013:

SUMMARY OF COMPENSATION PAID TO EACH EXECUTIVE AND NON-EXECUTIVE DIRECTOR (TABLE 2 – AMF RECOMMENDATION)

	Financial year 2011-2012		Financial year 2012-2013	
(in euros)	Amounts payable	Amounts paid	Amounts payable	Amounts paid
M. de Rosen **CEO (since November 2009), Chairman of the Board of Directors (since 16 September 2013)**				
Fixed salary	400,000	400,000	400,000	400,000
Variable portion of compensation	170,624	353,227	312,932	170,624
Attendance fees	N/A	N/A	N/A	N/A
Benefits in kind	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Total	**570,624**	**753,227**	**712,932**	**570,624**
M. Azibert **Deputy CEO (since 5 September 2011)**				
Fixed salary	264,243	264,243	320,000	320,000
Variable portion of compensation	95,844	N/A	172,456	95,844
Attendance fees	N/A	N/A	N/A	N/A
Benefits in kind	1,946	1,946	5,418	5,418
Exceptional compensation	N/A	N/A	N/A	N/A
Total	**362,033**	**266,189**	**497,874**	**421,262**

M. DE ROSEN'S COMPENSATION

Fixed salary

The amount of M. de Rosen's fixed salary as determined for the financial year ended 30 June 2013 corresponds to the total compensation paid by Eutelsat Communications in respect of his duties as Chief Executive Officer of Eutelsat Communications.

M. de Rosen has waived the attendance fees which would have been paid to him in his capacity as a Board Member.

Variable portion of compensation

The variable portion of M. de Rosen's compensation paid during the last financial years consisted of a bonus whose amount depends on the achievement of objectives based on the Company's performance by direct reference to a set of predetermined financial metrics and qualitative targets. This amounted to 170,624 euros in respect of the financial year ended 30 June 2012 and was paid during the first half of the financial year ended 30 June 2013. The bonus amounted to 312,932 euros in respect of the financial year ended 30 June 2013 and was paid during the first half of the financial year ending 30 June 2014.

M. AZIBERT'S COMPENSATION

Fixed salary

The amount of M. Azibert fixed salary as determined for the financial year ended 30 June 2013 corresponds to the total compensation paid by Eutelsat Communications in respect of his duties as Deputy Chief Executive Officer of Eutelsat Communications.

Variable portion of compensation

The variable portion of M. Azibert's compensation paid during the last financial years consisted of a bonus whose amount depends on the achievement of objectives based on the Company's performance by direct reference to a set of predetermined financial metrics and qualitative targets. This amounted to 95,844 euros in respect of the financial year ended 30 June 2012 and was paid during the first half of the financial year ended 30 June 2013. The bonus amounted to 172,456 euros in respect of the financial year ended 30 June 2013 and was paid during the first half of the financial year ending 30 June 2014.

Benefits in kind

The amount of the benefits in kind for M. Azibert in respect to the financial year ended 30 June 2013 corresponds to a company car.

EVALUATION CRITERIA FOR THE VARIABLE PORTION OF COMPENSATION

The variable compensation of Executive Corporate Officers can vary between 0 and 105% of the fixed salary for M. de Rosen and between 0 and 70% of the fixed salary of M. Azibert. This variable compensation is granted fully on the basis of quantitative performance criteria (representing 52% for M. de Rosen and 50% for M. Azibert), such as revenues (for 30%), EBITDA (for 40%) and net income (for 30%), and qualitative performance criteria (representing 48% for M. de Rosen and 50% for M. Azibert). Moreover, at its meeting on 10 December 2008, the Board of Directors decided to adopt and apply the Afep-Medef guidelines regarding the compensation of Corporate Officers.

The degree of fulfilment of the evaluation criteria was accurately established. However, it was not made public for confidentiality reasons.

ATTENDANCE FEES AND OTHER FORMS OF COMPENSATION RECEIVED BY NON-EXECUTIVE DIRECTORS AND CORPORATE OFFICERS (TABLE 3 – AMF RECOMMENDATION)

The following table lists the gross amount of the attendance fees and other forms of compensation corresponding to the amounts payable to non-Executive Directors and Corporate Officers during the financial years ended 30 June 2012 and 30 June 2013 by the Company and by the companies it controls. Attendance fees payable in respect to the financial year 2012-2013 and paid 1 July 2013 have been indicated in the column named "Financial Year 2012-2013".

Members of the Board of Directors (non-Executive Directors)	Financial year 2011-2012 (in euros)	Financial year 2012-2013 (in euros)
J.-M. Folz Chairman (since 8 November 2011 and until 16 September 2013)	**48,150**	**74,000**
Attendance fees	48,150	74,000
Other forms of compensation	0	0
J.-P. Brillaud Board Member (since 8 November 2011)	**40,100**	**44,000**
Attendance fees	40,100	44,000
Other forms of compensation	0	0
Lord J. Birt Board Member	**101,200**	**82,617**
Attendance fees	101,200	82,617
Other forms of compensation	0	0

Members of the Board of Directors (non-Executive Directors)	Financial year 2011-2012 (in euros)	Financial year 2012-2013 (in euros)
Fonds Stratégique d'Investissement **Board Member, represented by T. Devedjian**	**74,000**	**50,000**
Attendance fees	74,000	50,000
Other forms of compensation	0	0
B. Mabille Board Member	**57,000**	**59,000**
Attendance fees	57,000	59,000
Other forms of compensation	0	0
Abertis Infraestructuras Board Member, represented by F. Reynes (until 25 June 2012)	**23,100**	**7,100**
Attendance fees	23,100	7,100
Other forms of compensation	0	0
O. Rozenfeld Board Member (until 7 February 2013)	**63,025**	**63,875**
Attendance fees	63,025	63,875
Other forms of compensation	0	0
C. Piwnica Board Member	**104,000**	**76,000**
Attendance fees	104,000	76,000
Other forms of compensation	0	0
Abertis Telecom Board Member, represented by M. Casas Caba (until 25 June 2012)	**34,250**	**10,000**
Attendance fees	34,250	10,000
Other forms of compensation	0	0
E. Oliveri Board Member (since 8 November 2012)	**NA**	**31,661**
Attendance fees	NA	31,661
Other forms of compensation	NA	0
M. Bensalah Chaqroun Board Member (since 8 November 2012)	**NA**	**31,661**
Attendance fees	NA	31,661
Other forms of compensation	NA	0
R. McInnes Board Member (since 7 February 2013)	**NA**	**22,590**
Attendance fees	NA	22,590
Other forms of compensation	NA	0
Total	**782,937**	**552,504**

The General Meeting of Shareholders of 8 November 2011 maintained at 855,000 euros the amount of attendance fees to be paid to Directors for participating in the meetings of the Board of Directors and those of the specialised committees of the Board for the financial year 2011-2012, and for all financial years thereafter until a new decision by the Meeting. The General Meeting of Shareholders of 8 November 2012 did not change this decision for the financial year 2012-2013. Consequently, the amount of the attendance fees reconfirmed during the last General Meeting of Shareholders is currently 855,000 euros.

In the same way, the draft resolutions adopted by the Company's Board of Directors on 30 July 2013 to be submitted for approval by shareholders during the General Meeting of Shareholders on 7 November 2013 does not plan to modify this amount.

The allocation rules governing attendance fees are as follows:

- Board of Directors:
  - annual fixed portion of 30,000 euros per Board Member (increased to 45,000 euros for the Vice Chairman of the Board of Directors and 60,000 euros for the Chairman);
  - additional amount of 10,000 euros for each Board Member who is not a French citizen and who resides outside of France;
  - variable portion of 2,000 euros per Board Member for each Board meeting attended, with a maximum of 15,000 euros per year.
- Audit Committee:
  - annual fixed portion of 10,000 euros per Committee member (increased to 20,000 euros for the Committee's Chairman);
  - variable portion of 1,000 euros per Committee member for each Audit Committee meeting attended, with a maximum of 3,000 euros per year.
- Governance, Selection and Remuneration Committee:
  - annual fixed portion of 5,000 euros per Committee member (increased to 10,000 euros for the Committee's Chairman);
  - variable portion of 1,000 euros per member for each GSRC Committee attended, with a maximum of 3,000 euros per year.

The Chief Executive Officer has waived his right to perceive attendance fees.

Attendance fees due to Board Members will be paid annually at the end of the financial year.

STOCK OPTIONS OR STOCK PURCHASE OPTIONS (TABLES 4 AND 5 – AMF RECOMMENDATION)

The Company did not put in place any stock options or stock purchase plans during the financial years ended 30 June 2011, 2012 and 2013.

Note however that, during earlier financial years, the operating subsidiary Eutelsat S.A. had put in place stock options and stock purchase plans.

As of the filing date of this Reference Document, none of the Corporate Officers or their related parties held any Eutelsat S.A. stock options or stock purchase plans.

FREE SHARE ALLOCATION

Free Share Allocation Plan of 1 February 2010

On 1 February 2010, the Board of Directors approved a new plan for the allocation of free shares to all employees of the Group, including Corporate Officers, 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 and that they hold the shares for a further two-year period dating from the vesting date of the shares.

The characteristics of this plan are as follows:

- firstly, the grant of 600 shares per beneficiary is conditional upon the attainment of performance objectives over three financial years ending 30 June 2012, with 50% linked to a target cumulative EBITDA[1] and the remaining 50% linked to an average ROCE[2] target;
- secondly, the grant of 368,200 shares to managers and Corporate Officers is conditional upon the achievement, over the same three financial periods, of one 25% objective based on cumulative EBITDA[1], one 25% objective based on average ROCE[2], one 25% objective linked to cumulative EPS[3], and one 25% TSR-linked[4], objective.

The respective annual performance objectives were reached as of 30 June 2010, 30 June 2011 and 30 June 2012. 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, M. de Rosen was definitively allocated 55,617 free shares on 2 February 2013. These shares are subject to a retention period of two years, as of the date of the final allocation of shares.

These shares are subject to 2-year lock-up period from the date of their definitive grant. Furthermore, in application of the Afep-Medef recommendation with respect to the disposal of shares by Corporate Officers, M. de Rosen has to keep 50% of the vested shares until the end of his term of office.

Free Share Allocation Plan of 28 July 2011

On 28 July 2011, the Company's Board of Directors approved a new free share allocation plan for all employees of the Group, including Corporate Officers ("mandataires sociaux"), representing a maximum of 700,000 shares and decided that this allocation plan should be implemented through the distribution of previously-repurchased shares. The definitive granting of these shares is subject to presence and performance conditions: beneficiaries in the French companies must still be in their employ for three years as of the allocation date; for beneficiaries in the non-French subsidiaries, this period is four years as of the afore-mentioned allocation date. Furthermore, beneficiaries in the French companies must hold the shares for a further two-year period dating from the vesting date of the shares.

The characteristics of this plan are as follows:

- firstly, the grant of 600 shares per beneficiary is 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 remaining 50% linked to an average ROCE target;
- secondly, the grant of 327,140 shares to managers and Corporate Officers is 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 based on the Group's consolidated financial statements. The definitive granting of these shares will take place as of 29 July 2014, subject to achievement of the performance objectives.

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(1) EBITDA is defined as operating income before depreciation, amortisation and other operating income/expenses.
(2) ROCE is Return on Capital Employed = operating result x (1 - corporate income tax)/(shareholders' equity - net debt - goodwill).
(3) EPS is defined as the Group's net earnings per share.
(4) 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).

As a result, as of 30 June 2013, 588 beneficiaries of the Group fulfilling 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 could be entitled to a total of 52,000 shares and M. Azibert to 32,000 shares. In application of the Afep-Medef recommendation with respect to the disposal of shares by Corporate Officers, the latter will have to keep 50% of the vested shares until the end of their terms of office.

Free Share Allocation Plan of 8 November 2012

On 8 November 2012, the Board of Directors approved a new plan for the allocation of free shares to all employees of the Group, including Corporate Officers, 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:

- firstly, 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;
- secondly, the grant of 205,530 shares to managers and Corporate Officers, 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 9 November 2015 subject to achievement of the performance objectives.

As of 30 June 2013, 693 employees of the Group who fulfilled the conditions for eligibility received a letter notifying them that they had been granted a minimum of 200 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, may be entitled to a maximum of 20,900 free shares and M. Azibert may be entitled to a maximum of 12,900 free shares. In application of the Afep-Medef recommendation with respect to the disposal of shares by Corporate Officers, the latter will have to keep 50% of the vested shares until the end of their term of office.

PERFORMANCE SHARES GRANTED TO EXECUTIVE DIRECTORS AND CORPORATE OFFICERS (TABLE 6 – AMF RECOMMENDATION)

Performance shares granted during the financial year 2012-2013

Performance shares definitively 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 during the financial year ended 30 June 2013	Valuation of shares based on method used for the consolidated financial statements (in euros)	Date of vesting	Availability date	Performance plan conditions
Michel de Rosen Chief Executive Officer, Chairman of the Board of Directors (since 16 September 2013)	8 November 2012 for 3 years	20,900	446,125	9 November 2015	9 November 2017	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 net Group earnings for one share and 25% of grant based on a TSR objective
M. Azibert Deputy CEO	8 November 2012 for 3 years	12,900	275,174	9 November 2015	9 November 2017	
Total		**33,800**	**721,298**			

PERFORMANCE SHARES AVAILABLE TO CORPORATE OFFICERS (TABLE 7 – AMF RECOMMENDATION)

Performance shares granted during the financial year 2012-2013

Performance shares made available to Corporate Officers during the financial year ended 30 June 2013	Date of plan	Number of shares made available during the financial year ended 30 June 2013	Vesting conditions
Michel de Rosen **Chief Executive Officer,** **Chairman of the Board of Directors** **(since 16 September 2013)**	Date: 1 February 2010	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 net Group earnings for one share and 25% of grant based on a TSR objective
Total		**55,617**	

HISTORY OF GRANTS OF PERFORMANCE SHARES TO CORPORATE OFFICERS (TABLE 9 – AFEP/MEDEF RECOMMENDATION)

	Plan no. 1	Plan no. 2	Plan no. 3
Date of the Board of Directors meeting	1 February 2010	28 July 2011	8 November 2012
Total number of options granted	700,000	700,000	347,530
• to Corporate Officers	66,952	84,000	33,800
to Michel de Rosen	66,952	52,000	20,900
to Michel Azibert	None	32,000	12,900
Date of vesting	2 February 2013	29 July 2014	9 November 2015
Date available	2 February 2015	29 July 2016	9 November 2017
Performance plan conditions (for 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 net Group earnings per share and 25% 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 net Group earnings per share and 25% of grant based on a 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 net Group earnings per share and 25% of grant based on a TSR objective
Vested shares at 30 June 2013	536,091	-	-
Cumulated number of cancelled or outdated shares	163,909	-	-
Performance shares remaining at financial year-end	-	700,000	347,530

2.3.2 COMPENSATION AND OTHER BENEFITS PAYABLE OR LIKELY TO BE PAYABLE AS A RESULT OF OR FOLLOWING THE TERMINATION OF OFFICE OF THE GROUP'S SENIOR EXECUTIVES

Corporate officers did not receive any supplementary pension or termination benefit.

EMPLOYMENT CONTRACT AND PENSIONS (TABLE 10 – AMF RECOMMENDATION)

	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
J-M. Folz[1] **Board Member, Chairman of the Board (until 16 September 2013)** Appointed 8 November 2011 End of office: General Meeting approving the financial statements for the financial year ending 30 June 2013		X[1]		X		X		X
M. de Rosen **Chief Executive Officer, Chairman of the Board of Directors (since 16 September 2013)** Appointed 10 November 2009 End of office: General Meeting approving the financial statements for the financial year ending 30 June 2016		X[2]		X		X		X
M. Azibert **Deputy Chief Executive Officer** Appointed 5 September 2011		X[3]		X		X		X

(1) M. Folz was appointed Chairman of the Board of Directors of the Company at Eutelsat Communications' Annual General Meeting held on 8 November 2011. He has no employment contract with any affiliate of the Eutelsat Group.
(2) M. de Rosen has no employment contract with any affiliate of the Eutelsat Group.
(3) M. Azibert has no employment contract with any affiliate of the Eutelsat Group.

2.3.3 SHAREHOLDING IN THE COMPANY CAPITAL OF ADMINISTRATIVE AND MANAGEMENT MEMBERS

Number of shares Eutelsat Communications S.A. held	30 June 2012	30 June 2013
Jean-Martin Folz Chairman of the Board (until 16 September 2013)	2,000	2,000
Michel de Rosen Chief Executive Officer, Chairman of the Board of Directors (since 16 September 2013)	4,597	68,759
Bertrand Mabille Board Member	1	1,000
Thomas Devedjian Permanent representative of the *Fonds Stratégique d'Investissement* (since 12 July 2013 Bpifrance Participations)	0	0
Jean-Paul Brillaud Director	248,436	248,436
Ross McInnes Board Member	NA	0
Lord John Birt Board Member	101	2,000
Carole Piwnica Board Member	0	2,000
Miriem Bensalah Chaqroun Board Member	NA	2,000
Elisabette Oliveri Board Member	NA	0
Michel Azibert Deputy Chief Executive Officer	0	0

Since 30 June 2013:

- Ross McInnes has acquired 2,000 shares of Eutelsat Communications on 1 August 2013;
- Elisabetta Oliveri has acquired 2,000 shares of Eutelsat Communications on 1 August 2013;
- Michel de Rosen has acquired on 12 and 13 August 2013 respectively 16,043 and 17,457 shares of Eutelsat Communications, *i.e.* a total of 33,500 shares. As of the date of this Reference Document, Michel de Rosen holds 102,259 shares of Eutelsat Communications;
- Bertrand Mabille has acquired 1,000 shares of Eutelsat Communications on 9 October 2013.

2.4 Report of the Chairman of the Board of Directors of Eutelsat Communications in application of Article L. 225-37 of the French *Code de commerce*

Preliminary remark: This report has been approved by the Board of Directors of 30 July 2013. Consequently, it does not include any events which have occurred since that date.

In accordance with Article L. 225-37 of the French *Code de commerce*, this report provides information on the preparation and organisation of the work carried out by the Board of Directors of Eutelsat Communications during the financial year ended 30 June 2013, and on the internal control and risk management procedures implemented by the Eutelsat Group.

For the purposes of this report, "Company" means Eutelsat Communications and "Group" or "Eutelsat Group" means Eutelsat Communications and all companies controlled by it within the meaning of Article L. 233-3 of the French *Code de commerce*.

2.4.1 GOVERNANCE OF THE COMPANY

2.4.1.1 CODE OF REFERENCE

The Company complies with the guidelines of the Afep-Medef Code of Corporate Governance of June 2013 (hereinafter the "Code of Reference"). Where there are points of divergence between the Company's practice and the recommendations of the Code of Reference, they are mentioned in the relevant paragraphs of this report.

2.4.1.2 NO CONTROL OR CONCERTED ACTION

To the Company's knowledge, as of 30 June 2013, no shareholder of Eutelsat Communications, whether directly or indirectly, by itself or with others, exercises control within the meaning of Articles L. 233.3 and following of the French *Code de commerce*.

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2.4.1.3 MISSION OF THE BOARD OF DIRECTORS

Pursuant to, *inter alia*, the provisions of Article L. 225.35 of the French *Code de commerce*, the Board of Directors is responsible for orienting the Company's business activities and ensuring that this framework is properly implemented. Subject to the powers expressly reserved for General Meetings of Shareholders, the Board of Directors can examine any question that affects the sound operation of the Company or the Eutelsat Group.

Pursuant to its Internal Regulations, a number of decisions of the Chief Executive Officer require the prior approval of the Board of Directors. These decisions can be broken down as follows:

- **Strategic operations:** the Strategic Plan aims to establish the Group's strategic objectives and define the resources required to achieve those objectives, together with the Group's financial and business activity forecasts.

  The Group's Five-Year Strategic Plan, as well as any operation or merger that has a significant impact on the Company's structure or strategy, is subject to prior approval by 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 Strategic Plan, is subject to prior approval by the Board of Directors at the beginning of each financial year.

  This Annual Budget for the financial year 2013-2014 was approved by the Board of Directors on 6 June 2013.

  Similarly, any capital expenditure or transaction involving the purchase of or investment in the share capital of another company for an amount in excess of 50 million euros, if the relevant operation is included in the Group's Annual Budget or in its Strategic Plan or in excess of 25 million euros if not included in the Annual Budget is subject to prior approval by the Board of Directors. Accordingly, the Board of Directors was required to make a decision in relation to the acquisition of satellite E172A.

  Prior approval by the Board is also required for any loan, credit facility or financing or refinancing agreement that is not expressly included in the Group's Annual Budget. This authorisation is not required in relation to any transaction or group of transactions for an amount that does not exceed 100 million euros in any given financial year, up to two transactions and/or groups of transactions in any given financial year. Prior Board approval is also required for any decision to dispose of or loan assets of the Company or any other form of transfer of assets in excess of 50 million euros that is not expressly included in the Group's Annual Budget.
- **Half-yearly and annual financial statements:** the half-yearly and full-year financial statements as well as the consolidated financial statements are closed by the Board of Directors.
- **Group General Management:** the prior approval of the Board of Directors is required before an executive manager whose remuneration is amongst the six highest compensation packages 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, among other items, the Group's results and financial indicators (revenues by application, summary income statement, situation regarding indebtedness, cash flow and costs, etc.) to enable the Board to gain a proper understanding of how the business has evolved, particularly at a technical or commercial level, and of budget follow-up.

2.4.1.4 COMPOSITION OF THE BOARD OF DIRECTORS

During the financial year ended on 30 June 2013, the composition of the Board of Directors changed as follows:

- Elisabetta Oliveri and Miriem Bensalah Chaqroun were appointed as directors by the General Shareholders' Meeting of 8 November 2012;
- Ross McInnes was co-opted as a director to replace Olivier Rozenfeld, resigning director, on 6 February 2013. The ratification of this co-optation is on the agenda for the general Shareholders' Meeting of 7 November 2013.

The composition of the Board of Directors at 30 June 2013 is shown in the table below:

Name	Date of first appointment/co-optation	Term of office expires at the close of the General Shareholders' Meeting called to examine the financial statements for the financial year ended on
Miriem Bensalah Chaqroun	08/11/2012	30 June 2016
Lord Birt	10/11/2006	30 June 2015
Jean Paul Brillaud	08/11/2011	30 June 2015
Michel de Rosen	10/11/2009	30 June 2016
Jean-Martin Folz	08/11/2011	30 June 2013
FSI, represented by Thomas Devedjian	17/02/2011	30 June 2014
Bertrand Mabille	10/05/2007	30 June 2013
Ross McInnes	06/02/2013	30 June 2014
Elisabetta Oliveri	08/11/2012	30 June 2016
Carole Piwnica	09/11/2010	30 June 2016

2.4.1.5 INDEPENDENT DIRECTORS

As of 30 June 2013, of the Board of Directors' 10 members, six are independent members, namely Miriem Bensalah Chaqroun, Lord Birt, Jean-Martin Folz, Elisabetta Oliveri, Carole Piwnica and Ross McInnes. The criteria defining independence adopted by the Board are those recommended in the Code of Reference, which stipulates that a Board member is independent when he or she has no relationship of any nature whatsoever with the Company, its Group or Management that would be such as to affect the director's freedom of judgment.

2.4.1.6 GENDER REPRESENTATION

The Board of Directors includes three women, representing 30% of directors.

2.4.1.7 DIRECTORS' TERM OF OFFICE

The term of office of the directors is four years, as provided by the By-laws. However, in order to allow for the staggered renewal of directors, the terms of office were renewed at the General Shareholders' Meeting of 8 November 2012, in some cases for terms of less than four years.

2.4.1.8 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 S.A. and the Eutelsat S.A. Work council on 8 November 2007. This agreement is designed to give the Work council of Eutelsat S.A. greater visibility over the Company's operations and decisions.

Accordingly, in addition to the implementation of a procedure to inform the Eutelsat S.A. Work council when operations are undertaken by the Company that are likely to affect the operations or the scope of activity of Eutelsat S.A., the two Eutelsat S.A. Work council representatives on the Board of Directors of Eutelsat S.A. attend meetings of the Board of Directors of Eutelsat Communications, with access to the same information as the directors.

2.4.1.9 BOARD MEETINGS AND INFORMATION COMMUNICATED TO THE BOARD OF DIRECTORS

The Board of Directors met seven times during the financial year.

The average annual attendance rate for Board members at meetings held during the financial year stands at 88.6%.

2.4.1.10 CONFLICTS OF INTEREST AND REGULATED AGREEMENTS

The Board of Directors' Internal rules require that each Director declare conflict of interest situations and, where such situations cannot be avoided, they must be dealt with in a fully transparent manner. A conflicted Director may not take part in the discussions or vote in relation to the relevant deliberation.

In the event of a permanent conflict of interest, the Internal rules require that the relevant Director resign from office.

As of 30 June 2013, there is no employment or service contract between the directors of the Company and the Company or any of its subsidiaries providing for the grant of benefits of any kind.

In accordance with the provisions of Article L. 225-38 of the French *Code de commerce*, the Statutory Auditors are informed of regulated agreements.

2.4.1.11 EVALUATION OF THE BOARD OF DIRECTORS

In accordance with the Code of Reference, the Board of Directors, at its meeting of 6 June 2013, devoted one item on its agenda to its assessment on the basis of a questionnaire and report drawn up by the Chair of the Governance, Selection and Remuneration Committee.

2.4.1.12 COMMITTEES OF THE BOARD OF DIRECTORS

During the 2012-2013 financial year, the Board of Directors 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 on (i) the selection or, in the event of vacancies, the co-opting, of new Directors, (ii) the remuneration of the CEO and the Deputy CEO, (iii) the introduction of stock-option plans or performance share allocation plans within the Group, (iv) the allocation of attendance fees to members of the Board, and (v) the recruitment or dismissal of any employee whose remuneration is amongst the six highest compensation packages in the Group.

As of 30 June 2013, the Governance, Selection and Remuneration Committee comprised three members, namely Lord Birt, Thomas Devedjian (FSI) and Carole Piwnica, who has chaired the Committee since 17 January 2011. As of 30 June 2013, more than the majority of the members (two out of three) were independent directors as mandated by the Code of Reference, the independent directors being Lord Birt and Carole Piwnica.

The Committee met six times during the financial year, with an attendance rate for Committee members of 100%.

The Governance, Selection and Remuneration Committee was called upon to issue recommendations to the Board of Directors on the following topics in particular:

- the appointment of Elisabetta Oliveri and Miriem Bensalah Chaqroun and the co-optation of Ross McInnes as new directors;
- the introduction of a new performance share allocation plan;
- the evaluation of the directors' independence under the independence criteria set forth in the Code of Reference;
- assessment of the balance between the number of male and female members of the Board of Directors;
- the updating of the Board's Internal rules;
- assessment of the operation of the Board of Directors;
- proposal of a new policy in relation to attendance fees; and
- appointment of a new Chief Financial Officer.

Audit Committee

The task of the Audit Committee is (i) to assist the Board of Directors by reviewing the Company's draft half-year and full-year financial statements (statutory and consolidated accounts), (ii) making recommendations on the draft consolidated Annual Budget proposed by the Management, prior to its examination by the Board, (iii) making recommendations to the Management of the Company and to the Board of Directors on the principles and methods for ensuring the production of accounting and financial information that is reliable and sincere, (iv) making sure that the internal controls applied within the Group are properly implemented, and (v) presenting recommendations to the Board and to Company Management on the appropriate method of handling any risk likely to affect the Group's operations.

As of 30 June 2013, the Audit Committee comprised Bertrand Mabille and three independent directors: Carole Piwnica, Lord Birt and Ross McInnes. Ross McInnes chairs the Committee and also meets the financial competence criteria established by the French *Code de commerce*.

The Group's Chief Financial Officer attended all Audit Committee meetings.

The Committee met four times during the financial year. The annual attendance rate stands at 87.5%.

As part of its tasks, the Audit Committee conducted a regular dialogue with the Company's Statutory Auditors. The Statutory Auditors attend Audit Committee meetings when half-year and full-year financial statements are being prepared, prior to their closing by the Board of Directors.

The Audit Committee pursued its regular dialogue with the Director of Risk Management as part of the latter's mission.

Lastly, the Audit Committee also reviewed the audit plan for the Internal Audit function during the financial year, as well as the objectives being pursued.

During the financial year, the Audit Committee was called upon to examine the terms of a new Group bond issue completed at the beginning of the second quarter of the financial year.

2.4.1.13 OBSERVER *(CENSEUR)*

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 (*censeur*) on the Company's Board of Directors.

2.4.1.14 SEPARATION OF THE FUNCTIONS OF CHAIRMAN AND CEO

In accordance with the legal and regulatory provisions (Articles L. 225-51-1, R. 225-26 and R. 225-27 of the French *Code de commerce*), the Board of Directors decided at its meeting of 10 November 2009 to separate the functions of Chairman of the Board and Chief Executive Officer. The Chairman of the Board of Directors is Jean-Martin Folz.

Michel de Rosen acts as Chief Executive Officer.

2.4.2 MANAGEMENT OF THE EUTELSAT GROUP

Executive management comprises Michel de Rosen, director and Chief Executive Officer, and Michel Azibert, Deputy Chief Executive Officer.

At Eutelsat S.A., the Group's principal operating company, Executive management is assisted by (i) an Executive Committee comprising the CEO, the Deputy CEO, the Chief Financial Officer, the General Counsel, the Chief Human Resources Officer, the Chief Technical Officer, the Chief Commercial Officer and the Chief Deployment and Innovation Officer, and ii) a Management Committee comprising, in addition to the members of the Executive Committee, the main corporate officers in the following departments: Multimedia and Value-Added Services, Operations, Engineering, Strategy, Risk Management, Institutional and International Affairs, Technology Innovation, Institutional Communications and Resource Management.

2.4.2.1 PRINCIPLES AND RULES FOR DETERMINING COMPENSATION AND BENEFITS GRANTED TO DIRECTORS AND CORPORATE OFFICERS (*MANDATAIRES SOCIAUX*)

The fixed and variable components of compensation as well as the allocation of performance shares and benefits in kind received by the Company's CEO and Deputy CEO 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 of 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 revenues, EBITDA and consolidated net results) and qualitative objectives. This variable component is awarded at the beginning of a year with reference to the previous financial year. Details in relation to compensation are set forth in the Reference Document, in the section on "Compensation and benefits of the Executive Corporate Officers and Directors of the Company".

2.4.2.2 GRANT OF STOCK OPTIONS OR PERFORMANCE SHARES TO DIRECTORS AND CORPORATE OFFICERS (*MANDATAIRES SOCIAUX*)

No stock-option or share purchase plans were put in place by the Board during the financial year ended 30 June 2013.

Pursuant to the delegations granted by the General Shareholders' Meetings held in November 2010 and November 2011, the Company's Board of Directors authorised the establishment of several Long Term Incentive Programmes (LTIP) for staff and management, including the Group's Directors and Corporate Officers (*mandataires sociaux*), involving the allocation of a maximum number of shares that varies from one programme to another. The vesting period has been set at three years. The final vesting of the shares is conditional on the performance conditions being met during the 3-year period and on the beneficiary's continued presence within the Group. The shares are also subject to a further 2-year holding period starting as from the end of the vesting period.

Under these various plans, Michel de Rosen, Chief Executive Officer, received 55,617 shares under the February 2010 plan and may, subject to reaching the defined objectives, receive a cumulated maximum of 72,900 performance shares. Michel Azibert benefits from a cumulated maximum of 44,900 shares under the various plans.

2.4.3 OTHER INFORMATION

2.4.3.1 CONDITIONS FOR ADMITTANCE TO AND PARTICIPATION IN GENERAL MEETINGS OF SHAREHOLDERS

There are no preferred shares or shares with double voting rights attached within the Group. The resolutions for General Meetings of Shareholders are approved on the basis of the majority and quorum conditions provided for under applicable legislation.

Conditions for taking part in General Meetings of Shareholders are set out in Article 21 of the Company's By-laws.

In accordance with the recommendations set forth in the Code of Reference, Board members participate in General Meetings of Shareholders.

2.4.3.2 FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

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 are no shareholder agreements in existence.

2.4.4 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 Company and Group level:

- compliance with laws and regulations;
- the application of the instructions and guidelines defined by Management;
- the proper functioning of the Company's internal procedures, particularly those which help safeguard its assets;
- the reliability of the Company's financial information,

while contributing to the Company's command of its business activities, the efficacy of its operations and the efficient use of its resources.

The Company ensures that its internal control mechanism complies with the AMF's Code of Reference. This report on the internal control and risk management procedures implemented by the Company is based on the Code of Reference implementation guidelines, supplemented by the application guidelines established by the *Autorité des marchés financiers* (AMF – French market regulator) as published in its recommendation dated 22 July 2010.

The importance given to internal control was put into practice with the creation of a Chief Audit and Internal Control Officer position in July 2011. The Chief Audit and Internal Control Officer also oversees the activities of the "Financial information systems management" department and attended all Executive Committee meetings. The subsidiaries' self-assessment exercise initiated during the 2011-2012 financial year is now integrated by the subsidiaries. Further to this exercise, a number of internal audit actions and internal control review processes were conducted within the various subsidiaries. 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 are reached is the subject of an assessment which is sent to the Audit Committee at the end of the financial year. The main actions undertaken during the financial year include optimizing the internal control mechanism in relation to the main Group-wide processes, increasing the reliability of the sales cycle and of the contract-making process and streamlining a strengthened purchasing process within the Group.

It is important to make a distinction in the description below between internal control procedures designed to ensure the security of the Group's operating activities, *i.e.* procedures related to the management of satellite risks and other Group risks on the one hand, and internal control procedures related 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 steering for the Eutelsat Group. In this respect, it should be reminded that the operating activities of the Group, and especially its satellite-related activities, are carried out by Eutelsat S.A. The operating procedures described below are the procedures implemented at Eutelsat S.A. and its subsidiaries.

2.4.4.1 PROCEDURES RELATED TO THE SATELLITE FLEET AND ITS OPERATION

The purpose here is to ensure continuity for the communications service provided 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 Eutelsat S.A.'s two control centres. These have back-up facilities to guard against any operational unavailability or interruption affecting the centres. Exercises are regularly carried out involving evacuation of the main control centre and recovery by the back-up facilities.

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 so as to meet the requirements of the Group's customers.

Operational procedures of the control centres, and especially the control centre responsible for the satellite fleet, exist in written form and cover the various manoeuvres and configuration changes needed in a nominal situation as well as in a crisis situation or where a technical incident occurs. These procedures are periodically reviewed, tested and activated to ensure *inter alia* that the controlling staff are kept continuously up-to-date.

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 allow for immediate intervention of internal expertise and of the expertise of the satellite manufacturers where necessary. All incidents affecting either one of the satellites or the control system are logged and followed up under the authority of the person responsible for satellite operations, so as to identify the causes of the incident and to 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 General Management;
- reviewed internally by Eutelsat S.A.'s Technical Department;
- where appropriate, reviewed by a panel of independent experts, depending on the nature of the relevant incidents; and
- where appropriate, reported in a press release.

2.4.4.2 IT SECURITY AND CERTIFICATION OF THE SATELLITE CONTROL SYSTEM

The introduction of measures designed to strengthen IT security for the information systems used for satellite control continued during the year. The 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 a security certification (ISO 27001) for a period of three years. A surveillance audit was completed in June 2012 and June 2013 and no item of non-compliance with the standard was identified.

During the 2012-2013 financial year, the teleport teams in Rambouillet worked with a view to obtaining ISO 27001 certification. The certification audit was carried out in June 2013, and no item of non-compliance with the standard was identified. This certification is valid for a period of three years.

Certification of satellite control activities under ISO 9001 was obtained in 2005 and renewed in June 2008 and April 2011. The 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). The surveillance audits performed in May 2012 and May 2013 did not reveal any deviation from the standard.

Further to the implementation of a quality control system based on ISO 9001 for the activities at the Rambouillet teleport, certification for these activities was achieved in 2011. The certification covers the activities relating to:

- the communications control centre;
- the commercial services (television signal and data management through the teleport's ground equipment); and
- the radiofrequency systems and the Rambouillet teleport's technical infrastructures.

The surveillance audits performed in May 2012 and May 2013 did not find any item of non-compliance.

2.4.4.3 MANAGING AND PREVENTING THE GROUP'S OTHER OPERATING RISKS

The Company's business continuity plan (PCA)

The continuity plan defines the following:

- the mapping of critical processes and the targets for their recovery. Mapping is derived from an analysis of the impact on job/task performance in various crisis scenarios;
- the crisis management procedures (logistics, external and internal communications, decision-making process);
- the job/task procedures describing the necessary tasks to be performed at the back-up site;
- the back-up information system (applications, systems and network infrastructure, telephony);
- the procedures describing emergency actions to be conducted in a crisis scenario; and
- the necessary logistics for activating the plan (back-up positions for users, rooms with technical facilities to accommodate the back-up infrastructure).

At the beginning of 2006, Eutelsat S.A. launched a continuity plan for its activities (PCA) aimed at reducing the strategic, economic and financial risks in the event of prolonged unavailability of its registered office located at 70, rue Balard 75015 Paris. Under the responsibility of the Information Systems Department, this project seeks to define the conditions for the continuity of the commercial, financial and administrative, legal, corporate communications, information systems and human resources management activities.

Activities directly linked to managing the satellite fleet (notably satellite and communications control centre activities) are not currently included as they are already covered by specific security procedures, as described in the paragraph describing the satellite fleet procedures.

The latest full-scale test of the continuity plan was carried out in March 2012. The Corporate job/task processes are currently being modified as part of the setting up of a new integrated management software package. The next business continuity plan test will thus be performed during the next financial year. The plan (job/task resumption procedures and information systems contingency plan) will be updated during the second half of 2013 and tested during the first half of 2014 on the new perimeter. All plan procedures remain operational on the current perimeter.

Information systems security

The consideration of operating risks related to the security of the Eutelsat S.A.'s information systems (operation of the terrestrial networks, satellite control and control of the management information networks needed for corporate activities) resulted in the creation, in 2007, of a Chief Information Systems Security Officer position.

The objectives of this function at Eutelsat S.A. are as follows:

- map the risks related to information systems' security and assess their impact on the Company's operation;
- introduce a policy and a set of standards adapted to the Group's security requirements;
- draw up an action plan and lead a cross-department security committee in charge of monitoring its implementation; and
- evaluate the protective measures in place in the organisational and technical areas.

During the first half of the 2012-2013 financial year, a global security audit of Eutelsat's information systems was performed on all systems and network infrastructures and new applications. This audit made it possible to assess the efficiency of the current security measures. A corrective action plan is in the process of being finalised.

Safety measures

In relation to safety, the following measures were finalised in the course of the financial year:

- strengthening the protection of the boundaries of the head office building;
- strengthening the access control protections at the head office building and the Rambouillet teleport.

2.4.4.4 HANDLING OF ACCOUNTING AND FINANCIAL INFORMATION

As well as establishing internal control procedures inherent to its main business activity, the Group has significantly developed control procedures for the handling of accounting and financial information, at the level of both its operating subsidiaries and its subsidiaries that manage its equity interests.

Monthly reports are prepared under the supervision of the Deputy CEO. This reporting takes account of information on the Group's various activities as provided by the operational departments of Eutelsat S.A. (Commercial Department, Technical Department, etc.) after due reconciliation with the relevant bookkeeping and legal documentation.

All services provided by Eutelsat S.A. within the framework of these procedures comply with the control procedures defined at Group level. During the last two financial years, this had the effect, *inter alia*, of strengthening of the reporting, sales cycle and purchasing process procedures. In addition, there has been a significant improvement in the formalisation of the closing and consolidation procedures as well as in the coordination process between the financial departments of Eutelsat S.A. and its subsidiaries.

2.4.4.5 EUTELSAT COMMUNICATIONS FINANCE

The Company holds, directly or indirectly (*via* Eutelsat Communications Finance S.A.S., a fully-owned subsidiary of Eutelsat Communications), over 96% of the share capital of Eutelsat S.A., the Group's principal operating company.

Control of the commitments and actions of Eutelsat Communications Finance is essentially based on the legal provisions applicable to it as well as on the provisions of the By-laws. Its legal form is that of a simplified stock corporation (*société par actions simplifiée*) incorporated under French law. The sole Chairman of this subsidiary is the Group's Legal Counsel and General Secretary.

The By-laws do not limit the powers of the sole Chairman, with the exception of those matters reserved by law to the sole shareholder, namely *in fine* the Executive Management of Eutelsat Communications. Any decision or proposed modification of the By-laws, capital increase, merger and/or transformation constitute matters that have to be dealt with by the Executive Management of Eutelsat Communications.

2.4.4.6 OPERATING SUBSIDIARIES

To optimize the management of the activities of Eutelsat S.A.'s subsidiaries, the Company's Management has created a "Subsidiaries Committee". The task of this Committee is to ensure the implementation of synergies in the activities of the subsidiaries and of the group's parent company. It makes recommendations on the appropriateness of creating or winding-up subsidiaries, intra-Group agreements and risk control at subsidiary level. It oversees the determination 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, the achievement of purchasing synergies and the harmonization of IT systems.

The Subsidiaries Committee is chaired by the Chief Financial Officer. The Chief Audit and Internal Control Officer is a permanent member of the Subsidiaries Committee. The Subsidiaries Committee meets once a quarter.

2.4.4.7 PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

At each monthly close, the financial data of each subsidiary is reviewed by the consolidation manager to verify, *inter alia*, that the accounting policy and methods currently in force within the Group are being correctly applied. In addition, the methods for communicating the Group's accounting and financial principles include the Head of consolidation 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 formalisation of the consolidated accounts drawing up process on the basis of information provided by the subsidiaries makes it possible to ensure that the entire perimeter is covered.

In addition, each time the books are closed (full-year and half-year), the Audit Committee meets to examine and approve the financial statements in the presence of the Company's Statutory Auditors.

As part of their audit at each close, the Statutory Auditors ensure that the accounting principles and procedures outlined in the consolidation manual and applied by the Company are appropriate, and that the accounts approved by the Board of Directors give a true and fair view of the financial position and business activity of the Company and the Group.

To further Management responsibility and the control of financial data for all companies in the Group, the Company uses a consolidation and reporting system, guaranteeing:

- that there is a single point of provenance, managed in a communal database, for the information used for the legal consolidation and for the reporting process;
- that the legal data is entered by the Group company Managers and stored in the systems.

2.4.4.8 DELEGATIONS OF SIGNING AUTHORITY

Theoretically, all contracts and documents embodying a commitment by the Company are submitted for signature by the CEO or by the Deputy CEO. In a number of specific cases, however, such as contracts with suppliers involving small amounts, delegations of signature have been authorised by the CEO to certain persons in the Group. The delegations of signature are prepared by the office of the General Counsel, which ensures that they are properly followed up. The CEO and the Deputy CEO are authorised to sign all expenditure commitments with no limit on the amount involved or on the nature of the expense, subject to legal requirements and the provisions of the Internal Regulations of the Board of Directors of the Company.

2.4.4.9 MANAGEMENT AND FOLLOW-UP OF THE GROUP'S CONTRACTS WITH SUPPLIERS

As with the Group's other contracts, preparation, negotiation and follow-up of the Company's supplier contracts and financing contracts is the task of Eutelsat S.A. under the service agreement between the Company and Eutelsat S.A.. Accordingly, before they are signed, contracts with suppliers are examined under a procedure that requires endorsement by the relevant Managers, followed by formal approval by the CEO, by the Deputy CEO or by the Managers to whom the CEO has delegated his signing authority.

Financing contracts are approved by the Board in accordance with the Board's Internal Regulations.

2.4.4.10 MANAGEMENT AND FOLLOW-UP OF CONTRACTS WITH CUSTOMERS

The Group's contracts with customers are signed by Eutelsat S.A. or its subsidiaries on the basis of standard form contracts prepared by the office of the General Counsel and the Commercial Department of Eutelsat S.A..

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 capacity allotment agreement drafting processes are complex and designed to ensure that the agreements are duly executed and that the clients are properly invoiced. During each financial year, the sales cycle, which the Management of the Group deems to be one of the key processes, is thoroughly audited. The objectives of these recurring annual audits are to assess the relevance of the internal procedures in place. On the basis of the findings of these audits, appropriate modifications are made to the internal procedures to reinforce the reliability of the procedures contributing to the recognition of revenues.

Allotment agreements are the subject of monthly and quarterly reports prepared jointly by the Commercial Department and the Finance Department.

2.4.4.11 DELEGATIONS OF POWER

Further to an audit of the current delegations of power and signing authority in force within the Company, Eutelsat's Management has drawn up new delegations of powers as part of a global and consistent system of power organization and decision-making centres within the Company, which takes account of the skills, authority and means of each of the beneficiaries in their area of competence.

2.4.4.12 MANAGEMENT OF CUSTOMER RISK

All new customers are now systematically assessed by the "Customer Credit Management" team in the Finance Department which determines the financial guarantee level required. Any delayed payment is the subject of thorough analysis with the appropriate customer-care managers in the Commercial Department and the office of the General Counsel and, as the case may be, followed by appropriate measures.

The Group has also taken out a new credit-insurance policy to provide better protection against the risks of customer default.

2.4.4.13 PURCHASING PROCEDURES

Procedures have been established to guarantee that any commitment to order goods or services is preceded by a duly authorised purchase request.

The authorisation procedure that has to precede all purchases involves:

- Validation by Executive management of a budget envelope per project/activity as part of the Annual Budget approved by the Board of Directors; and
- Followed by validation by the Director of the department from which the purchase request originates.

Invoices received are compared with the appropriate items delivered and/or the appropriate services provided subsequent to submission of the relevant contract or order form.

Payment of the invoices is subject to the agreement of the various services involved in the purchasing process, in compliance with the internal control principles relating to the rules for the separation of the functions.

All payments are based on the principle that there will be two signatures. If certain pre-determined amounts are exceeded, the signature of the CEO or of the Deputy CEO is also required.

As regards procurement contracts for satellites and launchers, these are approved beforehand by the Board of Directors as part of its review of the Group's activities and investment decisions. Contracts for such programmes are governed by a specific procedure (technical, legal and financial) before being signed by the CEO or Deputy CEO of Eutelsat S.A.

2.4.4.14 ADDRESSING THE GROUP'S PRINCIPAL FINANCIAL RISKS

The Group has introduced a centralised system of cash management at the level of its operating subsidiary Eutelsat S.A.. Under service agreements between Eutelsat S.A. and the various entities within the Group (including the Company), the treasury function at Eutelsat S.A. manages foreign exchange risk, interest rate risk, counterparty risk and liquidity risk on behalf of all the entities in the Group.

To manage interest-rate and counterparty risk, the Group uses a number of derivative instruments, the objective of which is to limit, where it deems appropriate, the fluctuation of revenues and cash-flows caused by variations in interest rates and foreign exchange values. The Group does not engage in financial transactions whose associated risk cannot be quantified at the time the transaction is entered into, *i.e.* the Group never sells assets it does not possess, or about which it is uncertain whether it will subsequently possess them.

Foreign-exchange risk: the Group's functional currency is the euro. The Group is therefore principally exposed to fluctuations in the value of the U.S. dollar. For the financial year ended 30 June 2013, the Group hedged certain future U.S. dollar revenues by means of financial instruments such as knock-in foreign-exchange options and foreign-currency deposits. These instruments are traded over-the-counter with A-rated banking counterparties. Some contracts with suppliers (for satellites or launch services) are denominated in U.S. dollars.

Interest-rate risk: the Group manages its exposure to interest-rate variations by keeping part of its debt at fixed rates (Eutelsat S.A. 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 both for the Company and for Eutelsat S.A.

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 minimises 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. 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 through the use of overdraft facilities, bank term loans and bond loans, revolving credits lines from banks, export financing and satellite leases.

2.4.5 RISK MANAGEMENT POLICY

Due to the highly complex nature of the activities involved in operating and developing its satellite fleet, the Group's Management has always been particularly aware of risk management within the Group. Nevertheless, the notion of corporate risk management has broadened considerably in scope in recent years, largely as a result of emerging financial and commercial regulations. To mark the increased importance being given to the concept of risk management, therefore, and on the basis of a recommendation made by the Audit Committee to the Board of Directors, the Group created a new Director of Risk Management position in 2008.

Reporting directly to the Group's Management, the Risk Management Department performs the following main tasks:

- identify the major risks likely to affect the Group's operations and activities and define an associated risk management policy and process in conjunction with the other functions involved;
- assist the Group's Executive Management and Audit Committee in applying a risk management policy comprising all the measures foreseen to prevent and reduce risks, improve their control and organise contingency plans;
- ensure employee adherence to the risk management policy and carry out the appropriate communication initiatives in this area;
- ensure 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 operations and activities and the internal control procedures of the Company are carried out in such a way as to minimise the risks to the Group as much as possible;
- ensure that risk management policies are implemented in an appropriate manner and that they are taken into account in the conduct of the Company's activities.

During the financial year 2012-2013, the Risk Management Department continued to implement its methodological and cross-disciplinary approach applied to the Group's various business activities.

During the financial year 2012-2013, the work on risk management continued to focus on the risk of in-orbit failure, most notably with a systematic evaluation of the consequences of these events, carried out in conjunction with all Company departments. One of the consequences of this work was the drawing up of recommendations designed to mitigate the potential impact of these incidents on the Company's ordinary course of business.

During the financial year, new commercial projects and plans to invest in new satellites, the updated strategic plan and the budget for the 2013-2014 financial year were also the object of in-depth risk analysis.

The importance assigned to the notion of risks within the Group, as seen for example in the development of this function, shows the level of attention being given by Management and the Board of Directors to a pro-active policy of risk reduction to protect the Company's assets, activities and interests in the best possible way.

3. SUSTAINABLE DEVELOPMENT

During the financial year 2012-2013, Eutelsat management continued its efforts to promote awareness of social, environmental and societal issues among its staff, building on the base begun during the financial year 2011-2012. The Group's Sustainability Committee was expanded to include members from two of Eutelsat's subsidiaries (in Italy and Germany) as well as adding new members. In compliance with the French Code of Commerce law n°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 the law n° 2010-788 dated 12 July 2010 and for Article 12 of the law n°2012-387 dated 22 March 2012 that modified the Article L. 225-102-1 of the French Code of Commerce, the Group gathered information to complete the 42 sections relating to certain aspects of its activity, including:

- social;
- environmental;
- societal.

The effort is spearheaded by a transversal committee, of which the Deputy CEO and Director of Human Resources lend their senior sponsorship. The committee is composed of representatives from a cross-section of the Group: Human resources, Legal Affairs, Technology, Operations, Purchasing, General Services, Internal Audit, Risk Management, Communications and Institutional Relations. The Investor Relations department coordinates the Sustainability Committee.

This year's sustainability report incorporates a response to all 42 sections defined by the French Grenelle II law, which are addressed in three sections: social, environmental and societal thereby providing a balanced look at the critical sustainability issues facing the Group.

Eutelsat management has identified four specific areas where the application of sustainability indicators will have the most positive impact on both the Company's performance, and the larger universe for responsible long-term development. Eutelsat strives to be exemplary, particularly in the field of use of outer space. These four areas of greatest impact include:

- maintaining the space around the earth uncongested and clean;
- protecting humans from potential damage caused by electromagnetic waves;
- engaging in efforts to bridge the "digital divide" – thus allowing everyone, everywhere to have open access to Internet;
- building a corporate environment that is multinational and reflects a diversity of cultures and ideas.

3.1 Social information

3.1.1 EMPLOYMENT

3.1.1.1 INFORMATION AND DISTRIBUTION OF EMPLOYEES BY GENDER, AGE AND GEOGRAPHIC AREA

During the financial year 2012-2013, the Group employed an average of 790 people.

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		
	2011	2012	2013
Operations	296	338	359
Commercial and administrative activities	394	409	431
Total	**690**	**747**	**790**

The number of staff employed by the Group has risen over the last three financial years. The change in the number of staff is explained, in part, by the increase in the staff employed by the Group's foreign subsidiaries since June 2009, driven mainly by the Italian subsidiaries of Skylogic S.p.A. The average number of employees in all foreign subsidiaries totalled 243 at 30 June 2013, compared to 233 at 30 June 2012 and 220 at 30 June 2011.

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, thereby making it possible to carry out an assessment of the Company's labour profile. This social audit report is prepared with reference to the calendar year. Each year, the Company's Work council issues an opinion on this social audit report. The social report and the opinion of the Work council are then made available to employees and to the Company's shareholders upon request, in accordance with Articles L. 225-108 and L. 225-115 of the French Code de commerce.

During calendar year 2012, Eutelsat S.A. employed an average of approximately eight temporary staff per month, for an average period of 17 days. Eutelsat S.A. employees had an average length of service of 11 years for the 2012 calendar year. Furthermore, managers and other staff, whose work time is determined by a given number of days per year, represented approximately 84% of the Company's total headcount.

The Group's permanent[1] employee base is located in two main geographic areas: Europe and the Americas.

(1) Note: A permanent employee is an employee having a permanent or short term contract with the Company in the country where such a distinction exists, like France, or simply an employee of the Company in other jurisdictions.

Breakdown of employees by geography (Group)

	30 June 2012	%	31 December 2012	%
Europe	748	98	771	98
Americas	13	2	14	2
Total	**761**	**100**	**785**	**100**

Since 31 December 2012, the Group opened operational offices in Singapore, Dubai (UAE) and Johannesburg (South Africa).

Breakdown of employees by gender (Group)

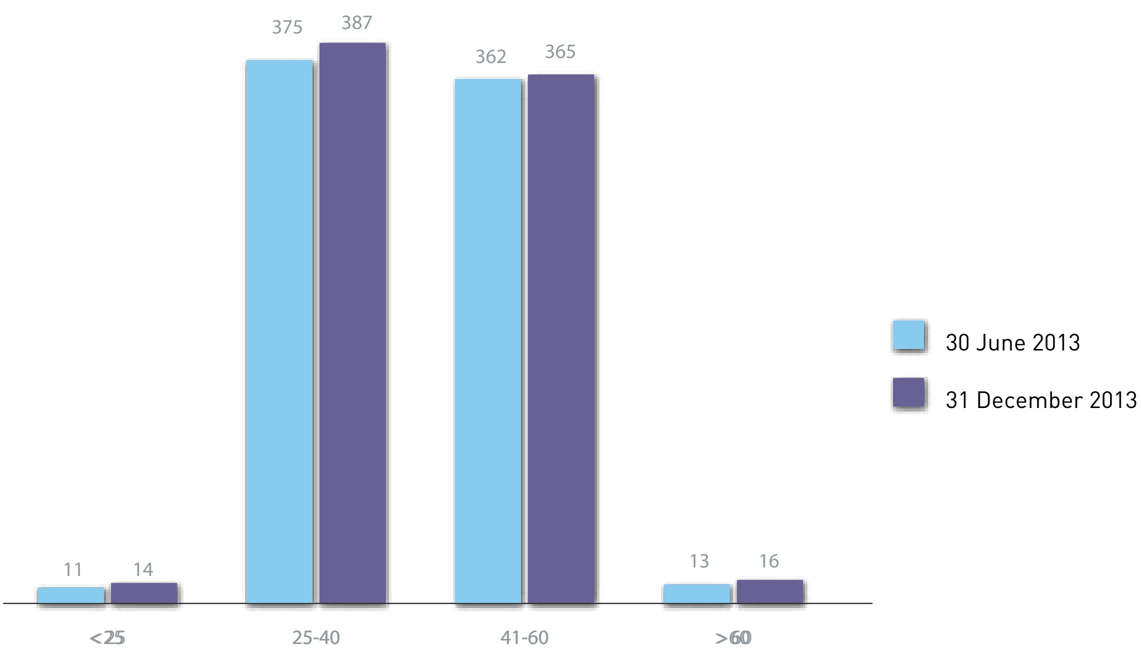
	30 June 2012	%	31 December 2012	%
Men	524	69	538	69
Women	237	31	247	31
Total	**761**	**100**	**785**	**100**

Breakdown of other employees *vs* managers by gender at Eutelsat S.A. (France).

Eutelsat S.A. 70% of Group	31 December 2012	
MEN:		
Managers	337	91%
Other employees	35	9%
Total men	**372**	**100%**
WOMEN:		
Managers	127	71%
Other employees	51	29%
Total women	**178**	**100%**
Total Employees	**550**	

Breakdown of employees by age (Group)

The average age of Eutelsat Group employees at 31 December 2012 remained stable compared to the previous period at 43 years. The chart below shows the number of employees by age group.



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3.1.1.2 HIRINGS AND DEPARTURES (GROUP)

As a new indicator, no comparisons for hirings and departures can be made to previous years.

As of 31 December 2012, at Group level:

12 months ended	31 December 2012
Hirings	77
Departures[1]	46
Total	**31**

(1) 8 dismissals.

For the calendar year 2012, Eutelsat S.A. hired 54 people, of this:

- 39% women;
- 61% men.

Number of contracts for short-term and long-term assignments for Eutelsat S.A.		Women	Men	Total
Other employees	Short-term	4	3	7
	Long-term	5	3	8
Managers	Short-term	4	1	5
	Long-term	8	26	34
Total		**21**	**33**	**54**
		39%	*61%*	

3.1.1.3 COMPENSATION

Long-term Incentive Programme

Eutelsat Communications seeks to allow all employees to benefit from the Group's overall success and develops this activity by giving bonuses and awarding each employee shares based on the Group's performance.

Based on a recommendation of the Selection and Remuneration Committee, the Eutelsat Board of Directors decided to establish a Long Term Incentive Program (called "LTIP") for employees and managers (including Corporate Officers) of the Group.

In the future, the Group intends to continue to allow employees to benefit from its success by attributing free shares to employees on an annual basis.

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)	2010-2011	2011-2012	2012-2013
Average amount of the incentive payment	1,507	2,046	1,173

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)	2010-2011	2011-2012	2012-2013
Amount of the special profit-sharing reserve	6,115,101	6,339,998	6,570,192

3.1.2 WORK ORGANISATION

3.1.2.1 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 70% 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.

A total of 84% of employees at Eutelsat S.A. are other employees and executives whose work time is determined by a number of days per year while the remaining 16% are hourly workers who adhere to the French 35-hour work week.

The remaining 30% of Group staff in other subsidiaries (outside of France) all adhere to a 40-hour work week, in keeping with labour laws and regulations in the jurisdictions where Eutelsat operates.

3.1.2.2 ABSENTEEISM

For staff in France (Eutelsat S.A.), 53 employees took leave of absence during the 12-months of the calendar year 2012:

Type of absenteeism	No. of employees affected
Long-term disability	19
Maternity	9
Paternity	18
Work-related accidents	7
Total	**53**

Among the other Eutelsat subsidiaries, absenteeism was reported by two at less than 3% during the year, while the remaining subsidiaries had no instances of absenteeism.

Note: absenteeism is calculated as: number of sick days/total number of employee working days (total number of employees*366 days per year).

3.1.3 LABOUR RELATIONS

3.1.3.1 ORGANISATION OF SOCIAL DIALOGUE – IN PARTICULAR RULES AND PROCEDURES PERTAINING TO STAFF COMMUNICATION ON THESE TOPICS

Eutelsat attach 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.

Of the remaining subsidiaries, two (in Italy) have formalised collective bargaining labour relations activities, as required by local laws. Those subsidiaries in other countries (Brazil, Germany, Madeira, Poland, Spain Turkey, UK and US) not adhering to organised labour either have small numbers of employees (two or less) or are in jurisdictions where organised labour practices do not apply to the category of workers employed by Eutelsat (in the US, for example). US employees of Eutelsat benefit from regular communication with management in a formalised manner *via* staff meetings and through the distribution of an "Employee Handbook" which outlines the Company's leave and benefits policies and responsibility to maintain a work environment that is free of discrimination and harassment, and sets forth the professional code of conduct that is expected of staff.

3.1.3.2 ASSESSMENT OF COLLECTIVE AGREEMENTS

The social partners of Eutelsat have focused on a corporate responsibility discourse. Thus in the year 2012, they signed four agreements on a variety of themes such as compensation, incentive and participation programs (bonuses), but also, the employment of older workers.

The highlights of these agreements include:

- interviews specifically addressing the second phase of careers (targeting employees over 45 years of age) are conducted annually to assist the employees in their desire for mobility;
- the age of workers identified as seniors increased from 55 to 57 years and included a proposal for part-time retirement while maintaining the full pension contribution;
- tutoring is offered to younger employees.

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 any country, and especially to always be in compliance with local practices of the country where there are concentrations of employees. Furthermore, the Group Human Resources management 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.

3.1.4 HEALTH AND SAFETY

3.1.4.1 HEALTH AND SAFETY CONDITIONS

Health, safety and security of Eutelsat employees are high priorities throughout the organisation. Employees in all subsidiaries benefit from health insurance and in the largest subsidiaries, covering over 80% of the employee base, regular medical examinations are offered by the employer. 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.

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 maximum. 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. For more information: **http://www.eutelsat.com/files/contributed/satellites/pdf/esog130.pdf**;
- 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.

3.1.4.2 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.

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 by the HSC [Health and Safety Committee] and occupational health services.

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

Moreover, during the past few years, Eutelsat has implemented special monitoring for employees over 50 years of age. This medical monitoring is fully supported by the company and is done in partnership with an approved medical centre.

3.1.4.3 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 URSAFF (*Unions de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales*), an organisation for the payment and contribution of social security and family benefits.

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 extraordinary security or health risks; therefore, potential work-related accidents are limited.

During calendar year 2012, there were very few accidents reported in the Group.

Workplace accidents in days lost	2012
Number of accidents without work stoppage authorisation	5
Number of accidents with work stoppage authorisation	2
Total number of employees concerned	7
Number of days lost	**11**

Note: new indicator, no comparison for previous year.

3.1.5 TRAINING

3.1.5.1 IMPLEMENTATION OF TRAINING POLICIES

To remain competitive, the Group actively encourages its employees to take formal training programs 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 offered at the Eutelsat headquarters offices during the year:

- a series of introductory sessions on telecommunications for various Eutelsat departments was conducted, with the objective of orienting new employees to the topic of space and telecommunications products and services;
- "Process Communication Management" a transversal training was renewed and expanded to reach more employees;
- customer relationship training modules were renewed;
- training in public speaking for anyone whose job includes addressing audiences on behalf of the company was also offered.

Furthermore, employees had access to a variety of courses intended to allow them to improve their knowledge, either under the guise of professional training, or as part of the individual right to training (DIF under French law).

Employees in other subsidiaries in Germany, Madeira, Poland, UK and US also followed a variety of short-term courses to further build the individuals' competencies.

3.1.5.2 TOTAL NUMBER OF TRAINING HOURS

For calendar year 2012, employees from seven Eutelsat subsidiaries in Germany, France, Madeira, Poland, UK and US benefited from 11,030 hours of training, compared to 11,655 hours of training during the financial year 2011-2012.

Details of training in the two largest subsidiaries (representing 89% of total Group employees)

	2012		
	Men	Women	Total
Eutelsat S.A.	6,816	2,361	9,177
Skylogic S.P.A.	1,130	213	1,343
Total (89% of Group employees)	**7,946**	**2,574**	**10,520**

For Eutelsat S.A., the amount dedicated to training, as a percent of total wages, increased from 3.0% in 2011 to 3.21% in 2012.

3.1.6 EQUAL OPPORTUNITY AND NON-DISCRIMINATION

The Group encourages internal mobility *via* the following actions:

- a job fair was created on the Company's intranet so that any open position is communicated on the intranet allowing internal candidates to apply;
- the annual performance evaluation process provides an opportunity for each employee to speak about his 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.

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3.1.6.1 MEASURES TAKEN FOR 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 tenants 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 in cooperation with the commission on professional equality;
- encouraging a healthy balance between work and family life.

3.1.6.2 MEASURES TAKEN FOR EMPLOYMENT AND INTEGRATION OF DISABLED PEOPLE

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

Eutelsat also tries to reclassify Company employees who are deemed unfit for their 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.

3.1.6.3 IMPLEMENTED POLICIES FOR FIGHTING DISCRIMINATION AND ENCOURAGING DIVERSITY

When recruiting, the Company looks for skills first and foremost.

The diversity of nationalities is an asset for the Company that it seeks to maintain. In 2012 there were 30 different nationalities among the Group's employees.

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

"The Diversity Charter is a written commitment that can be signed by any company, regardless of its size, that wishes to ban discrimination in the workplace and makes a decision to work towards creating diversity. It expresses a company's willingness to improve the degree to which their workforce reflects the diversity of French society.

The Diversity Charter's six articles guide companies through the process of instituting new practices by involving all of their employees and partners in these actions. It prompts them to implement a human resources policy focused on the recognition and validation of the personal skills of individuals. Companies thereby favour cohesion and social equality while improving how it is executed.

The Diversity Charter's Secretariat General focuses on raising awareness of the charter among SMEs and micro-enterprises."

Source: **http://www.diversity-charter.com/diversity-charter-french-charter-overview.php**

3.1.7 PROMOTION AND ENFORCEMENT OF THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANISATION (IOT)

As of 31 December 2012, all Eutelsat subsidiaries were in compliance with IOT (*Organisation Internationale du Travail*) in countries where this norm is applicable.

3.1.7.1 THE RESPECT OF FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

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

3.1.7.2 THE ELIMINATION OF DISCRIMINATION IN THE EMPLOYMENT POLICY AND WITHIN THE PROFESSION

The Group respects the principles outlined in the IOT Conventions.

The Group further complies with the principles of professional equality between women and men. Furthermore, Eutelsat S.A. applies a fairness policy relating to recruitment, access to training, pay and promotion. The Company signed an agreement on professional equality in December 2011, which it continues to uphold (see Section 3.1.6.1 of this report).

Moreover, in an agreement upholding equal opportunities, compliant with the equal opportunities commission, Eutelsat S.A. participated in a study on the compensation of women and men for the purpose of identifying potential gaps that would allow actions to be taken to make adjustments if these differences remain unexplained.

In addition, the profit-sharing agreement signed in December 2011 for a period of three years with the Company's labour partners, specifically addressed part-time employees in the context of parental leave: consisting of not taking into account the reduced work time linked to parental leave.

In addition, an agreement was signed in 2011 with employee representatives to support gender equality in the Company.

3.1.7.3 THE ELIMINATION OF OBLIGATORY OR FORCED LABOUR

Given the Group's profile, this indicator has been deemed not applicable. This holds true for all of Eutelsat's major suppliers as well (see Section 3.2.1.1).

3.1.7.4 THE EFFECTIVE ABOLITION OF CHILD LABOUR

Given the Group's profile, this indicator has been deemed not applicable. This holds true for all of Eutelsat's major suppliers as well (see Section 3.2.1.1).

3.2 Environmental information

The Company's services consist of the transmission of radio signals from its fleet of 31 satellites 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 the 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.

3.2.1 GLOBAL ENVIRONMENTAL POLICY

3.2.1.1 IMPACT OF SATELLITES AND LAUNCH SERVICES ON THE ENVIRONMENT

Eutelsat has a policy of responsible fleet management in partnership with manufacturers and launchers:

Satellite manufacturers

Eutelsat currently has contracts with three of the world's major satellite manufacturers: EADS Astrium, Space Systems Loral (SSL) and Thales Alenia Space (TAS). In addition to providing satellites to Eutelsat which are compliant to the French Government's Space Law, each of these manufacturers has policies on minimising their environmental impact and ensuring sustainability.

Astrium have committed to incorporating sustainable development principles and practices at all levels of their company operations. There are policies in place throughout the company to ensure compliance with all legal and other requirements. Astrium endeavour to minimise their effects on the environment by optimising energy use, as well as developing technologies to sustain space activities.

SSL meet or exceed the stringent U.S. Government and State of California environmental requirements and are working to reduce their waste, conserve water and implement recycling amongst other sustainability practices. SSL have an ongoing initiative to reduce the impact of their footprint on the earth in addition to ensuring that their satellites comply with international regulations on space debris.

TAS are part of the Thales Group who have already put in place their reporting for the French government's "Grenelle II" environmental laws and have established an Environmental Management System which targets sustainability initiatives to reduce their CO_2 emissions as well as their hazardous waste. TAS themselves have succeeded in reducing their green house gas emissions by 26% in the past three years and will make further reductions.

Launch services

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

Arianespace, who have been the main supplier of Eutelsat launches, published in 2013 their first Sustainable Development Report. In this report, amongst other topics, they describe their efforts to protect the environment of the earth and outer space by reducing the impact of their launch services, starting at launcher design up to space debris management. The main combustion products from an Ariane 5 ECA launch 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 low. In addition, the launch facility in Kourou, French Guiana, is undergoing ISO 14001 certification (environmental management systems) with the aim of achieving this in early 2014.

ILS employs 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-liftoff propellant emission and by the combustion product exhaust during the Proton M/Breeze M flights. The amount of CO_2 generated by the pre-liftoff exhaust is approximately 425 kg 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 km up to 35,000 km 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 and flight as well as 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.

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

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 issues surrounding the management of satellites when they have come to the end of their useful lives has become more important, especially as it relates to the substantially growing amount of space debris. 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.

Eutelsat is a certified operator (ISO 9001 standard).

Eutelsat has also adopted a set of "best practices" in the management of space debris, encompassing a coherent set of measures for:

- the decommissioning of a satellite;
- the establishment of a processes for improving operations when rendering the satellite passive at its end of life;
- minimizing the risk of "in-space" collision by precisely calculating the volumes of propellant sufficient for de-orbitation or moving the satellite; and,
- limiting the risk of debris generation already during the design phase.

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 law 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 law since its implementation and the Group continues to be a responsible operator and involved player in the fight against space debris.

3.2.1.2 EMPLOYEE INFORMATION AND TRAINING IN REGARDS TO ENVIRONMENTAL PROTECTION

A formalised Group-wide "Ethics code" is expected to be issued in the next year. As of the writing of this report, the code is being finalised. It will include a definition of the Group's values and will address corporate responsibility relating to the Group's environmental impact.

3.2.1.3 MEANS USED FOR PREVENTING ENVIRONMENTAL RISKS AND POLLUTIONS

Reception *via* satellite dishes

The World Health Organization (WHO) commentary 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**).

3.2.1.4 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.

3.2.2 POLLUTION AND WASTE MANAGEMENT

3.2.2.1 MEASURES TAKEN TO PREVENT, REDUCE OR REPAIR WASTE-RELEASES INTO THE ATMOSPHERE, WATER AND SOILS THAT BADLY AFFECT THE ENVIRONMENT

Eutelsat's fleet of 31 telecommunications satellites operate in an orbit some 35,786 kilometres (22,236 miles) from the earth at the equator, well beyond the earth's atmosphere. The satellites operate at this distance from the earth for their entire useful life. When they reach end of life (approximately 15 years after their entry into service), a final boost, using the last amount of propulsion fuel, jettisons the satellite into a graveyard orbit, another 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, so, Eutelsat's fleet of satellites have no direct impact on pollution of the earth's atmosphere.

See previous Section 3.2.1.1 for information from satellite launch suppliers and manufacturers of satellites regarding environmental policies.

3.2.2.2 MEASURES TAKEN TO PREVENT, RECYCLE AND ELIMINATE WASTE

Waste management at the Company's main business offices in Paris

The Group has committed to observe "best practices" in terms of managing waste generated in its offices. Eutelsat continued to pursue a rigorous program of recycling at its Paris offices in 2012, including paper products and office equipment.

A sustainable office equipment purchasing policy was established in 2007. This policy respects the principle that 70%-95% of all office equipment must be recyclable. The Company received a certification of "commitment of compliance" sustainable development from its office furniture supplier CLEN in February 2013.

Paper consumption

Consumption	2011	2012
Tons of paper	38,352	36,975

The company seeks to pursue this trend in consuming less paper by sensitising the staff to minimise paper consumption.

Waste production and recycling

Waste	2011	% recycled	2012	% recycled
Waste in tons	53,482	88.9	47,225	91.4

The Company seeks to pursue this trend of producing less waste and increasing the amount recycled.

3.2.2.3 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 done 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 done 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;
- periodical checks of electromagnetic pollution are done by ARPA (Regional Agency for Environment Protection) and Politecnico di Torino.

3.2.3 SUSTAINABLE USE OF RESOURCES

3.2.3.1 WATER CONSUMPTION AND SUPPLY IN RELATION TO LOCAL CONSTRAINTS

For the financial year 2011-2012, the Company published its water consumption at its headquarters in Paris and its teleport in Rambouillet, France. For the 2012 report, additional information on water consumption was included for the teleport in Turin Italy.

Water consumption (in cubic meters)	From 1st July 2011 to 30 June 2012	From 1st July 2012 to 31 December 2012
Headquarters Paris (France)	10,468 m^3	7,925 m^3
Teleport Rambouillet (France)	528 m^3	577 m^3
Teleport Turin (Italy)	1,201 m^3	1,319 m^3

The headquarters offices in Paris use water for the air conditioning systems, which results in higher levels of water consumption during the summer months. The headquarters offices also experienced water leakage problems in 2011 leading to higher consumption during the 2011-2012 timeframe. The leakage problem was rectified and water consumption returned to previous normal levels in 2012.

3.2.3.2 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 business. This indicator is deemed not applicable.

3.2.3.3 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 during the winter months and systems for "free cooling" in the summer months,
  - anticipating power consumption and use of inverters;
- considerations for future improvements to optimise energy consumption:
  - early stages of study to use windmill power generation.

The goal of these actions is to reduce electricity consumption at the teleport by 38% over the next two years.

Turin, Italy: Steps taken in 2012 to reduce electrical consumption included Retro-fitting UPS (Uninterruptible Power Supply) using a modular approach.

Considerations for future improvements to optimise energy consumption:

- evaluation of alternative energy source, namely, installation of solar panels;
- possible future use of energetic monitoring and diagnostic systems.

Electrical and fuel consumption at some of Eutelsat's installations

Electricity Consumption (in kilowatts)	12 months to 30 June 2012	12 months to 31 December 2012
Headquarters (Paris, France)	3,885,669 kW	3,786,950 kW
Teleport Rambouillet (France)	6,933,378 kW	7,127,054 kW
Turin offices (Italy)	87,275 kW	86,920 kW
Teleport Turin (Italy)	3,815,421 kW	3,803,164 kW
Turin back-up (Cebrosa, Italy)	371,414 kW	389,083 kW

Purchases of diesel fuel (in litres)	12 months to 30 June 2012	12 months to 31 December 2012
Teleport (Rambouillet, France)	29 m^3	26 m^3

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For the financial year 2011-2012, the Company published its energy consumption at its headquarters in Paris and its teleport in Rambouillet, France. For the report of the year 2012, additional information on energy consumption has been included for the teleport in Turin, Italy.

3.2.3.4 LAND USE

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

3.2.4 CLIMATE CHANGE

3.2.4.1 GREENHOUSE GAS EMISSIONS

The Group has not yet undertaken measurement of its carbon footprint, but expects to complete this exercise next year.

3.2.4.2 ADAPTATION TO THE CONSEQUENCES OF CLIMATE CHANGE

During 2012, the Group's Information Systems Department began a significant project to rationalise, on a Group-wide basis, its IT systems and processes. This significant undertaking is expected to be completed in 2014 and encompasses a "green-IT" philosophy that will address the installation of office equipment (copiers and printers) that are eco-friendly and consume less energy.

At the headquarters offices in Paris, the building managers provide the company with an analysis of how to optimise energy consumption. The report for 2012 identified 27 specific actions to be taken to help optimise energy consumption at the headquarters offices. During the year 2012, the General Services Department implemented 10 of the recommendations. Of the remaining 17 recommendations, five are being implemented and 12 are under study for future implementation (see Section 3.2.3.3 for more specific information on this subject).

3.2.5 PROTECTION OF BIODIVERSITY

3.2.5.1 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.

3.3 Information relative to societal commitments in favour of sustainable development

3.3.1 TERRITORIAL IMPACT OF THE GROUP'S ACTIVITIES ON EMPLOYMENT AND REGIONAL DEVELOPMENT

3.3.1.1 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;
- most technical products required for proper functioning of the teleport are purchased from a local company in Rambouillet.

3.3.1.2 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.

Accompany digital development in rural areas

On a larger scale, satellites offer a window to the world by providing interconnectivity to the Internet in areas not covered by terrestrial networks.

Eutelsat supports TSF (Telecoms Without Boarders) in its programs aimed at establishing long-term access to the most isolated and vulnerable communities. These tasks are carried out in partnership with local associations that then take over and manage these community telecommunications centres. Eutelsat helped to develop the community centre of Madagascar from its opening in February 2012. It now facilitates distance learning *via* the Internet to nearly 400 people each month. In the same vein, the availability of EUTELSAT KA-SAT 9A satellite enables broadband access in rural areas throughout Europe and in large parts of the Mediterranean basin. Eutelsat works closely with Orange™, *via* its subsidiary Nordnet, and the Association of rural Mayors in France to promote broadband access in French schools located beyond range of terrestrial networks in the framework of the programme Connect'École (Connected Schools).

3.3.2 RELATIONS WITH STAKEHOLDERS, IN PARTICULAR SOCIAL INTEGRATION ASSOCIATIONS, EDUCATIONAL INSTITUTIONS, ENVIRONMENTAL DEFENCE GROUPS, CONSUMER ASSOCIATIONS AND LOCAL POPULATIONS

3.3.2.1 DIALOGUE CONDITIONS WITH THESE STAKEHOLDERS

Openness to the world, that characterizes our satellite operator business, gives us many opportunities to promote solidarity through development initiatives. Our community involvement focuses on four main areas: satellite communication solutions for humanitarian efforts; emergency support programs; development of Internet access in rural areas, and participation in civil protection programs and education.

EUTELSAT IGO, in constant dialogue with its stakeholders

Actions taken by the operating company, Eutelsat S.A., encourage regular dialogue between the Intergovernmental Organization EUTELSAT (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 (COPUOS). In this capacity, the Executive Secretary participates in the working group on the long-term sustainability of space activities, including a work plan that was approved, *via* resolution 64/86, at the committee's Annual Meeting in 2009. 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, of progress made in this area. The Executive Secretary requested that Eutelsat participate in a workshop attended by representatives of the space industry and the Member States of COPUOS, in February 2013, to exchange their respective views on the work related to space debris.

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.

In September 2012, the Broadband Commission for Digital Development published its first report on the deployment of broadband in the world, entitled "The State of Broadband in 2012: Achieving Digital Inclusion for All". The second edition of this report, which also lists country rankings in terms of access and affordability, will be released at the eighth meeting of the Commission to be held in New York in September 2013.

The Heads of EUTELSAT IGO, IMSO (International Mobile Satellite) and ITSO (International Telecommunications Satellite Organization) signed, in September 2012, a joint statement on broadband satellite, in which they undertook to support and promote the establishment and implementation of public/governmental programmes in the territory of their respective Member States for access and use of broadband services by satellite and more generally to monitor closely the development of the use of satellite capacity for broadband usage in those territories (**http://www.eutelsatigo.int/docs/CPFR201201.pdf**). The three organizations also jointly contribute to the preparation of the annual reports of the Commission by providing updated analyses of the importance of satellite broadband for Internet access.

In 2012, during the fifth meeting of the Broadband Commission for Digital Development, which took place in the Former Yugoslav Republic of Macedonia, the Executive Secretary made a presentation about satellite as a solution to the broadband challenges in South Eastern Europe. Following this meeting, a Protocol for broadband activities was signed between EUTELSAT IGO and the Macedonian Ministry of Information Society. The signatories agreed to explore priorities for broadband access, such as universal service/access, schools, hospitals, telemedicine, security and emergency services, town halls and institutions and that these services would be provided on an equitable basis. Other preliminary discussions of the same nature took place with several Member States of EUTELSAT IGO. A similar Tripartite Protocol was signed between EUTELSAT IGO, the Minister for Innovation and for Information and Communication Technology of Albania and Eutelsat Communications S.A. on the 24 June 2013 in Paris.

Working in the field of humanitarian emergency relief efforts

Partnered with *Télécoms Sans Frontières (TSF)* since 2007, Eutelsat strengthened its support of this organization in 2012. Support encompasses mainly the provision of satellite terminals to equip first aid stations with broadband Internet connectivity in troubled areas around the world. Syria, Libya, Mali, Niger and other regions of Africa were the main focus of commitment this year.

Space technology for the protection of citizens

In Europe, the Eutelsat Group also works in support of civil defence organizations, providing equipment and satellite capacity to respond to disasters and assist in developing new solutions. Eutelsat this year helped in validating a European program called "Emergency Support System" to be used for disasters like the evacuation of a flooded stadium, a tunnel blocked by fire or even a plane crash. For these types of operations, Eutelsat uses Tooway™, a service operated on the EUTELSAT KA-SAT 9A satellite with easily transportable terminals equipped with automatic satellite pointing systems.

This satellite is placed in the heart of a new research program initiated in the fall of 2012 and called "Absolute". The Absolute program is financed by the European Union and 14 companies in the telecommunications sector, including Eutelsat. It aims to test the ability to deploy a new 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 network recovery in the disaster areas. In this configuration, the EUTELSAT KA-SAT 9A satellite is used to connect each balloon to the Internet backbone. In keeping with the same spirit of partnership within the European Union, another program, "Alert4all", initiated in 2010 by 12 partners including Eutelsat, is now being tested in the field. This program aims at providing all European states with warnings through messages on the television and mobile phones to populations spread over a vast area. It is based on the new HbbTV standard for broadcasting warnings *via* television and S-band resources on the satellite EUTELSAT 10A to reach mobile users.

Support for teaching science, a major challenge for development

Education is a fourth axis for mobilization. The Group has worked for many years in developing relationships between schools and businesses that create an environment which fosters close relationships between students and the telecoms and space industries. Eutelsat supports educational partnerships for younger students in order to promote interest in science and technology. At the forefront of this commitment, the second "DStv Eutelsat Star Awards" competition was held, with the participation of over 1,200 candidates from 42 countries in Africa. Conducted jointly by Eutelsat and a major TV broadcaster, MultiChoice Africa, this competition invites young people to demonstrate the connection between science subjects taught in school and satellite applications. Open to students aged 14 to 19, it invites young people to write an essay or design a poster on the theme of space technology in the service of Africa and its future. The competition is accompanied by a set of resources available to schools (educational books, movies, and websites) and is supported by 1,000 MultiChoice Resource Centres equipped for recording distance learning programs broadcast by satellite. The 2012 event gave hundreds of young Tanzanians the opportunity to meet French astronaut Patrick Baudry, President of the jury, this year in Dar es-Salaam.

L'arrondi solidaire – A gesture of solidarity for 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 initiatives such as *l'arrondi solidaire*, where Eutelsat S.A. was the first French company to offer this program to its employees in 2010. It allows employees to donate the euro cents from their pay checks 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 for local residents in Rambouillet, journalists, students and investors

In the 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. Annually, there is an "open house" for local residents interested and the Group's Corporate Communications and Investor Relations teams coordinate visits to the site for groups of students, journalists, investors.

3.3.3 OUTSOURCING AND RELATIONSHIPS WITH SUPPLIERS

3.3.3.1 THE WAY IN WHICH 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 3.2.1.1 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, located in Paris, France, established a sustainable office equipment purchasing policy as early as 2007. This policy respects the principal that 70%-95% of all office equipment purchased must be recyclable.

3.3.3.2 THE IMPORTANCE OF OUTSOURCING AND THE COMPANY'S SOCIAL AND ENVIRONMENTAL RESPONSIBILITY IN ITS RELATIONSHIP WITH SUPPLIERS AND SUBCONTRACTORS

Eutelsat currently has contracts with three of the world's major satellite manufacturers, and three leading satellite launchers. In addition to providing satellites to Eutelsat which are compliant to the French Government's Space Law, each of these manufacturers has policies on minimising their environmental impact and ensuring sustainability.

See Section 3.2.1.1 Impact of satellites and launch services on the environment.

3.3.4 FAIRNESS IN PRACTICES

3.3.4.1 ACTIONS TAKEN TO PREVENT CORRUPTION

A committee to review anti-corruption measures was convened in 2013. The task force meets several times a year and meetings can be called quickly, as needed. The committee is composed of the following five Group level executive managers:

- Group General Counsel and task force coordinator;
- Deputy Chief Executive Officer (Group);
- Chief Commercial Officer (Group);
- Director of Commercial Development and Marketing (Group);
- Director of Audit and Internal Control (Group).

One of the task force's goals is to encourage greater consistency in the implementation of business development activities on a Group-wide basis, including external commercial development contributors. A sub-goal of the task force is to create an organizational structure allowing the Group to: 1) identify any possible practices of corruption and put measures in place to adequately prevent such practices; and 2) avoid any unethical business practices throughout the Group; and, 3) establish a concrete action plan to be followed.

Tasks undertaken by the committee during 2012-2013:

- A detailed review of all third parties contracts involved in Eutelsat commercial activity and the sorting of contracts as follows:
  - consultants;
  - business developers;
  - commercial agents.
- Review of how performance bonuses are awarded across subsidiaries and throughout the Group and specifically:
  - defining the role of a "consultant" and "agent" – to ensure Group-wide uniformity;
  - ensuring that all contracts with third-party business developers include "anti-corruption" clauses;
  - outlining a standardised recruitment process across subsidiaries;
  - formalising the screening/selection process of business developers especially in countries deemed "at risk". Note: One recommendation is that the criteria for assessing the level of risk be based on specialized external analysis such as the index "Transparency International Corruption Perception";
  - rationalising the methodology to evaluate performance of individual business developers or agents.

The Group intends to implement anti-corruption procedures to include employee training, particularly those who are most directly exposed to potential corruption.

An anti-corruption policy is specifically addressed in the Group's "Ethics Code" that is scheduled to be published in 2013 and will be distributed to all employees and will be made available on the Group's corporate website **www.eutelsat.com**.

3

3.3.5 OTHER MEASURES TAKEN IN FAVOUR OF HUMAN RIGHTS

Since 2009, Eutelsat has fought for the development of freedom of expression by preventing intentional interference of satellite signals. Eutelsat notes that it has seen a substantial increase in the number and duration of instances of these acts of intentional interference with satellite signals in recent years. 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.

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 has filed several complaints with ITU authorities against territories from which the intentional interference activity had been pinpointed.

Moreover, following the initiatives that Eutelsat has actively contributed to, the Radio-communication Bureau of the ITU plans to implement a series of measures to strengthen the regulation on the issue of interference. Key features include:

- the establishment of a network of stations to better monitor the phenomenon (ITU signature of a Memorandum of Cooperation), to increase efficiency in the geo-localisation of deliberate interference;
- a review of how the ITU can pursue independent observations and measures;
- the creation of an independent database.

Eutelsat has contributed and will continue to contribute to the development of regulations by assisting 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.

3.4 Methodology and scope

In compliance with the French Code of Commerce law n°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 the law n°2010-788 dated 12 July 2010 and for article 12 of the law n°2012-387 dated 22 March 2012 that modified the article L. 225-102-1 of the French Code of Commerce, the Group gathered information for the 42 sections relating to certain aspects of its activity.

The Group convenes a Sustainability Committee twice per year, which serves as the conduit for feeding information to prepare the report. This committee is made up of 15 members from several departments throughout the Group and was expanded this year to include two members from subsidiaries outside of France. Two senior sponsors, the Group Deputy CEO and the Head of Human Resources ensure that information on sustainability issues is communicated to the Group's Board of Directors.

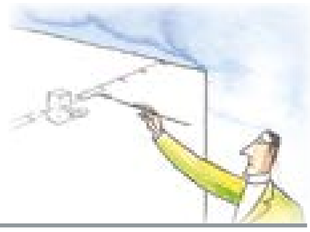
3.4.1 METHODOLOGY

Each of the Eutelsat Communications Group operating subsidiaries provided information to 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 offices in Paris, France. Information regarding "environmental impacts" primarily reflects input from Eutelsat's suppliers (satellite manufacturers and satellite launch services). We have also included information from the Group's teleports located in Rambouillet (France) and Turin (Italy) as they reflect some limited environmental impact. "Societal information" was gathered mainly from the operating Company, Eutelsat S.A. but reflect a Group-wide picture.

3.4.2 SCOPE

As the Group's operating subsidiary, Eutelsat S.A. constitutes the vast majority of employees (70%). Information from this subsidiary serves as an "internal benchmark" for the Group. When information reported comes exclusively from a specific subsidiary, we have attempted to clarify. The timeframe of quantitative information in this report reflects the calendar year 2013 (1 January 2012 to 31 December 2012), unless otherwise stated.

4. RISK FACTORS



Before making an investment decision, investors and shareholders are advised 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 five categories:

- operational risks;
- risk relating to changes in the satellite communications market;
- regulatory risks;
- liquidity risks;
- market 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.

The main legal proceedings and associated risks are described in Section 7.5 of the Reference Document as well as in Note 27.4 of the Notes to the Consolidated Financial Statements in Section 6.2.

4.1 Operational risks

4.1.1 THE GROUP MIGHT NOT BE ABLE TO MEET ITS LAUNCH OR ACTIVATION TIMEFRAMES FOR NEW SATELLITES

The Group plans to launch four new satellites (EUTELSAT 3B, EUTELSAT 9B, EUTELSAT 8 West B and EUTELSAT 65 West A) before the end of calendar year 2016. Furthermore, the Group has signed long-term lease agreements for capacity on three RSCC satellites (Express-AT1, Express-AT2 and EUTELSAT 36C) scheduled for launch by end of calendar year 2016. These satellites are aimed at ensuring continuity of service provided by some existing satellites, increasing resources in certain orbital positions, consolidating the Group's service offering and stepping 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 therefore 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 3.5 million euros as of 30 June 2012 and 9.8 million euros as of 30 June 2013.

4.1.2 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 projected timeframe.

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 re-allocate 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 currently intends to use different launch service providers: Arianespace, International Launch Services, Sea Launch A.G., etc.

4.1.3 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.

As of 30 June 2013, future payments on satellite construction contracts amounted to 1,141 million euros and future payments on launch contracts to 352 million euros. These future payments are spread over 18 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 2012 and 30 June 2013:

	As of 30 June	
(in millions of euros)	2012	2013
2013	43	-
2014	27	53
2015	24	24
2016	18	17
2017 and beyond[1]	67	16
2018 and beyond	-	62
Total	**179**	**172**

(1) For the period presented as of the financial year closed on 30 June 2012.

During the financial year 2012-2013, the Group's procurement from satellite manufacturers and launch service providers stood at about 374 million euros with no single supplier representing more than 35% of this amount.

Satellite and launch service procurement, which as of 30 June 2013 and 30 June 2012 represented a respective 57% and 78% of Group acquisitions of tangible fixed assets, involved satellite manufacturers (EADS Astrium, Thales Alenia Space and Space Systems Loral) and launch operators (Arianespace, International Launch Services, Sea Launch A.G.).

As of 30 June 2013, 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	55	145	3,230	3,430
Payables to come	36,346	-	-	36,346

As of 30 June 2012, 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	101	28	4,655	4,784
Payables to come	3,348	239	-	3,586

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.

4.1.4 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.

4.1.5 THE SATELLITES OPERATED BY THE GROUP MAY EXPERIENCE FAILURES OR MALFUNCTIONS IN-ORBIT

Satellites are sophisticated devices that 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.

The Group currently has an In-Orbit Life Insurance programme covering 17 of its satellites on the basis of their net book value. 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 or loss 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 past 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.

4.1.6 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 has taken out a Launch-plus-one year insurance covering the launch of the EUTELSAT 3D, EUTELSAT 21B, EUTELSAT 70B and EUTELSAT 25B satellites.

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.

4.1.7 THE GROUP IS EXPOSED TO SPECIFIC RISKS ARISING FROM THE CAPACITY IT USES ON SATELLITES IN STABLE ORBIT BELONGING TO THIRD PARTIES

As of the date of this Reference Document, the Group uses capacity on three satellites in stable orbit (Telstar 12, SESAT™ 2 and EUTELSAT 3A) belonging to third parties, and which are recognised as assets in its consolidated balance sheet. These three satellites are respectively owned by Loral Skynet, RSCC and China Satcom.

In the event of failure or malfunction affecting these satellites, the Group cannot guarantee that it would be in a position to obtain compensation and equivalent available capacity under the same conditions. The Group cannot guarantee that a dispute resulting from such failures or malfunctions would be settled in its favour.

The Group may also be exposed to the risk of bankruptcy of the owners of such satellites, which could result in the termination or interruption of its capacity leases.

Such situations could lead to a write-down of these assets in the Group's consolidated financial statements and might adversely affect its business, financial situation and results.

4.1.8 THE GROUP'S OPERATIONS ARE EXPOSED TO THE RISK OF SABOTAGE, INCLUDING TERRORIST ACTS AND PIRACY

The Group's operations are exposed to the risk of sabotage, including terrorist acts and intrusions into its satellite control systems. If the Group's facilities and equipment were disabled, the Group might not be able to prevent a temporary or permanent interruption in service. Such disturbances in the satellite network could result in the loss of customers.

Furthermore, the Group's insurance policies, as is customary in the space industry, automatically provide for exclusions in the event of damage caused by acts of sabotage, piracy or terrorism.

Any act of terrorism, sabotage or piracy could thus have a significant negative impact on the Group's business, financial situation and results.

4.1.9 RISK MANAGEMENT PROCEDURES REGARDING THE SATELLITE FLEET AND ITS OPERATION

PROTECTING AND ENSURING THE INTEGRITY OF THE SATELLITE FLEET

The Group has set up procedures aimed at ensuring continuity of telecommunications services provided to customers and end-users.

The Operations Department is responsible for the administration and control of the satellite system and for checking the quality of signals received or broadcast by satellites.

These activities are carried out from Eutelsat S.A.'s two control centres which have back-up systems and redundant equipment to guard against operational unavailability or interruptions. Exercises are carried out regularly at the major control centres, involving evacuation of the premises and system recovery by the back-up facilities.

These control centres are in charge of satellite protection, and continuity of signal production to meet the needs of the Group's customers, in accordance with the technical recommendations and procedures for each satellite.

Operational procedures for the control centres, especially those responsible for the satellite fleet, exist in written form and cover the manoeuvres and configuration changes that are required in reference conditions, as well as in the event of a technical incident or crisis. These procedures are periodically reviewed and tested and activated to ensure, *inter alia*, the continuing professional development of control staff.

An incident of any nature affecting one of the satellites or the signal transmitted (*e.g.* a technical failure or interruption of the signal) is dealt with internally by the Operations Department under "escalation" procedures. These procedures provide for internal expertise to be available immediately as well as the expertise of the satellite manufacturer where necessary. All incidents affecting either a satellite or the control system are properly logged and followed up under the authority of the person responsible for operating satellites, with the aim of identifying the causes of the incident and proposing and implementing the necessary corrective measures.

Any significant incident likely to affect the quality or continuity of telecoms services is:

- reported to the Group's Executive management;
- reviewed internally within Eutelsat S.A. by its Technical Departments;
- as necessary, reviewed by an independent team of experts, depending on the type of incident; and
- as necessary, reported *via* a press release.

BACK-UP CAPACITY AND REDUNDANCY

As part of the Group's risk management strategy, it has developed a back-up and redundancy policy designed to reduce the risk of service interruptions, outages or failure to meet its contractual commitments.

The Group's satellites are designed with adequate redundancy to contend with potential equipment failures and to meet or exceed their theoretical operational life in-orbit. Significant on-board redundancy of equipment allows the Group to quickly replace any equipment damaged during the operational life of the satellite with minimal or no interruption of service, depending on the nature of the incident. Some of the satellites in the fleet are currently using this redundancy equipment.

Furthermore, the Group offers significant back-up capacity in certain key orbital locations. Back-up capacity is used to replace leased capacity in the event of an on-board fault or equipment failure on a satellite. It is often obtained by pooling capacity on several satellites located at nearby orbital positions and offering similar coverage and technical specifications. This enables the Group to provide continuity of service to customers, depending on the fill factors of the satellites concerned.

The Group has also signed leases guaranteeing continuity of service to some of its customers, by offering them capacity with guaranteed restoration of service using pre-defined capacity (generally on a neighbouring satellite). These leases generally attract a higher price. In the absence of an emergency or malfunction that requires back-up capacity, the Group is able to market this capacity subject to a claw back clause.

IT SECURITY AND CERTIFICATION OF SATELLITE CONTROL SYSTEMS

The introduction of measures designed to strengthen IT security for the information systems used for satellite control continued during the year. The 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 a security certification (ISO 27001) for a period of three years. A surveillance audit was completed in June 2012 and June 2013 and no item of non-compliance with the standard was identified.

During the 2012-2013 financial year, the teleport teams in Rambouillet worked with a view to obtaining ISO 27001 certification. The certification audit was carried out in June 2013, and no item of non-compliance with the standard was identified. This certification is valid for a period of three years.

Certification of satellite control activities under ISO 9001 was obtained in 2005 and renewed in June 2008 and April 2011. The 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). The surveillance audits performed in May 2012 and May 2013 did not reveal any deviation from the standard.

Further to the implementation of a quality control system based on ISO 9001 for the activities at the Rambouillet teleport, certification for these activities was achieved in 2011. The certification covers the activities relating to:

- the communications control centre;
- the commercial services (television signal and data management through the teleport's ground equipment); and
- the radiofrequency systems and the Rambouillet teleport's technical infrastructures.

The surveillance audits performed in May 2012 and May 2013 did not find any item of non-compliance.

INSURANCE

"Launch-plus-one year" and In-Orbit Life Insurance

The Group has an insurance programme covering all the phases of a satellite's lifespan, *i.e.* launch (the launch insurance policy also covers in-orbit acceptance testing and In-Orbit Life of the satellite until the anniversary date of the launch) and in-orbit (In-Orbit Life Insurance policy).

The Group's Launch-plus-one year and In-Orbit Life Insurance policies include provisions and exclusions that are customary in space insurance, including those relating to loss or damage caused by *force majeure* events (such as armed conflicts), natural occurrences related to a satellite's environment in space, intentional acts by the Group and damage to third parties.

During the financial year ended 30 June 2013, the Group's premiums for launch and In-Orbit Life Insurance totalled 75 million euros.

During the financial year ended 30 June 2013, insurance premiums represented approximately 3.6% of total operating costs.

As indicated in Section 4.1.6 of this Reference Document, insurance policy premiums for launches and for satellites in-orbit may increase in the future and it could become more difficult to obtain or renew insurance policies.

4.1.10 PREVENTION AND MANAGEMENT OF OTHER GROUP OPERATING RISKS

Due to the highly complex nature of activities involved in operating its satellite fleet and developing its business, and in response to developments in financial and commercial regulations, the Group created the new position of Risk Management Officer in 2008, reflecting the emphasis placed on risk management and following a recommendation made by the Audit Committee to the Board of Directors. The Risk Management Officer reports directly to the Group's Deputy CEO.

The Risk Management Department's major responsibilities are as follows:

- identify major risks likely to affect the Group's operations and activities and work with the departments concerned to define policies and processes to reduce these risks;
- assist Group Management and the Audit Committee in implementing a risk management policy that includes measures aimed at preventing and reducing risks, improving their control and organising contingency plans;
- monitor staff compliance with the risk management policy and carry out the appropriate communication initiatives in this area;
- promote the Group's interests by ensuring that risks which have a potential impact on the Group are properly defined and that the operations and activities, along with the Company's internal control procedures, are performed in such a way as to minimise risks to the Group; and
- ensure that risk management policies are effectively implemented and taken into account in the Company's activities.

Since its creation, the Risk Management Department has developed a methodological approach which is cross-disciplinary and is applied to the Group's various business activities.

During the financial year 2012-2013, the risk mapping for the Group was updated, the purpose being to identify and measure the magnitude of risks likely to affect the performance of the Group's operations and activities. More specifically, during the 2012-2013 financial year, the Risk Management Department continued to focus on a systematic evaluation of the risks of in-orbit failure or delay when launching satellites, in conjunction with the technical, commercial and finance departments. One of the results of this work was a series of recommendations aimed at mitigating the impact such incidents could have on the Company's ordinary business.

The importance ascribed to risk management within the Group as reflected, for example, in the development of this new position, points out the emphasis by Management and the Board of Directors on a pro-active risk management policy aimed at protecting the Company's assets, activities and interests to the maximum extent possible. To manage the risks arising from its business and operating environment to the maximum extent possible, the Group has set up internal control procedures. During the financial year, new commercial projects and investments in new satellites, together with the updated Strategic Plan and budget for the year 2012-2013 were thoroughly analysed in respect of the risks implied.

Supervised and conducted independently of the concept of risk management, an internal control procedure was implemented under the responsibility of the Internal Audit Department, with the purpose of ensuring:

- compliance with statutory and regulatory provisions;
- application of the Executive management's instructions and guidelines;
- proper functioning of internal corporate processes, particularly those contributing to the protection of corporate assets;
- reliable financial information; and
- more generally, ensuring that business activities are effectively controlled, that operations are efficient, and that resources are used effectively.

The Company has undertaken to align its internal control procedures with the AMF (French financial regulator) reference framework. This work is ongoing.

It should be noted that internal controls and procedures relating to the security of Group operations (*i.e.* procedures regarding the management of satellite risks and other Group risks) are to be distinguished from internal control procedures relating to the treatment of accounting and financial information on the business of the Company and its subsidiaries, in compliance with applicable regulations.

It should also be reminded that, as Eutelsat Communications is charged with the financial and strategic management of the Eutelsat Group, the Group's operational activities, in particular its satellite-related activities are performed by Eutelsat S.A.

THE BUSINESS CONTINUITY PLAN FOR THE COMPANY'S OPERATIONS

The business continuity plan includes:

- the mapping of critical processes and resumption objectives. The mapping is the result of an analysis of business-line impacts arising from incident scenarios;
- crisis management procedures (logistics, external and internal communication, decision-making processes);
- business-line procedures describing the tasks to be performed at the back-up site;
- the back-up IT systems (applications, systems and network infrastructure, telecoms);
- procedures describing urgent action to be taken in the event of an incident;
- the logistics required when the plan is triggered (back-up user locations, plant rooms containing back-up infrastructure).

At the start of 2006, Eutelsat S.A. initiated a business continuity plan ("BCP") aimed at reducing strategic, economic and financial risks in the event of the prolonged unavailability of its registered office located at 70, rue Balard, 75015 Paris, France.

Placed under the responsibility of the IT Systems management, the project aims at determining the conditions for continuing commercial, financial, administrative and legal activities, corporate communications, and IT and HR Systems management.

Activities directly linked to management of the satellite fleet (and, specifically, satellite and communications control centre activities) currently lie outside the scope of the BCP since they are already covered by specific security procedures described above in the Section "Protecting and Ensuring the Integrity of the Satellite Fleet".

The latest full-scale test of the continuity plan was carried out in March 2012. The corporate job/task processes are currently being modified as part of the setting up of a new integrated management software package. The next business continuity plan test will thus be performed during the next financial year. The plan (job/task resumption procedures and information systems contingency plan) will be updated during the second half of 2013 and tested during the first half of 2014 on the new perimeter. All plan procedures remain operational on the current perimeter.

SECURITY OF IT (INFORMATION TECHNOLOGY) SYSTEMS

The commitment to taking into account operating risks arising from IT Systems security within the Company led to the creation of an IT Systems Security Manager position in January 2007. This transversal function applies to the various IT Systems at Eutelsat S.A., for the operation of the corporate business and for satellite control.

The objectives of this management function at Eutelsat are as follows:

- mapping of risk arising from IT Systems security and assessment of the impact on corporate operations;
- establishing a policy and standards meeting Eutelsat's security requirements;
- drawing up an action plan and setting up a cross-sectional security committee to oversee its implementation;
- assessing the protective measures in place in the organisational and technical domains.

During the first half of the 2012-2013 financial year, a global security audit of Eutelsat's information systems was performed on all systems and network infrastructures and new applications. This audit made it possible to assess the efficiency of the current security measures. A corrective action plan is in the process of being finalised.

Within the framework of its activities, the Group is exposed to a certain number of operational risks and more specifically of risks likely to affect its activity.

INSURANCE

In-orbit third-party liability insurance — Spacecraft third-party liability policy

The Group took out a spacecraft third-party liability insurance policy for a period of one year, renewed in October 2011, which covers damage caused to third parties by the Group as a satellite system operator.

Credit insurance

The Group took out an insurance policy covering the risk of non-payment by most of its customers. This policy came into effect on 1 May 2012 for a period of 26 months.

Other insurance policies

The Group has taken out third-party liability insurance covering its Corporate Officers ("mandataires sociaux"), Directors and senior managers, as well as the senior managers of its subsidiaries, in the performance of their duties. The Group has also taken out standard third-party liability insurance covering its ground operations. These policies are automatically renewed each year by tacit agreement.

In addition, the Group has standard comprehensive insurance for its on-ground equipment and various assistance policies for its employees and visitors.

MANAGEMENT AND MONITORING OF THE GROUP'S SUPPLIER CONTRACTS

The Group has set up procedures to manage and monitor supplier contracts.

As with other contracts signed by the Group, supplier contracts and those financing the Company are prepared, negotiated and monitored by Eutelsat S.A. pursuant to the service agreements between the Company and Eutelsat S.A. Thus, prior to their signature, supplier contracts receive endorsement from the Directors concerned and formal approval by the Chief Executive Officer, the Deputy Chief Executive Officer or the Directors to whom the Chief Executive Officer has delegated proxy signature.

Furthermore, financial contracts are approved by the Board of Directors in accordance with the provisions of the Board's Internal rules.

PURCHASING PROCEDURES

Procedures have been established to guarantee that all commitments to order goods or services are preceded by a duly authorised purchase request.

The authorisation procedure that should precede all purchases is as follows:

- validation by Management of a budget per project/activity as part of the annual budget approved by the Board of Directors; and
- validation by the Director of the Department from which the purchase request originates.

Invoices received are compared with the appropriate items delivered and/or the appropriate services provided subsequent to submission of the relevant contract or order form.

Settlement of invoices is subject to the agreement of the departments involved in the purchasing process, in compliance with the internal control policy regarding the rules governing the separation of the positions involved.

All payments require two signatures. If certain pre-determined amounts are exceeded, the signature of the Chief Executive Officer or of the Deputy Chief Executive Officer is also required.

As for procurement contracts for satellites and launchers, these are subject to prior approval by the Board of Directors as part of its review of the Group's activities and investment decisions. Contracts for such programmes are governed by a specific procedure (technical, legal and financial) before being signed by the Chief Executive Officer or the Deputy Chief Executive Officer of Eutelsat S.A.

4.2 Risks regarding changes in the satellite telecommunications market

4.2.1 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. This situation, which could persist, results from a mismatch between 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, and its capacity to achieve its growth objectives.

4.2.2 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 (HD TV) 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 HD TV 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 delay or failure involving its KA-SAT Tooway™ 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.

4.2.3 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. During the financial year ended 30 June 2013, outstandings corresponding to service interruptions amounted to less than 1% of annual revenue.

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.

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 financial crisis. This risk is estimated at about 3.2% of the value of receivables as of 30 June 2013.

4.2.4 A SUBSTANTIAL PERCENTAGE OF THE GROUP'S REVENUE IS GENERATED BY MULTI-USAGES SERVICES, WHICH DEPEND HEAVILY ON THE GLOBAL POLITICAL AND ECONOMIC CONTEXT

Over the last few years, the Group has generated an increasing share of its revenues (11.5% of the Group's revenues for the financial year ended 30 June 2013) in the Multi-Usages 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 earn revenues from the Multi-Usages 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.

4.2.5 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 2013, the Group's 10 largest customers represented 51.8% of its revenues (the breakdown for the Group's top 10 customers as of 30 June 2012 and 2013 is shown in Section 6.1.2.2 "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.

4.2.6 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 2013, around 91,000 terminals were activated on KA-SAT, including terminals for small and medium-size companies.

4.2.7 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.

4.2.8 TECHNOLOGICAL CHANGES COULD MAKE THE GROUP'S SATELLITE TELECOMMUNICATIONS SYSTEM OBSOLETE

Some technological innovations that could be developed in the future with alternatives to satellites could render satellite technology obsolete.

The telecommunications industry is subject to rapid technological change. Should the Group not be in a position to adapt to these changes quickly and efficiently, its satellite telecommunications system could become obsolete. As such, the Group's competitive position could be weakened, especially if its competitors were capable of incorporating these new technologies into their own systems. If the Group's satellite telecommunications system were to become obsolete, demand for its services could decrease, which would have a significant negative impact on its business, financial situation and results.

4.2.9 THE GROUP'S DEVELOPMENT STRATEGY DEPENDS PARTLY ON EXPANDING INTO GEOGRAPHICAL AREAS IN WHICH IT HAS LITTLE OR NO EXPERIENCE AND WHERE PRICES COULD COME UNDER PRESSURE

The Group's future development depends, in part, on its ability to develop in geographical areas in which it has little or no experience and where there could be substantial competitive and price pressure. This could result in prices that are often lower than those seen in Europe. This competitive context could limit the Group's ability to penetrate these markets or be competitive within them.

Furthermore, in order to facilitate distribution and marketing of its services in those areas, the Group could seek to enter into agreements with other companies, such as joint ventures or partnerships. However, it might not be able to identify or enter into agreements with appropriate partners. Furthermore, these agreements could involve a number of risks arising, for example, from a lack of control over projects, conflicts of interest between the partners, the possibility that any one of them might not meet one of its obligations (particularly those regarding its equity investments) and the difficulty faced by the Group in maintaining uniform standards, control procedures and policies.

If the Group is unable to penetrate these markets in satisfactory economic conditions or, as the case may be, with appropriate partners, this could prevent the Group from implementing its development strategy. This could have a significant adverse impact on its business, financial situation, results and growth objectives.

4.2.10 THE GROUP HAS UNDERTAKEN NEW AND INNOVATIVE PROJECTS, THE PROFITABILITY OF WHICH IS NOT GUARANTEED

The Group has made major investments in new infrastructure including a new satellite (EUTELSAT KA-SAT 9A, launched in December 2010) and a complex network of terrestrial stations used for marketing different types of services and, particularly, satellite broadband Internet access solutions to consumers across Europe.

The development of these new activities depends greatly on the prospects for growth in demand for satellite services. This demand may not materialise, or the Group may be unable to respond to it.

Furthermore, the Group's failure to develop, operate or sell these innovative projects, especially the KA-SAT- project, would have a detrimental effect on the Group's prospects and growth targets and accordingly, a significant negative effect on its business, financial situation and results.

Moreover, the deterioration in the technical quality of the S-band payload services owned by Solaris Mobile Ltd prompted the Company to review its development prospects.

In October 2011, Eutelsat announced the order of a new satellite, EUTELSAT 9B, to host the first data relay payload for the European Data Relay Satellite System (EDRS), under construction *via* a Public/Private Partnership (PPP) between Astrium and the ESA.

4.2.11 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.

4.2.12 PREVENTION AND MANAGEMENT OF THE GROUP'S COMMERCIAL RISKS

MANAGEMENT AND FOLLOW-UP OF CONTRACTS WITH CUSTOMERS

The Group's contracts with customers are entered into by Eutelsat S.A. or its subsidiaries on the basis of standard models prepared by the Legal and Commercial Departments of Eutelsat S.A.

Any change to the standard format is examined by Eutelsat S.A.'s Legal Department before the contracts are signed by those with the appropriate level of authority.

The signature of sales contracts is subject to a number of approvals which vary according to the annual value of each commitment. Depending on the amounts and the nature of services involved, the signature of Eutelsat S.A.'s Commercial Director, Multimedia Department Director, General Counsel or Chief Executive Officer (or Deputy CEO) may be required.

The drawing up of capacity allotment agreements is based on complex procedures aimed at ensuring that contracts have been duly signed and customers accurately billed. During each financial year, the sales cycle, which the Management of the Group deems to be one of the key processes, is the subject of an in-depth audit. The aim of these recurring annual audits is to evaluate the suitability of the internal procedures in place and, on the basis of the findings, ensure that appropriate modifications are made to increase the reliability of these internal procedures contributing to the recognition of revenue.

Allotment agreements are the subject of monthly and quarterly reports prepared jointly by the Commercial and Finance Departments.

CUSTOMER CONTRACT RISK

All new customers are systematically assessed by the Finance Department's Credit Management team to determine the level of financial guarantees required. All late payments are the subject of in-depth analysis with the relevant client-managers within the Sales and Legal Departments followed, as required, by appropriate measures.

The Group has also taken out a credit insurance policy to improve coverage of customer default risks (see Section 4.1.10, "Insurance").

4.3 Liquidity risk

4.3.1 THE GROUP HAS A HIGH LEVEL OF DEBT

As of 30 June 2013, the Group's consolidated net debt was 2,647 million euros and mainly comprised: (i) 800 million euros of borrowings under Eutelsat Communications Refinancing Loan (see Section 6.1.3.3 "Changes in debt and the Group's financing structure" for further details), (ii) 1,950 million euros of bonds issued by Eutelsat S.A.,(iii) 144 million euros of debt related to satellite and launch services financing agreements, and (iv) 248 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.

During the financial year ended 30 June 2013, the Group continued to diversify its funding sources. Eutelsat S.A. issued a new 300 million euros bond maturing in October 2022 and signed two 11.5-year amortising credit facilities for a total amount of 209 million euros within the framework of a satellite and a launcher financing contract.

As of 30 June 2013, the Group's financing sources were 45% bank-based and 55% bond debt. Since 30 June 2013, the Group has entered into two bank loan agreements on 13 September 2013: a 850 million U.S. dollars bridge term loan and a 450 million euro revolving credit facility (see section 6.1.1.3 "Changes in net debt and Group financing structure" of this Reference Document).

The following table sets out the financial liability repayments:

Total flows	30 June 2013		June 2014		June 2015		June 2016		June 2017		June 2018		Beyond 5 years		Total	
(in millions of euros)	Principal	Contractual flows	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Bank loan Eutelsat Communications S.A.	(800.0)	(868.6)	-	(19.6)	-	(19.6)	-	(19.6)	(800.0)	(9.8)	-	-	-	-	(800.0)	(68.6)
Eutelsat S.A. bonds	(1,950.0)	(2,424.0)	-	(84.4)	-	(84.4)	-	(84.4)	(850.0)	(84.4)	-	(49.4)	(1,100.0)	(86.9)	(1,950.0)	(474.0)
US Ex-Im export credit financing	(42.0)	(45.2)	(4.9)	(0.7)	(4.9)	(0.6)	(4.9)	(0.6)	(4.9)	(0.5)	(4.9)	(0.4)	(17.5)	(0.4)	(42.0)	(3.2)
ONDD export credit financings	(94.9)	(107.7)	-	(1.8)	-	(1.8)	(2.4)	(1.9)	(11.1)	(1.4)	(11.2)	(1.5)	(70.2)	(4.5)	(94.9)	(12.9)
Interest-rate derivatives	(11.1)	(11.1)	(0.7)	-	-	-	(10.4)	-	-	-	-	-	-	-	(11.1)	-
Creditor banks	(0.1)	(0.1)	(0.1)	-	-	-	-	-	-	-	-	-	-	-	(0.1)	-
Other financial liabilities	(113.6)	(113.6)	(31.7)	-	(41.3)	-	(23.3)	-	(8.5)	-	(4.8)	-	(4.0)	-	(113.6)	-
Total financial liabilities	**(3,011.8)**	**(3,570.5)**	**(37.4)**	**(106.5)**	**(46.2)**	**(106.4)**	**(41.0)**	**(106.5)**	**(1,674.5)**	**(96.1)**	**(20.9)**	**(51.3)**	**(1,191.7)**	**(91.8)**	**(3,011.7)**	**(558.7)**

The following table presents credit line maturities:

(in millions of euros)	30 June 2013	June 2014	June 2015	June 2016	June 2017	June 2018	Total
Maturity of available unused credit facilities	(650.0)	-	(450.0)	-	(200.0)	-	(650.0)

The following table presents the maturity schedule for financial assets:

	Total flows	June 2014	June 2015	June 2016	June 2017	June 2018	Beyond 5 years	Total
(in millions of euros)	30 June 2013	Principal	Principal	Principal	Principal	Principal	Principal	Principal
Foreign exchange derivatives	0.4	0.4	-	-	-	-	-	0.4
Interest-rate derivatives	0.2	0.2	-	-	-	-	-	0.2
Financial assets	34.1	29.7	-	-	-	-	4.4	34.1
Cash	105.9	105.9	-	-	-	-	-	105.9
Cash equivalents	142.1	142.1	-	-	-	-	-	142.1
Total financial assets	**282.6**	**278.2**	**-**	**-**	**-**	**-**	**4.4**	**282.6**

4.3.2 IN ORDER TO SERVICE ITS DEBT, THE GROUP WILL REQUIRE SUBSTANTIAL CAPITAL RESOURCES WHICH IT MIGHT NOT BE IN A POSITION TO RAISE. THE GROUP'S ABILITY TO ACCESS THE CAPITAL REQUIRED DEPENDS ON MANY FACTORS, SOME OF WHICH ARE BEYOND ITS CONTROL

If the Group were not able to meet its debt-related obligations, it could be forced to refinance or restructure its debt. The Group's ability to restructure or refinance its debt would depend on different factors, some of which are beyond its control. Any refinancing of its debt could be done under less favourable terms, which could restrict the Group's operational and financial flexibility. If the Group is unable to service its debt or refinance under financially-acceptable terms, this could have a significant adverse impact on its business, financial situation and results.

Moreover, the Group's ability to implement its strategy and generate cash flow depends on economic, financial, competitive, legal, regulatory, commercial and other factors, which are outside its control and which will determine its future performance. If the Group's operating cash flow is not sufficient to cover its investment expenditure and debt servicing, it could be forced to:

- postpone or reduce investments;
- sell assets;
- relinquish commercial opportunities or opportunities for external growth (including acquisitions);
- obtain loans or additional equity; or
- restructure or refinance all or part of its debt.

The Group might not be in a position to perform any of these transactions or succeed in performing them in the time required or on satisfactory economic terms, which could have a significant negative impact on its business, financial situation and results.

4.3.3 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 Investors Service (with the Eutelsat Communications S.A.'s debt rated Baa3/Stable Outlook and Eutelsat S.A.'s debt rated Baa2/Stable Outlook) and (ii) Standard & Poor's (with Eutelsat Communications S.A.'s debt rated BBB-/Stable Outlook and Eutelsat S.A.'s debt rated BBB/Stable 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 have put the Group's credit ratings under watch with negative implications. They have 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.

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.

4.3.4 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 2013, the Company had a high level of debt with 800 million euros in bank borrowings drawn under the Refinancing Agreement (see Section 6.1.3.3 "Changes in debt and the Group's financing structure"). These borrowings do not carry guarantees from Eutelsat Communications subsidiaries, nor any pledge of assets to the lenders.

The distributable funds of its main 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.

4.3.5 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 (see Section 7.1.1.5 "Key Events"), 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 2013, the discounted value of the Trust's pension liabilities amounted to 225.3 million euros in Eutelsat Communications' consolidated financial statements, and the fair value of its assets was 160.6 million euros (see Note 22.1 to the consolidated financial statements for the year ended 30 June 2013 under Section 6.2 of this Reference Document). 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 2011, given the sharp fall in long-term interest rates, the amount of guarantee being called upon was 8.2 million euros. This amount was measured on the basis of the Trust's projections, taking into account future market developments and has been paid in two settlements during the financial year ended 30 June 2011 and 2012.

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.

4.3.6 THE GROUP MANAGES LIQUIDITY RISK

As of 30 June 2013, available cash assets amounted to 248.0 million euros, in addition to 650.0 million euros of bank credit facilities which had not been drawn as of that date. The Group believes that it is not exposed to any significant liquidity risk.

As of 30 June 2013, the Group complied with all of the covenants on its various credit facilities as described in Section 6.1.3.3 "Changes in debt and the Group's financing structure" of this Reference Document. In particular, the net debt to EBITDA ratio has changed in recent financial years from 2.48 as of 30 June 2012 to 2.66 as of 30 June 2013.

The Group manages liquidity risk by using a tool enabling it to monitor and manage its recurrent cash flow needs. This tool takes account of the maturity of financial investments, financial assets and estimated future cash flows arising from operations.

The Group's goal is to maintain a balance between continuous funding and flexibility by use of overdrafts, short-term bank loans, bond issues, revolving credit lines and satellite lease contracts.

The Group's main maturities are December 2016 (800 million euros), March 2017 (850 million euros), January 2019 (800 million euros) and October 2022 (300 million euros).

4.4 Regulatory risks

4.4.1 EUTELSAT S.A., THE GROUP'S MAIN OPERATING SUBSIDIARY, IS SUBJECT TO THE AMENDED CONVENTION OF EUTELSAT IGO, AND EUTELSAT COMMUNICATIONS IS SUBJECT TO THE LETTER-AGREEMENT

Eutelsat S.A. By-laws provide that the international treaty establishing the Eutelsat IGO, dated 15 July 1982 and amended on 20 May 1999 (hereinafter the "Amended Convention"), is a "Reference Document" for the conduct of Eutelsat S.A.'s business activities.

Furthermore, the reciprocal rights and obligations of Eutelsat S.A. and Eutelsat IGO are defined in an agreement pursuant to the Amended Convention (the "Arrangement") dated 2 July 2001.

The rights of Eutelsat IGO under the Arrangement allow Eutelsat IGO to ensure that Eutelsat S.A. abides by the "Basic Principles" defined in the Amended Convention, namely: the public service/universal service obligation for telephony services connected to the international public switched network; the provision of audiovisual services in compliance with relevant international agreements, including the European Convention on transfrontier television and national regulations; the pan-European coverage of the satellite system and compliance with the principles of non-discrimination and fair competition (see Section 5.6 "Other provisions applicable to the Group" for more information on the "Basic Principles") in defining its strategy and conducting its business.

For a complete description of Eutelsat S.A.'s obligations under the Arrangement, see Section 5.6 "Other provisions applicable to the Group".

With a view to allowing the Company to carry out an initial public offering of its shares, Eutelsat Communications and Eutelsat IGO signed a Letter-Agreement dated 2 September 2005 (the "Letter-Agreement") by which the Company made certain commitments to Eutelsat IGO (see Section 5.6 "Other provisions applicable to the Group").

Moreover, to facilitate reporting to Eutelsat IGO on the Company's operations, the Executive Secretary of Eutelsat IGO attends meetings of the Eutelsat S.A. Board of Directors and, since the IPO of Eutelsat Communications, has attended meetings of the latter's Board of Directors as an Observer.

Eutelsat IGO's assessment of Eutelsat S.A.'s operations and strategy, in terms of the obligation to observe the "Basic Principles", and the Group's financial policy, could be different from that of the Group. As a result, taking into account Eutelsat IGO's recommendations or requests could reduce the Group's responsiveness and flexibility in conducting its business, managing its debt and equity and defining its distribution policy, and could have a significant negative impact on the Group's business, financial situation and results.

4.4.2 THE APPLICATION OF INTERNATIONAL REGULATIONS ON CO-ORDINATING FREQUENCY ASSIGNMENTS COULD MAKE IT MORE DIFFICULT FOR THE GROUP TO IMPLEMENT ITS DEPLOYMENT PLAN

Frequency assignments are co-ordinated internationally according to the International Telecommunication Union's (ITU) "Radio Regulations". The purpose of this coordination is to limit the risks of interference between broadcasts (see Section 5.1 "Regulations governing frequency assignments and international coordination" for a description of the frequency assignment coordination procedure).

Eutelsat S.A. has a number of frequency assignments for which the international coordination procedure, in accordance with the general regime defined by the ITU's Radio Regulations (see Section 5.1 "Regulations governing frequency assignment and international coordination") is not yet complete and/or is not yet in operation with any of the Group's satellites. As regards assignments for which the coordination procedure is not yet complete, priorities for these assignments and for third parties involved in the coordination could mean that coordination restricts the Group's ability to fully operate some of these assignments. As regards assignments for which the coordination procedure is not yet in operation, the Group might not be in a position to activate them within the timeframes set by the Radio Regulations, which would result in a loss of their current priorities. Both situations could have a significant adverse impact on the Group's activities, financial situation and results.

The Group also has certain frequency assignments governed by one of the two special regulations (see Section 5.1.1 "International coordination of frequency assignments under the Radio Regulations"). If any State decides to exercise their rights under these systems, or if these special regimes are amended, the Group could be forced to change or discontinue the current use of its assignments, which could have a significant negative impact on its business, financial situation and results.

Finally, the ITU's Radio Regulations provide only for voluntary resolution of disputes in the event of disagreements between the ITU's Member States over non-compliance with international regulations governing coordination of their frequency assignments. The Group could be forced to accept the result of an unfavourable agreement between ITU Member States relating to frequency assignments it uses. This could have a significant negative impact on the Group's business, financial situation and results.

4.4.3 THE GROUP'S PROVISION OF SATELLITE TELECOMMUNICATIONS SERVICES IS SUBJECT TO CERTAIN SPECIFIC STATUTORY AND REGULATORY PROVISIONS

The satellite telecommunications industry in which the Group operates is governed by extensive regulation (see Section 5 "Regulations"). Changes in policy or regulation on a global level within the framework of the ITU or within the European Union, France or other countries in which the Group does business could have a significant negative impact on the Group's activities, financial situation and results, particularly if such changes increase costs and regulatory restrictions relating to the Group's services.

The Group must be able to maintain its existing frequency assignments at the orbital positions at which it operates its satellites or where it might need to redeploy some of its satellites. It must also be able to obtain new frequency assignments, at the same or new orbital positions, for the future expansion of its business.

In France, regulations on obtaining and using assigned frequencies relating to a satellite system have been in force since the "Confidence in the Digital Economy Act" (No. 2004-575 of 21 June 2004) and the Decree of 11 August 2006 (see Section 5.1.5 "French regulations relating to satellite frequency assignments and their operation"). Being strictly applied, this regulation has already to some extent, and could in future, limit the Group's ability to obtain new assigned frequencies from the French authorities or to use them as it would like. Such a situation could have a significant negative impact on the Group's business, financial situation and results.

Currently, the cost of requests for frequency assignments from the ITU and those of requests for frequency usage authorisations consists solely of the handling costs of the *Agence nationale des fréquences*. A change in the pricing policy could prompt the authorities to charge operators for part of the economic value of the orbital positions they operate. This could have a significant adverse effect on the Group's business, financial situation or results.

Furthermore, the use of radio frequencies by RF earth stations is covered by authorisations issued by ARCEP ("frequency assignments", see Section 5.2.1 "Regulations in France"). Changes in global, European or national regulatory policies could mean that certain frequency bands previously open to satellites could no longer be accessed through future authorisation requests in France. This is the case with the 3.4-3.8 GHz band, which cannot be used at present for Fixed Satellite Services. Such a situation could have a significant negative impact on the Group's business, financial situation and results.

When developing new businesses, the Group could be subject to regulatory requirements including those relating to broadcasting (content broadcast) and earth stations. Compliance with these new regulatory requirements could involve considerable investments of time and resources. Furthermore, the Group cannot guarantee that it will be able to obtain or maintain the necessary authorisations, which could delay or interfere with the provision of services to clients in the affected countries or the implementation of its development strategy, thereby having a significant negative impact on its business, financial situation and results.

Under a partnership agreement with SES, the Group and SES formed a joint venture, Solaris Mobile Ltd, in charge of operating and marketing an S-band payload on the EUTELSAT 10A satellite launched on 3 April 2009. On 7 August 2008, the European Commission invited applications in order to select S-band satellite mobile systems operators in the European Union. Solaris Mobile Ltd responded to this invitation on 7 October 2008. Solaris Mobile Ltd was selected by the Commission in its decision of 13 May 2009. Member States must grant a right of use in their territory for the frequencies identified in the Commission's decision for a period of 18 years from the date of the decision. Solaris Mobile Ltd currently has 19 national authorisations (France, Germany, Italy, Luxembourg, Sweden, Poland, UK, Spain, Denmark, Finland, Netherlands, Slovenia, Belgium, Lithuania, Estonia, Austria, Malta, Hungary and Ireland).

If Solaris Mobile Ltd does not comply with the commitments made in its application or with the scheduled progress of the project, sanctions could be applied to Solaris Mobile Ltd, including the suspension or co-ordinated withdrawal of authorisations. This could have an adverse impact on the Group's business, financial situation and results.

The amendment of applicable regulations could also limit or prevent the obtaining or retaining of the requisite authorisations regarding the Group's current business or its development strategy, which could have a significant negative impact on the Group's business, financial position and earnings.

Furthermore, some States could decide to impose a system of taxation on satellite operators for satellite broadcast reception in their territory. Such a development could have a significant negative impact on the Group's business, financial situation and results.

4.4.4 SINCE 10 DECEMBER 2010, THE GROUP HAS BEEN SUBJECT TO NEW REGULATIONS UNDER THE FRENCH SPACE OPERATIONS ACT

The Space Operations Act was published in France's *Journal officiel* on 4 June 2008, and its application decrees were published on 10 June 2009. The Group is mainly affected by decree no. 2009-643 on authorisations. The Act has been in force since 10 December 2010 and is described in Section 5.4 "Regulations governing Space Operations".

The application of the Space Operations Act could therefore have a significant negative impact on the Group's business, financial situation and results.

4.4.5 THE GROUP IS SUBJECT TO STRICT REGULATIONS GOVERNING THE CONTENT OF PROGRAMMES BROADCAST *VIA* ITS SATELLITES

Regulations on the broadcasting of television programmes in the European Union provide that each Member State must ensure that the programmes transmitted comply with applicable laws on broadcasts to the general public, especially for the purpose of protecting minors and prohibiting the promotion of hatred and racial discrimination. As a French satellite operator, the Group could be given formal notice to cease broadcasting of a television channel from outside the European Union if the channel's content does not comply with French laws and regulations or if it is likely to damage public order (see Section 5.3 "Regulations governing content"). However, the Group might not be technically able to cease the broadcast without being forced to interrupt the transmission of other television channels that are part of the same multiplex on the same transponder. These television channels might then terminate contracts for that capacity and apply for compensation, which could have a significant negative impact on the Group's business, financial situation and results.

In future, the French authorities could issue an order to interrupt broadcasting of non-European channels. As a result, if at any time, governmental or judicial decisions prevent the Group from delivering its transmission services, it could find it more and more difficult to pursue its policy of long-term contracts for the transmission of television channels with non-French customers, thereby encouraging some of its customers to use the services of competing operators, which would have a significant negative impact on the Group's business, financial situation and results.

This risk could be reduced given the fact that, as indicated in Section 5.3.1 "The "Audiovisual Media Services" Directive", a large portion of foreign channels broadcast by the Group have been governed, since 19 December 2009, by the regulator of the country where the satellite uplink is conducted (Germany, Italy, UK, etc.), and no longer only by the French regulator.

Within the authorised European limits, some countries may be more flexible than France and/or their regulators may adopt different positions to those of the French regulator. However, certain steps relating to channels that may create compliance problems under French law and the European directive (which is merely transposed by national legislation) are initiated by the Commission itself. Such steps may therefore have repercussions, regardless of the designated national regulator within the European Union. The position of one or another of the appropriate European regulators may, moreover, change and become entrenched over time, and this can neither be predicted nor prevented.

Lastly, it is possible, although unlikely, that French legislation could in future be reinforced or amended, especially with respect to non-European television channels, and it could reintroduce, for instance, prior conventions for these non-European television channels (see Section 5.3 "Regulations governing content" for a description of the regulations on this point). This could have a significant negative impact on the Group's business, financial situation and results.

4.4.6 THE GROUP IS SUBJECT TO OTHER REGULATIONS APPLYING TO THE CHANNELS IT BROADCASTS

Some channels broadcast by the Group could be explicitly addressed by United Nations resolutions transposed *via* European Union regulations, introducing restrictive measures against some entities, or citing them directly in European regulations. These European regulations are directly applicable to the Group, which must ensure that none of the listed channels are broadcast using its satellites (see Section 5.3.2. "1986 French law on freedom of communication").

Considering the number of channels broadcast by the Group, and the absence of direct contractual links with television channels, the risk of transmitting channels covered by such regulations is real, representing a potentially significant negative impact on the Group's business, financial situation, and results.

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4.5 Market risk

The Group is exposed to market risks, principally in terms of currency and interest rates, and the Executive Board actively monitors this risk exposure by using various derivative instruments. These instruments are traded over-the-counter with top-tier banking counterparts. The goal is, where appropriate, to reduce revenue and cash flow fluctuations arising from interest-rate and foreign exchange rate variations.

The Group's policy is to use financial derivative instruments to manage such exposure. These instruments are traded over-the-counter with first-rate banking counterparts. The Group does not engage in financial transactions whose associated risk cannot be quantified at their outset, *i.e.* the Group never sells assets it does not possess or does not know it will subsequently possess.

4.5.1 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 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 50 million U.S. dollars, whose payment may be phased over time. As of 30 June 2013, the Group owed phased payments totalling 293 million U.S. dollars for the financial year 2013-2014, mainly regarding six 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.

Moreover, the Group's clients located in emerging countries may encounter difficulties in obtaining euros or U.S. dollars, especially because of currency controls. 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 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.

As of 30 June 2013, the fair value of the Group's foreign-currency risk hedges was 0.4 million euros, against (4.8) million euros as of 30 June 2012.

Considering its exposure to foreign-currency risk, the Group believes that a 10-cent increase in the euro/U.S. dollar exchange rate would have a 3.3 million euro impact on Group income and would result in a negative change in Group OCI amounting to 9.0 million euros and a change of 26.2 million euros in Group translation reserve.

The following table shows the situation (in millions of euros) for all existing foreign currency hedging instruments as of 30 June 2013:

	Notional amounts		
	2011	2012	2013
Synthetic forward transaction with knock-in option	107.2	103.3	68.7

The net position in terms of managing foreign exchange risk as of 30 June 2013 was as follows:

(in millions of euros)	
Assets	115.3
Liabilities	(90.2)
Net position prior to hedging	25.1
Net position subject to hedging	(22.9)
Net position after hedging	2.2

4.5.2 INTEREST RATE RISK

The Group manages its exposure to interest rate volatility by maintaining a portion of its debt at fixed rates (Eutelsat S.A. bond issues) and by hedging its floating-rate credit lines.

The following table shows the situation for all existing interest-rate hedging instruments as of 30 June 2013:

(in millions of euros)	Contractual/ notional values at 30 June 2013	Fair value at 30 June 2013	Change in fair value over the period	Impact on income	Impact on equity
Swap (Eutelsat Communications S.A.) expired	-	-	27.1	-	23.2
Future Swaps (Eutelsat Communications S.A.)	350.0	(6.8)	(2.9)	-	(2.7)
Collars (Eutelsat Communications S.A.)	350.0	(4.3)	(2.1)	-	(2.0)
Caps (Eutelsat Communications S.A.)	100.0	0.2	(0.1)	(0.1)	-
Collars (Eutelsat S.A.)[1]	100.0	(0.1)	0.3	0.3	-
Total	**900.0**	**(11.0)**	**22.3**	**0.2**	**18.6**

(1) Instrument not qualifying as hedge.

The net interest-rate position as of 30 June 2013 was as follows:

(in millions of euros)	Financial assets[1] (a)		Liabilities (b)		Net position before hedging (c)=(a)-(b)		Off balance-sheet (fixed rate swaps, caps, collars) (d)		Net position after hedging (e)=(c)+(d)	
Maturity	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate
Less than 1 year	-	248.0	37.4	-	(37.4)	248.0	-	-	(37.4)	248.0
From 1 to 5 years	-	-	957.9	824.7	(957.9)	(824.7)	-	900.0	(957.9)	75.3
More than 5 years	-	-	1,121.5	70.2	(1,121.5)	(70.2)	-	-	(1,121.5)	(70.2)
Total	**-**	**248.0**	**2,116.8**	**894.9**	**(2,116.8)**	**(646.9)**	**-**	**900.0**	**(2,116.8)**	**253.1**

(1) Cash and financial instruments.

Considering the full range of financial instruments available to the Group at 30 June 2013, a 10 base-point increase (+0.10%) over the EURIBOR interest rate would have an insignificant impact on the interest expense, and on the revaluing of financial instruments in the income statement. It would result in a positive change amounting to 1.5 million euros in equity related to the effective portion of the change in the fair value of hedging instruments qualified as cash flow hedges.

Although the Group has a pro-active interest-rate risk management policy, a substantial increase in interest rates could have a negative impact on its business, financial situation and results.

4.5.3 COUNTERPARTY RISK

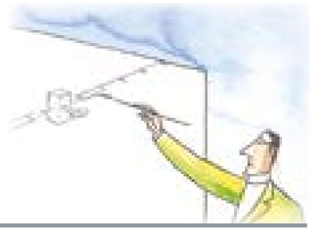
Counterparty risk includes issuer risk, execution risk in connection with derivatives or monetary instruments, and credit risk regarding liquidity and forward investments. The Group minimises its exposure to issuer risk and its exposure to execution and credit risk by acquiring financial products from first-rate financial institutions or banks. Exposure to these risks is closely monitored and maintained within predetermined limits. As of 30 June 2013, the Eutelsat Communications banking syndicate comprised 11 lenders with Eutelsat S.A.'s banking syndicate comprising four banks.

If any of the lenders default on the term loan portion of the credit facilities, the Group retains the amounts initially allocated in full. If any counterparty defaults on the revolving part of a credit facility, the amount obtained may be less than the total amount requested. In this case, the Group has the possibility of drawing one or more additional amounts from the other counterparties in order to obtain the extra sums needed to make up the total amount required.

The Group does not expect any losses resulting from a failure by its counterparts to respect their commitments under the agreements it has concluded.

Risk linked to the Group's clients and suppliers are outlined, respectively, in Sections 4.1.3 "The Group's satellite deployment plan is dependent on a few major suppliers" and 4.2.5 "The Group is dependent on several major customers" of this Reference Document. The analysis of accounts receivable (matured and unmatured) can be found in Note 10.2 to the consolidated financial statements under Section 6.2 of this Reference Document.

5. REGULATION



The provision of satellite capacity and services is highly regulated. As a satellite operator providing satellite capacity and services in a number of countries, the Group must comply with national regulations in countries in which it provides or seeks to provide capacity and services, and its operations are also governed, indirectly, by international regulations with which these countries themselves must comply. The various regulations fall into six categories:

- national regulations governing access to the radio frequency spectrum and related authorisations ("frequency assignments"), and international regulations governing the coordination of these authorisations at international level;
- national regulations governing the deployment and operation of telecommunications networks, the supply of telecommunications services and the operation of RF facilities on the ground ("earth stations");
- regulations governing content;
- French regulations governing space operations for which France could potentially bear international liability;
- control requirements relating to exports (regulations governing the activities of the Group's suppliers); and
- other requirements applicable to the Group, such as relations with Eutelsat IGO.

5.1 Regulations governing frequency assignments and international coordination

All radiocommunication involves the transmission of radio waves which are characterised, *inter alia*, by their frequencies. Transmissions on identical frequencies or on frequencies that are insufficiently differentiated run the risk of creating a disturbance between the transmissions, which can result in radio interference. This interference affects the quality of the communications to some degree and, depending on the level of severity, is deemed "permissible", "acceptable" or, if it affects the communications to the point of making them unusable, "harmful". It is because of such risks of interference and the effect on the quality of radiocommunications services that, in all countries, the installation and operation of radio facilities is subject to authorisation by the competent national public authorities. These authorisations, known as "frequency assignments" are delivered at national level by governments exercising their sovereign rights, to allow usage of specified radio frequencies according to purposes and conditions specified by those authorisations.

Governments must carry out international coordination to limit the risks of interference. The International Telecommunication Union (ITU), which is a specialised United Nations agency, has a body of rules to ensure such coordination. These rules are contained in the ITU's "Radio Regulations". For satellite radiocommunications, these rules make explicit provision for frequencies to be assigned to a group of countries, and it is the group of countries that then assumes joint responsibility and has joint rights and obligations in respect thereof.

The World Radiocommunication Conference (WRC 12), held in Geneva from 23 January to 17 February 2012, made several amendments to the Radio Regulations and their Appendices. The new amended Radio Regulations came into force on 1 January 2013.

5.1.1 INTERNATIONAL COORDINATION OF FREQUENCY ASSIGNMENTS UNDER THE RADIO REGULATIONS

The co-ordination of frequency assignments at an international level aims to ensure the co-existence of satellite operations authorised by countries in the exercise of their sovereign rights (or groups of countries in their capacity as Parties to an intergovernmental organisation, which is the case of the assignments the Group inherited from the IGO when the Transformation to privatize the Company took place).

The rules governing coordination make it possible to determine whether satellite operations that have not yet commenced can begin as defined by the corresponding assignments or, if not, whether they have to be adjusted due to the risks of interference with other satellite operations. Similarly, when satellite operations have already started, and prove to cause harmful interference to other operations, the rules define to what extent such operations can continue, with or without adjustments, or whether they must be terminated immediately to avoid the interference.

The Radio Regulations define three separate systems for frequency assignments to be used for space radiocommunications using geostationary satellites. The applicable system is determined by the frequency bands in which the frequencies to be assigned are located:

- a general system governs assignments in all frequency bands assigned to space radiocommunications services in the parts of the spectrum known as "C-band", "Ku-band", "S-band" and "Ka-band" with the exception of those explicitly governed by one of the two special systems described below;
- the first special system (referred to below as the "BSS System") governs assignments in the Ku-band spectrum assigned to the Broadcasting Satellite Service (BSS) and the corresponding resources to be used for the uplinks to the broadcasting satellites; and
- the second special system (referred to below as the "FSS System") governs assignments in specific sections of the spectrum in the C and Ku-bands, assigned to the Fixed Satellite Service (FSS).

Under these three systems, the countries that have international responsibility for the given assignments, either individually or jointly, must submit through their competent regulatory authority (the "Administration" which, for France, is the ANFR) certain items of information about the assignments to the ITU Radiocommunication Bureau (RB). The RB then publishes this information in circulars sent out periodically to the administrations of all ITU Member States.

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GENERAL SYSTEM

Under the general system, an initial submission ("Advance Publication") giving only limited general information about the assignments (orbital position, frequency bands) determines the start of the regulatory period during which operation of the assignments has to begin. For assignments filed under this initial submission before November 1997, this period lasts nine years and, for assignments filed after November 1997, this period lasts seven years.

A second submission, known as the "Request for Coordination", which provides very detailed information on the assignments, marks the beginning of the actual coordination process. From the date it is received by the Radiocommunication Bureau, this Request for Coordination takes priority over all assignments covered by a subsequent Request for Coordination. By virtue of this priority, when coordination between assignments covered by a subsequent Request for Coordination proves problematic or impossible, the Administration that submitted its Request for Coordination first is not required to make adjustments to its frequency assignments in order to facilitate coordination with assignments covered by a subsequent Request or Requests for Coordination.

The general system does not prohibit the implementation or operation of frequency assignments for which the coordination process has not been completed. However, in such a case, operation of these frequency assignments may have to be interrupted or adjusted if such operation causes harmful interference to operations covered by assignments with a higher priority.

Priority continues to apply for the seven or nine-year period during which assignments can be brought into operation. If the assignments have not been brought into operation when this time limit expires, the Advance Publication and Request for Coordination are both deemed to have never existed and the Administration responsible must then restart the process and re-submit the two submissions. The new Request for Coordination then gives these assignments a lower priority than the first, placing them behind all assignments for which a Request for Coordination has been submitted in the meantime.

Assignments that are brought into use before the deadline expires continue to enjoy the priority given by the Request for Coordination during the full term of validity of the assignments as declared by the relevant Administration in its Request for Coordination (30-40 years for the Group's frequency assignments). There are, however, provisions in the Radio Regulations enabling an extension in the period of validity for the assignments in operation.

THE SPECIAL BSS AND FSS SYSTEMS

With these two special systems, the international community adopted *a priori* plans at the ITU's World Radiocommunication Conferences (WRCs). These plans guarantee all ITU Member States identical rights, irrespective of the size of their populations and territories, to make predefined use of specified amounts of radio spectrum resources in the frequency bands governed by these two systems. These predefined uses have priority over any other use of these resources. Furthermore, in contrast to the general method of coordination in which administrations that are parties to coordination can freely agree on the measures and technical conditions to be used for coordination, these special systems define highly detailed rules and technical conditions to be used for coordination.

Apart from these pre-defined frequency assignments for national coverage, public authorities may submit requests for additional frequency assignments as in the case of the general system. In this case, these two systems do not involve an initial submission (whose date, in the case of the general coordination system, determines the deadline for bringing the assignments into use), but instead call for a single detailed submission (request for registration of "additional assignments"), which, as in the general method of coordination, gives priority over subsequent submissions from the date it is received by the RB.

Under the BSS method, the submission date is the start of an eight-year period during which the assignments have to be brought into use, otherwise the entire process must be restarted with a new submission (request for registration) and a lower priority. Once operation has begun, it can continue for 15 years and is renewable once, without loss of rights, as long as the technical specifications of the uses remain the same. As under the general system of coordination, operation may begin before the end of the coordination process with priority uses that are predefined as being additional. In situations where there is harmful interference, the priority ranking will determine the uses that can be continued without adjustments and those which will have to be interrupted or adjusted, with pre-defined uses having the highest priority.

Under the FSS system, a submission does not grant priority over assignments covered by subsequent submissions. This right is acquired only if the RB finds, after reviewing the submission, that:

- the assignments do not affect the rights of any Member State, as predetermined by the plan, or the rights acquired by a Member State for assignments covered by a submission on which the RB has previously reached a favourable finding; or, if the opposite is the case;
- the administrations whose rights would have been affected have explicitly accepted that their rights can be affected.

If the RB reaches a negative finding, the submission is deemed null and void. In that case, the administration concerned has to make a new submission, which will be examined by the RB after all the other submissions that have been received by the RB in the meantime.

Until recently, the FSS system did not specify a deadline for bringing the additional assignments into use. However, since 2003, this deadline is eight years from the date of the RB's findings (the date of acquisition of the priority right).

Most of the frequency assignments the Group uses for its activities, present and future, have been granted under the general system and have either been successfully co-ordinated or benefit from a high priority.

Nevertheless, at a number of orbital positions, the Group operates under frequency assignments governed by the special BSS and FSS systems. Most of these assignments have been the subject of a successful coordination procedure. In a small number of cases, however, the Group began operation under such assignments without having yet completed the coordination process.

RESOLUTION OF DISPUTES

The legal certainty obtained by satellite operators from the application of the Radio Regulations governing international coordination of frequency assignments depends on strict compliance with these procedures by all ITU Member States.

As a general rule, verified situations of harmful interference are handled through informal contacts at an operational level (control centres) between the operators concerned. In the majority of cases, the operators resolve the problem. Rare cases that cannot be settled by such means are handled through exchanges between the relevant administrations ("interference claims").The administrations can also request the assistance of the RB to establish contacts or, in very rare cases, conduct an investigation into the failure by an ITU Member State to comply with its obligations under the Radio Regulations.

However, the Radio Regulations do not contain any mechanism for mandatory resolution of disputes or compulsory enforcement. The ITU's arbitration procedure assumes the consent of the parties. Similarly, no provision of the Radio Regulations or of international law in general offers a solution in cases when this spontaneous and voluntary arbitration process does not succeed in resolving the dispute.

5.1.2 FREQUENCY ASSIGNMENTS UNDER JOINT RESPONSIBILITY

Most of the frequency assignments used by the Group in its business activities, both present and future, involve joint responsibility, and were, for much of it, issued to the IGO by the Member States collectively (the "Parties") prior to the Transformation. For all these frequency assignments, the Parties collectively discharged their joint obligations under the Radio Regulations through the Party of France, which was designated by them to act in their name and on their behalf.

The *Agence nationale des fréquences* (ANFR) is the French authority responsible for ensuring that France complies with its obligations under the Radio Regulations. Prior to the Transformation, therefore, the ANFR was the entity responsible for applying the international rules governing the coordination of frequency assignments on behalf of all the Parties.

After the Transformation, all frequency assignments remained under the joint responsibility of the Parties.

5.1.3 FREQUENCY ASSIGNMENTS GRANTED BY THE FRENCH AUTHORITY

Since the Transformation, France is the main authority needed by the Group for new frequency assignments (see the description of applicable French regulations under "Access to frequencies" as below). Eutelsat S.A. has already requested and obtained new frequency assignments, both to supplement the collective frequency assignments that were transferred to it on 2 July 2001 and to plan for future development of its activities, particularly for "mobile" telecommunications services requiring access to specific radio frequency spectrum (see below Section 5.1.5 "French regulations relating to satellite frequency assignments and their operation").

5.1.4 FREQUENCY ASSIGNMENTS GRANTED BY AUTHORITIES OTHER THAN FRANCE

On an increasing number of orbital positions, the Group operates satellites with frequency assignments to be granted by authorities other than France.

As of 30 June 2013, this is the case with the EUTELSAT 28A satellite at 28.5° East operated under frequency assignments granted by the German Authority, and the EUTELSAT 36A satellite operated at 36° East under Russian frequency assignments, granted by the Russian Authority and held directly by RSCC. The Group uses these frequency assignments under agreements entered into either with these operators, or with entities having the right to use these assignments.

In the case of the EUTELSAT 172A satellite, operated at 172° East, the Group is the direct beneficiary of the frequency assignments granted by the U.S. Authority. The satellite also operates its assignments under U.S. regulations and authority.

For the future EUTELSAT 65 West A satellite – to be operated at orbital position 65° West – frequency assignments have been granted by the Brazilian Authority. They have been obtained, together with associated authorisations, in an auction process in Brazil and the Group became its direct beneficiary. The satellite will operate these assignments under Brazilian Authorities and regulations, namely for operating outside of the Brazilian territory from the 65° West orbital position. The Group also intends to ask for and/or to buy rights on assignments for additional frequencies.

5.1.5 FRENCH REGULATIONS RELATING TO SATELLITE FREQUENCY ASSIGNMENTS AND THEIR OPERATION

Before the adoption of French Law No. 2004-575 on 21 June 2004, satellite frequency assignments were under the sole control of the ANFR. They depended on the ANFR submitting to the ITU's Radiocommunication Bureau information required under the Radio Regulations governing international coordination of frequency assignments. Relations between the operators and the ANFR for the operation of frequency assignments were not legally formalised.

Law No. 2004-575 of 21 June 2004 concerning confidence in the digital economy (known as LCEN) contains a section on "satellite frequency assignments" and was transposed into the *Code des postes et des communications électroniques* (Postal and Electronic Communications

Code, hereinafter "CPCE") in Articles L. 97.2 and subsequent Articles. This law, together with decree No. 2006-1015 of 11 August 2006, transposed into the CPCE in Articles R. 52-3-1 and subsequent Articles, establishes a new two-stage system:

- the assignment request is sent to the ANFR, which, after verifying that it complies with the national Table of Frequency Band Allocations, declares it to the ITU on behalf of France. A fee, equal to the amount invoiced by ITU to ANFR for processing the request submitted to ITU, is payable by the operator (Article R. 52-3-1 of the CPCE);
- operation of the assignment is subject to authorisation by the minister responsible for electronic communications, after obtaining the opinion of the authorities involved in assigning the frequencies concerned (*Conseil supérieur de l'audiovisuel* (CSA), the *Autorité de régulation des communications électroniques et des postes* (ARCEP), the French Ministry of Defence, etc.). This authorisation is granted on condition that the entity requesting the capacity provides proof of its ability to control the emissions of all RF stations, including earth stations, using the frequency assignment, and pays a fee to the ANFR for services rendered corresponding to the cost to the government of processing the request. The amount of this fee is established jointly by the minister in charge of the budget and the minister in charge of electronic communications. The decree of 11 August 2006 set this amount at 20,000 euros. Authorisation can be refused, for example "for the protection of public order, defence or public safety".

Persons who have asked the French government or the ANFR to declare to the ITU a frequency assignment prior to the publication of the LCEN had to request, if they wanted to retain the rights to use the frequency assignment, the authorisation provided for in Article L. 97-2 of the CPCE within a period of one year from 12 August 2006, which was the publication date of decree No. 2006-1015 of 11 August 2007 on frequency assignments to satellite systems, which amended the CPCE. This was done by the Group on 10 August 2006, and a summary of the requests submitted on that occasion was published by the ANFR.

Currently, Eutelsat S.A. is authorised to operate frequency assignments at the following orbital positions:

- 1° East (order of 3 December 2007);
- 3° East, 5° West, 8° West (order of 5 February 2008);
- 10° East – C-band – (order of 17 February 2009);
- 7° West (order of 5 August 2009);
- 76° East (order of 6 March 2010);
- 4° East, 7° East, 9° East, 10° East (other than C-band), 13° East, 16° East, 25.5° East, 33° East, 36° East, 70.5° East, 12.5° West (order of 22 June 2010).

Eight authorisation requests are currently being studied by the ANFR for the following orbital positions: 1.6° East, 3 ° East (two requests), 14.5° East, 16° East, 48° East, 7° West and 8° West.

5.2 Regulations governing the operation of earth stations, the deployment of networks, the operation of electronic communications networks and the provision of electronic communications services

As a satellite operator offering its services in approximately 150 countries, the Group is subject to national laws and regulations on communications and broadcasting in a large number of different countries.

Most of these countries do not require satellite operators to obtain a licence or other authorisation if their role is limited to providing satellite capacity to other entities that are themselves authorised to operate networks and/or communications services. In these countries, the Group only needs a licence or other authorisation if it intends to deploy and operate its own communications networks or install and operate earth stations. Most European countries and many of the Member States of the World Trade Organisation (WTO) have been included in this category of countries since the liberalisation of their regulations, by virtue of the commitments made under the WTO Agreement on basic telecommunications services, which came into force in February 1998.

5.2.1 REGULATIONS IN FRANCE

The *Autorité de régulation des communications électroniques et des postes* (ARCEP) is the French authority responsible for ensuring that operators comply with the obligations contained in the applicable legislation and regulation.

OPERATION OF TELECOMMUNICATIONS NETWORKS

In France, the installation and operation of telecommunications networks open to the general public and the provision of telecommunications services used to require prior authorisation from the Minister of Telecommunications while independent networks reserved for a closed group of users to exchange internal communications required prior authorisation by ARCEP. Under French Law No. 2004-669 of 9 July 2004 on electronic communications and audiovisual communications services, the installation and operation of networks open to the general public are now unrestricted, provided a prior declaration is made to ARCEP. This formality does not apply to independent networks.

On 16 July 2001, the Minister of Telecommunications granted authorisation, under the previous system, for Eutelsat S.A. to establish and operate a telecommunications satellite network open to the general public in France for services other than public telephony for a period of 15 years. This authorisation also allows Eutelsat S.A. to operate and provide VSAT satellite networks and services in France. Eutelsat S.A. has deployed a certain number of bi-directional VSAT terminals on French territory. However, these activities still require payment of an administrative tax of 20,000 euros under Article L. 33-1 of the CPCE.

Under a declaration registered by the ARCEP on 21 December 2012, Eutelsat has amended the previous declaration to add the supply of electronic communications services to the operating electronic telecommunications networks opened to the public.

ACCESS TO FREQUENCIES

Moreover, the use of radio frequencies by RF earth stations is covered by authorisations issued by ARCEP ("frequency assignments"). Under the terms of Article L. 42-1 of the CPCE, these authorisations cannot exceed 20 years. ARCEP also imposes a certain number of technical requirements that must be respected by the operators to which the frequencies have been assigned. In addition, operators are required to pay an annual fee to the government for the provision of frequencies and an annual fee for their management, under decree No. 2007-1532 and the order of 24 October 2007, as amended by decree No. 2008-656 and the order of 2 July 2008. They also have to take the necessary measures to protect the secrecy of private communications as well as the confidentiality of their customers' personal data. ARCEP has assigned to Eutelsat S.A. a certain number of frequencies for the operation of earth stations.

Non-compliance with the applicable telecommunication laws and regulations could result in administrative or criminal fines, and also sanctions imposed by ARCEP or other public authorities, including the suspension or withdrawal of the frequency assignment.

5.2.2 REGULATIONS IN OTHER COUNTRIES

Many countries, including most European States, have liberalised their regulatory frameworks relating to the provision of voice, data and video services. They have also increased the scope for granting authorisations to own and operate earth station equipment and to choose a provider of satellite capacity. Most countries allow authorised providers of communications services to have their own transmission equipment and to purchase satellite capacity without restriction. This facilitates end-user access to the Group's services.

The Group filed licensing applications to act as a network and earth station operator in Italy, Germany, Austria, the United Kingdom, Switzerland and Spain. The Group notably obtained a network operator licence and two general authorisations to provide interactive satellite services in Italy.

For the operation of its satellite EUTELSAT KA-SAT 9A, the Group has obtained licences for the 10 gateways installed in France, Italy, Germany, Ireland, Spain, Finland, Cyprus and Greece. Furthermore the Group has obtained authorisations to operate terminals using the system KA-SAT in all European Union Member States. The applications for the required licences in all the other countries covered by the EUTELSAT KA-SAT 9A satellite are in progress.

Other countries, generally in emerging markets, have maintained strict monopolies. In these countries, a single State entity (generally the public postal, telephone and telegraph authority) often has a monopoly on the ownership and operation of communications equipment or on the provision of communications or broadcasting services to/from that country, including *via* satellite. To offer services in these countries, the Group may have to negotiate an operating agreement with the State entity, which defines the services to be offered by each party, the contractual terms of the service and tariffs. Depending on national regulatory requirements, operating agreements between the Group and the service provider may require end-user clients to obtain the Group's services through the State entity, with all associated ground services provided by that entity. These operating agreements also allow customers to possess and use their own equipment, while requiring them to purchase the Group's services through the State entity.

LANDING RIGHTS

Despite the liberalisation of national regulations following adoption of the WTO Agreement on Basic Telecommunications Services, some countries require authorisations to operate satellites in-orbit. In these countries, the Group has to obtain authorisation to provide (i) downlink services from the satellite to the earth station terminals located in these countries ("landing rights") or (ii) uplink services from the earth station terminals to the satellite ("take-off rights").

The Group has obtained these authorisations for some of its satellites in Brazil, India, Pakistan and a number of other South American countries. The Brazilian regulatory authority granted Eutelsat S.A. landing rights in April 2002 for EUTELSAT 8 West A (at 8° West), W1 (at 10° East) and EUTELSAT 12 West A (12.5° West) and, in June 2003, for EUTELSAT 5 West A (at 5° West).

Within the framework of the acquisition of orbital rights at the orbital position 65 ° West, *via* the auction process in Brazil, the Group has also automatically obtained the Brazilian landing rights for this orbital position.

ACCESS TO THE GROUP'S SATELLITES FROM THE USA

The Federal Communications Commission, or FCC, is the governmental agency in the USA responsible for regulating satellite communications. In 1997, the FCC enacted regulations permitting non-U.S. satellite operators to request access to the U.S. market using non-U.S. satellites, for the provision of both international and domestic services. In 1999, the FCC streamlined the process by creating the "Permitted Space Station List".

Where a non-U.S. satellite is added to the FCC's Permitted Space Station List, earth station operators in the USA licensed to operate with U.S. satellites are able to access that non-U.S. satellite without additional authorisation from the FCC. These streamlined procedures are applicable only to frequency bands that the FCC considers as being "conventional". These do not include the full spectrum of Ku-band or C-band frequencies used for transmissions to and from the Group's satellites. Earth station operators in the USA must therefore still apply for FCC authorisations to transmit to or receive from the Group's satellites in certain frequency bands even though these satellites are on the FCC's "Permitted Space Station List".

Currently two of the Group's satellites are included on the "Permitted Space Station List".

Name of satellite	Orbital position	Date of inclusion on the Permitted Space Station List
EUTELSAT 8 West A	8° West	30 August 2001
EUTELSAT 12 West A	12.5° West	30 August 2001

5.2.3 EUROPEAN UNION REGULATIONS

CURRENT REGULATORY FRAMEWORK

Over the last decade, the regulatory environment for satellite communications in the European Union (EU) has seen considerable change. Gradual liberalisation in this sector, as well as the Transformation of the IGO and the privatisation of international satellite organisations such as Intelsat and Inmarsat have created a more open and more competitive market. This trend towards liberalisation has also occurred in a number of other European countries. In particular, countries seeking admission to the EU are adapting their national legislation so as to align it with EU regulations.

EU Member States were required to adapt their national regulations by July 2003 to incorporate the provisions of five new EU directives and one EU decision, all adopted in 2002, which make up the "Telecom Package":

- European Directive 2002/19/EC of 7 March 2002 concerning access to, and interconnection of, electronic communications networks and associated facilities (the "Access" Directive);
- European Directive 2002/20/EC of 7 March 2002 on the authorisation of electronic communications networks and services (the "Authorisation" Directive);
- European Directive 2002/21/EC of 7 March 2002 on a common regulatory framework for electronic communications networks and services (the "Framework" Directive);
- European Directive 2002/22/EC of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (the "Universal Service" Directive);
- European Directive 2002/58/EC of 12 July 2002 concerning the handling of personal data and protection of privacy in the electronic communications sector (the "Privacy and Electronic Communications" Directive);
- Decision No. 676/2002/EC of 7 March 2002 on a regulatory framework for radio spectrum policy in the European Union (the "Radio Spectrum" Decision).

These new regulations apply to electronic communications networks and services and generally reduce regulatory requirements in these areas. These directives were transposed into France's national law by the adoption of Act No. 2004-669 of 9 July 2004, which amended the CPCE.

In this regulatory context, the European Union organised the first process for selecting and authorising satellite operators at European level to provide mobile services *via* satellite.

A joint decision by the European Parliament and Council on 30 June 2008 established the principles applicable to this process, including the selection criteria.

On 7 August 2008, the Commission published a call for applications "for pan-European systems providing mobile satellite services". Solaris Mobile Ltd applied on 7 October 2008.

After the first phase of selection, involving checks to ensure compliance with various steps during the project's progress, the European Commission announced its selection decision on 13 May 2009, demand for spectrum not having exceeded the amount available. Solaris Mobile Ltd was selected and was authorised by the Member States to use the 1.995-2.010 MHz (earth to space) and 2.185-2.200 MHz (space to earth) frequencies.

As a result of this decision, Solaris Mobile Ltd must comply with the joint requirements set out in the European Parliament and Council Decision of 30 June 2008, or else it will face penalties.

REGULATORY REFORM

Further reforms to the framework applicable to the telecoms sector were adopted by the European Parliament on 24 November 2009.

One of the principles of this reform provides for the rationalisation and harmonisation of frequency management in Europe.

Furthermore, authorisation to use frequencies should in theory be neutral in terms of technology and services. As a result, any administrative decision as to the choice of technologies and services will be exceptional.

Mechanisms guaranteeing free competition will be put into place. More specifically, operators identified as exercising significant influence in a given market will be subject to more stringent obligations. As a last resort to end anti-competitive conduct, they may be ordered by the national regulator, subject to the Commission's control, to separate their businesses. This means that network operations and the provision of services could be separated into two separate entities.

To date, Eutelsat has not been identified as exercising significant influence in a given market. According to ARCEP, the European institutions (the Commission or the new European regulator where applicable) are responsible for determining whether the Group exercises a significant degree of influence, since the Group operates in a transnational market. To our knowledge, no consultation is currently pending at European level on this issue. In the future, the question of whether the Group exercises significant influence could be investigated, for example with respect to the satellite TV broadcasting market.

5.3 Regulations governing content

5.3.1 "AUDIOVISUAL MEDIA SERVICES" DIRECTIVE

TV broadcasting in the European Union was first regulated by Directive 89/552/EEC of 3 October 1989, also known as the "Television without Frontiers" Directive. This Directive has been substantially changed through two amendments:

- European Directive 97/36/EEC of 30 June 1997, on the coordination of certain legislative, regulatory or administrative provisions in Member States relating to the performance of television broadcasting activities; and
- European Directive 2007/65/EC of 11 December 2007 known as the "Audiovisual Media Services" Directive. This Directive (i) extends the scope of the "Television Without Frontiers" Directive to on-demand audiovisual media services, (ii) promotes the production of and access to European works and (iii) relaxes the rules governing audiovisual advertising. The Directive was required to be transposed into the national laws of Member States by 19 December 2009; it has direct and simultaneous application throughout the European Union since this date, hence preventing any dispute over jurisdiction liable to arise from any gap in transposition between Members States and

was transposed into French law by the Act of 5 March 2009 relating to audiovisual communication and the new public television service.

Following these different modifications, the Directive was codified by means of the 2010/13/EU Directive of 10 March 2010.

In accordance with this regulation, each EU Member State has to ensure that programmes transmitted by TV broadcasters under its jurisdiction comply with laws applicable to broadcasts intended for the general public.

CHANNELS ESTABLISHED IN AN EU MEMBER STATE

If the television channel is established in an EU Member State, then that Member State is automatically the competent regulatory authority. Under the regulations of most EU Member States, producers of television programmes that can be viewed by the general public must be authorised by the regulatory body. After being approved by the regulator in its home country, a channel can then broadcast its content freely in other EU States, provided that it continues to comply with its home country's laws. These laws include the provisions of Directives in force, including those covering the protection of minors and banning the promotion of hatred and racial discrimination.

CHANNELS NOT ESTABLISHED IN AN EU MEMBER STATE

In the case of channels outside the EU that are broadcast by satellite received in all or part of the EU and, by definition, are established in a country that is not an EU Member, the amended "Television Without Frontiers" Directive provides for the determination of an EU Member State to regulate these channels on behalf of the other Member States.

Since, the "Audiovisual Media Services" Directive came into force on 19 December 2009, the responsible EU Member State has been the one from which the uplink is made towards the satellite (criterion No. 1) or, failing this, the one with authority over the satellite capacity used (criterion No. 2).

The Contact Committee of the European Commission, asked to identify the specific application conditions of the uplink criterion, published the document DOC CC TVSF (2009) showing that, for a same channel broadcast in Europe, when two uplinks leaving the territory of two different Member States are directed toward a single satellite, the length principle of the uplink prevails to determine the responsible Member State; when, inversely, the two uplinks are directed toward two different satellites, the criterion is that of the satellite footprint (the larger footprint directed at Europe).

The Directive was transposed in France by the law of 5 March 2009. Since 2009, most of the non-European channels broadcast by the Group in Europe use an uplink coming from an EU country which is now covered by other European regulators. The French CSA is no longer systematically the competent regulatory authority.

5.3.2 FRANCE'S FREEDOM OF COMMUNICATION ACT 1986

In accordance with Law No. 86-1067 of 30 September 1986 on the freedom of communication, as amended, French TV channels broadcast by the Group were subject to a convention with the CSA until the Antiterrorism Act No. 2006-64 of 23 January 2006 introducing various provisions concerning security and border controls, which terminates all prior formalities (*i.e.* all authorisation procedures) regarding the broadcasting of non-EU channels for which France has authority, and those that come under the authority of other European Member States or parties to the European Economic Area Agreement. Nevertheless, like French channels, they remain subject to French law and all restrictions on content imposed by the 1986 Act, particularly regarding human dignity, protection of minors and the safeguarding of public order, as defined in Article 1, and non-incitement to hatred and violence for reasons of race, sex, religion or nationality, as established in Article 15.

As of 30 June 2013, the Group was broadcasting approximately 1,000 non-EU channels, including programmes from the Middle East and North Africa.

As a satellite operator, the Group is not a provider of television programmes and does not therefore have to obtain authorisation from the CSA.

However, it is subject to certain obligations under the Act of 30 September 1986:

- it is required under Article 19 to provide the CSA with all information needed to identify the producers of the channels it broadcasts; and
- it is required under Article 33-1-III to inform channel producers of the regime applicable to them, including the aforementioned restrictions on the freedom of communication. Since Eutelsat S.A. has no direct contractual link with most of the channels it broadcasts, it fulfils its obligation by including in its contracts a clause stating that content broadcast on leased capacity must comply with the law in force in the country of reception.

The CSA's powers of sanction are defined in Article 42: it can serve a notice directly on Eutelsat to comply with its legal obligations. The CSA can serve a notice on Eutelsat not only to fulfil its obligations as defined in Articles 19 and 33-1, but also to cease broadcasting any non-EU TV channel that does not comply with the principles set out in the law. In practice, this provision has so far been used only to address threats against public order and incitement to racial hatred.

If Eutelsat S.A. were to fail to cease such transmissions by the specified deadline, the CSA would have the right to punish the Company by imposing a fine of up to 3% of its annual revenues and 5% in the event of a further violation of the same obligation (Articles 42-1 and 42-2).

The CSA has another legal method of ensuring compliance with a notice, *i.e.* a summary application *(référé)* to the *Conseil d'État* for an interim order requiring Eutelsat to fulfil its legal obligations. However, since this method is more cumbersome than the service of a notice and direct penalties, it has rarely been used.

These specific powers, which enable the CSA to bring pressure to bear on the satellite operator, are not expressly provided for in the Directive. The Directive does accept, however, that Member States can take this type of action.

Finally, with the framework of sanctions imposed on some States by the European Union and/or the Security Council of United Nations, Eutelsat might have to request the termination of a service if a channel broadcast by its satellites were to figure amongst the sanctioned organisations.

In technical terms, were the channel in question to refuse to stop broadcasting, to cease transmission of an uplinked signal on a given transponder, the Group has to switch off the corresponding transponder on-board the satellite even if this transponder is carrying other, authorised television channels (a 36 MHz transponder can broadcast up to 10 television channels in digital mode). For this reason, it could prove difficult to comply with any CSA injunctions without being forced to terminate contracts with other distributors that lease capacity to duly-authorised channels in the event that the channel in question does not stop broadcasting on its own initiative (see Section 4.4.5 "The Group is subject to strict regulations on the content of the programmes broadcast *via* its satellites").

5.4 Regulations governing space operations

The French Space Operations Act governing space operations was published in France's *Journal officiel* on 4 June 2008. This legislation is the direct result of France's international obligations, imposed by various UN treaties including:

- the 1967 Treaty on principles governing the activities of States in the exploration and use of outer space, including the moon and other celestial bodies; and
- the 1972 Convention on international liability for damage caused by space objects.

Two application decrees were published on 10 June 2009. Of the two, the Group is mainly affected by Decree No. 2009-643 relating to authorisations. This decree stipulates that the system will come into force one year after the publication of the relevant technical regulations and, at the latest, 18 months after publication of the decrees. The technical regulation was published by decree on 31 May 2011 and the system has thus been in force since 10 December 2010.

5.4.1 PRINCIPLES SET OUT IN THE ACT

The Act creates an authorisation regime for space operations that may incur France's international liability, namely the launch of a space object from France and, for a French operator, the launch of a space object from France or abroad, the control of a space object in outer space or the transfer of control of a space object that has already been authorised. These authorisations are granted by the Minister for Space within a period of four months, which may be extended by two months if there is a valid reason.

The Act also creates a licensing regime for operators involving certain guarantees. There are three levels of licence: licences attesting only the respect of moral, financial and professional guarantees; licences that, in addition, require that systems and procedures comply with the technical regulations, and licences that grant authorisation for certain operations, in which case there is only a case-by-case reporting requirement. In the first and second levels, case-by-case authorisation remains necessary for each operation, but will take less time to obtain than with the old procedure. The third level of licences only exists for in-orbit control operations, and will not cover launch operations, which remain subject to a system of case-by-case authorisations.

The Act also requires insurance (or another financial guarantee) throughout the space operation. Nevertheless, the decree relating to authorisations states that the Minister for Space may waive this obligation for an operator during the station-keeping phase of a geostationary satellite if it can produce a document confirming its solvency.

If, as a result of an operation authorised under this Act, any operator is required to compensate a third party for damage caused by a space object during and/or after launch, the operator may benefit from a State guarantee for amounts exceeding the ceiling set out in the authorisation and enshrined by the applicable finance law. As things currently stand, the ceiling is between 50 million euros and 70 million euros as laid down by Article 119 of Law No. 2008-1443 of 30 December 2008 rectifying finances for 2008. However, the operator will not be able to claim in the event of intentional fault, and will only be able to claim if the operation is conducted from France or any EU or EEA country or using resources or facilities under the jurisdiction of any such country. Furthermore, during the orbital control phase, the guarantee will only apply if the damage is caused on the ground or in the airspace.

5.4.2 THE AUTHORISATION PROCESS

Decree No. 2009-643 stipulates the authorisation process, providing for delivery of authorisations by the Minister for Space no later than four months following filing of a completed application, which can be extended by two months if the decision is justified. The process and timeframe are the same for licence applications. If the applicant already has a level 1 or 2 licence, the authorisations are delivered within one month, which may be extended by two months.

Authorisation or licence applications are in two parts:

- an administrative part, which attests to the existence of sufficient moral, professional and financial guarantees;
- a technical part, which demonstrates that the systems and procedures the applicant intends to use comply with the technical regulations.

These technical regulations were published by decree on 31 May 2011. Within the framework of the authorisation process, they require the availability of various studies on orbital control (studies on danger and environmental impact), risk control measures (plan for limitation of debris in space, plan for preventing collision risk, etc.), documents on quality and proof of the implementation of an organisation to deal with all the technical and organisational facts, as the case may be, potentially affecting space operations as authorised. The regulations also require the CNES to be informed of the co-contractors' and subcontractors' undertaking to comply with the technical regulations.

They also establish a number of requirements linked to the limitation of debris in space, in the form of information on the likelihood of accidental disintegration, passivation at the end of useful life, the probability of being able to dispose of the energy resources needed for end of operational life manoeuvres, etc.

The regulations provide for temporary measures and progressive entry into force (best efforts) for the various requirements, to take the current design of satellites into account and to give manufacturers the time needed to apply the new requirements to future satellites. All the legal provisions will be applicable as of 1 January 2021.

The technical part of the applications is dealt with by the CNES, which transmits its decision to the Ministry responsible for Space. Before handing down a decision, the Ministry informs the applicant of its draft decision, and the latter has a fortnight in which to make comments.

5.4.3 LICENCES AND AUTHORISATIONS OBTAINED BY THE GROUP

Within the framework of this process, on 24 December 2010, the Group obtained by decree a licence equivalent to authorisation for the control of space devices for its entire fleet. This licence was granted for a one-year period from the effective date of the decree insofar as the technical regulations associated with the Act had not yet been published. On 11 October 2011, the Group obtained a new licence serving as authorisation valid until 31 December 2020.

The licence provides for requirements in addition to those in the technical regulations. In particular, the Group will have to provide, for any new satellite to be launched within the framework of this licence, specific information such as the mission analysis and danger study, the revision dates prior to launch and the launch date, and propellant emissions before and after the launch. The Group will also have to send regular declarations to the CNES proving the ability of satellites covered by the licence to perform service withdrawal manoeuvres. The Group is also required to notify the Minister and the CNES of any changes in orbital position other than an avoidance manoeuvre one month before the start of its implementation, except in the event of an emergency.

Any satellite launches undertaken by the Group from France or abroad remain subject to a case-by-case authorisation regime. However, on 23 December 2010, the Group obtained a licence certifying that Eutelsat has moral, financial and professional/business guarantees granting it an exemption from the administrative part of such subsequent requests and reducing the authorisation timeframe from four months to one month.

To date, the Group has obtained authorisations to launch EUTELSAT KA-SAT 9A, EUTELSAT 7 WEST A, EUTELSAT 16A, EUTELSAT 21B, EUTELSAT 70B, EUTELSAT 3D, EUTELSAT 25B, EUTELSAT 3B and EUTELSAT 9B.

Within the framework of its authorisations to proceed with satellite launches, one month before launch the Group has to provide the launch authorisation obtained by Arianespace in the case of a launch by Ariane 5, or, in the case of a launch by other launchers, the launch authorisation granted by the relevant government to its launch operator or, failing this, a "certificate" for authorisation to launch from the relevant government or its launch operator.

5.5 U.S. export control requirements (regulations governing the activities of the Group's suppliers)

U.S. companies and companies located in the USA must comply with U.S. export control laws and regulations, specifically the Arms Export Control Act, the International Traffic in Arms Regulations, the Export Administration Act and the trade sanction laws and regulations administered by the U.S. Treasury's Office of Foreign Asset Control in connection with any information, products and equipment that is regulated by U.S. law and supplied to non-U.S. companies. The export of satellites, satellite hardware, defence services and technical information relating to satellites to non-U.S. satellite manufacturers, launch services providers, insurers, customers, non-U.S. employees and other persons who do not have U.S. nationality is regulated by the Office of Defence Trade Controls under the International Traffic in Arms Regulations of the U.S. Department of State. Since the Group and its service providers, distributors, suppliers and sub-contractors using U.S. technologies (including for communications) export U.S. components for the construction of the Group's satellites and provide launch services outside the USA, they are required to obtain permits for the export of technical data and material (under technical assistance agreements) for any material they purchase for the construction of satellites or for satellite launches outside the USA.

5.6 Other provisions applicable to the Group

Eutelsat S.A.'s activities were originally carried out by an intergovernmental organisation, the European Telecommunications Satellite Organisation (the "IGO"). The IGO was founded by certain countries in Western Europe (the "Signatories") on 1 September 1985 (under the "Convention") to develop and operate a telecommunications satellite system for trans-European telecommunications purposes. On 2 July 2001, all the IGO's operating activities were transferred to Eutelsat S.A. (the "Transformation"). As a result of the Transformation, the Convention was amended to adjust the IGO's missions (the "Amended Convention").

Eutelsat IGO has been maintained as an intergovernmental organisation and currently covers 48 European countries.

5.6.1 ROLE OF EUTELSAT IGO

The main purpose of Eutelsat IGO is to ensure that Eutelsat S.A. complies with the following "basic principles" ("Basic Principles"):

- public service/universal service obligations: these obligations apply to the space segment and to its use to provide services connected to the public switched telephone network. Audiovisual services and future services will be provided in compliance with the relevant national regulations and international agreements, in particular the provisions of the European Convention on Transfrontier Television, taking account of those applying to the universal service concept and the information society;

- pan-European coverage by the satellite system: Eutelsat S.A. shall, on an economic basis, seek through the pan-European coverage of its satellite system to serve all areas where there is a need for communications services in Member States;
- non-discrimination: services shall be provided to users on an equitable basis, subject to commercial flexibility and consistent with applicable laws and regulations; and
- fair competition: Eutelsat S.A. must comply with all applicable laws and regulations relating to competition.

5.6.2 CURRENT RELATIONSHIP BETWEEN EUTELSAT S.A. AND EUTELSAT IGO

The relationship between Eutelsat S.A. and Eutelsat IGO is governed by an agreement that came into force on 2 July 2001 and was amended on 10 December 2004 (the "Arrangement"). The Arrangement states that, on the understanding that the management of Eutelsat S.A. is carried out on a sound economic and financial basis, Eutelsat S.A.'s principal obligation under the Arrangement shall be to observe the "Basic Principles". The main provisions of the Arrangement are as follows:

EUTELSAT S.A.'S OBLIGATIONS

- Eutelsat IGO shall be given 60 days' notice of any proposal to change its By-laws which would materially affect the observance of the "Basic Principles".
- Eutelsat S.A. shall inform Eutelsat IGO, and take into account any recommendation made by Eutelsat IGO, in the event of any major changes to its operating, technical, marketing or financial policies that might materially affect the observance of the "Basic Principles".
- Eutelsat S.A. shall obtain written prior approval from Eutelsat IGO if it intends to go into voluntary liquidation, or if it intends to merge or combine with another entity.
- Eutelsat IGO's Executive Secretary shall be named as an Observer on Eutelsat S.A.'s Board of Directors, subject to certain conditions.
- Eutelsat S.A. shall finance Eutelsat IGO's annual operating costs (as an illustration, the expense was approximately 800,000 euros for the financial year ended 30 June 2013).

EUTELSAT IGO'S OBLIGATIONS

- Eutelsat IGO shall make every effort to ensure that Eutelsat S.A. can make use of all frequency assignments acquired or filed with the ITU Radiocommunication Bureau as of 2 July 2001.
- Any proposed amendment to the Amended Convention that is liable to affect Eutelsat IGO's performance of its activities shall be submitted to Eutelsat S.A., which shall have six weeks in which to communicate its observations to Eutelsat IGO.

LIAISON AND INFORMATION

- A joint committee made up of representatives of Eutelsat IGO and Eutelsat S.A. shall meet at least once per quarter to ensure that Eutelsat S.A. is observing the "Basic Principles". In this regard, Eutelsat S.A. shall send Eutelsat IGO extracts from its Five-Year Strategic Plan and its certified annual accounts and shall examine with Eutelsat IGO the impact on its activity or on its observance of the "Basic Principles" caused by any changes in regulations, particularly European or French, applicable to it.
- In his capacity as Observer, the Executive Secretary of Eutelsat IGO shall have access to information under the same conditions as those which apply to a Board Member and shall attend, but not vote at, meetings of Eutelsat S.A.'s Board of Directors.

The Arrangement also provides for a mechanism for settling disputes, including by arbitration.

5.6.3 RELATIONSHIP BETWEEN EUTELSAT COMMUNICATIONS AND EUTELSAT IGO

At the time of Eutelsat Communications' IPO, Eutelsat Communications and Eutelsat IGO signed a Letter-Agreement on 2 September 2005, which came into force on 6 December 2005 (the "Letter-Agreement"). Under the Letter-Agreement, Eutelsat Communications undertook:

- to give Eutelsat IGO's Executive Secretary a seat as Observer on the Board of Directors of Eutelsat Communications from the date of the latter's IPO;
- to ensure that Eutelsat S.A. is at all times able to honour its undertakings made pursuant to the Arrangement and not to take any decision which might entail any breach of the said undertakings by Eutelsat S.A.;
- in any event, and without constituting an exception to or a reduction of the undertaking set out in the above paragraph, to inform the Executive Secretary, in his capacity as Observer, of any decision taken by Eutelsat Communications which might affect Eutelsat S.A.'s compliance with the "Basic Principles" and to communicate to him all useful information on such matters;
- to inform Eutelsat IGO, through its Executive Secretary, of any crossing of a legal threshold or of a threshold contained in the By-laws, which has been notified to it by a shareholder;
- not to propose or vote for any proposal that Eutelsat S.A. distributes dividends in excess of the amount of Eutelsat S.A.'s annual net income and/or annual net income plus retained earnings and/or which would result in Eutelsat S.A.'s net debt/EBITDA ratio rising above 3.75/1, given that this ratio will not be considered as having been exceeded where any excess comes as a result of any external growth operation and that the notion of dividends is that defined under Article L. 232-12 of the French Commercial Code;
- to take all steps necessary so that the undertakings given by Eutelsat Communications, or those that Eutelsat Communications may give, in particular in relation to its financial needs, present or future, cannot in any way result in cross default by Eutelsat S.A., unless such undertakings given by Eutelsat Communications were also given in Eutelsat S.A.'s direct interest;
- to maintain a level of consolidated Group debt that is not contrary to market practice and sound management of the Eutelsat Group; and
- to maintain within Eutelsat S.A. a minimum amount of equity in compliance with sound financial management of Eutelsat S.A. and allowing it to continue complying with the "Basic Principles".

The role, position, remuneration and right to information of the Observer, as well as the right to supply information to the Parties and the settlement of any disputes relating to such supply of information, are specified in the Letter-Agreement (see Section 7.1.3.2 "Board of Directors, Committees and Observer (Articles 13 to 19 of the By-laws)" for further information on the clause in Eutelsat Communications' By-laws concerning the Observer).

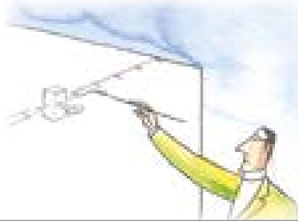
The Letter-Agreement also provides for the creation of a Coordination Committee, whose main tasks are (i) to exchange useful information and views for the proper implementation of the Letter-Agreement, (ii) to examine any request for the removal of confidentiality restrictions on information received by the Observer, and (iii) to examine in particular the annual accounts and the list of third-party experts designated to resolve any problem arising as to what information may be circulated by the Observer to the Parties to the Convention.

The Letter-Agreement will become null and void upon the expiry of the Arrangement pursuant to its terms and conditions (it should be noted that the Arrangement may only be terminated by mutual agreement). Eutelsat IGO and Eutelsat Communications may, however, terminate or amend the Letter-Agreement at any time upon mutual agreement, in particular in the event where such termination or amendment proves to be helpful in facilitating the development of the Group.

In the event of assignment of Eutelsat S.A. shares by Eutelsat Communications, the latter shall inform the proposed transferee of the content of the Letter-Agreement, it being understood that Eutelsat Communications shall remain bound, in any event, by its undertakings until the expiry of the Letter-Agreement in accordance with the paragraph above.

The Letter-Agreement also contains a mechanism for settling disputes by arbitration.

6. FINANCIAL INFORMATION



6.1 Review of Eutelsat Communications' financial position

6.1.1 PRELIMINARY NOTE ON THE PRESENTATION OF THE FINANCIAL STATEMENTS

The Company is a holding company with no business activities of its own other than its indirect equity interest in Eutelsat S.A. As of 30 June 2013, the Company held 96.34% of the share capital of Eutelsat S.A.

The following paragraphs are mainly dedicated to the presentation and analysis of Eutelsat Communications' consolidated results for the financial year ended 30 June 2013.

Readers are invited to peruse the following presentation together with the Reference Document as a whole, including Eutelsat Communications' consolidated financial statements for the financial year ended 30 June 2013 prepared in accordance with International Financial Reporting Standards ("IFRS"), and the Notes to those financial statements in Section 6.2 "Eutelsat Communications 30 June 2013 consolidated accounts" of this Reference Document.

The review of the Company's financial position and results for the financial years ended 30 June 2012 and 2011 are incorporated for reference purposes in this Reference Document and may be found, respectively, in Section 9.4 of the Company's 2011-2012 Reference Document and in Section 9.4 of the 2010-2011 Reference Document.

6.1.2 ANALYSIS OF THE INCOME STATEMENT

Revenues

The Group's revenues chiefly come from supplying satellite capacity. The Group's customer base includes both distributors who resell satellite capacity to end-users and end-user customers who use the Group's satellite capacity for their own needs. The Group's ability to generate revenues largely depends on its tariffs, which vary mainly according to the type of capacity offered and the orbital neighbourhood of the satellites. However, the prices charged by the Group also depend on the rates charged by the competition.

In addition, a modest portion of the Group's revenues ("Other Revenues") mainly derives from: (i) the sale or lease of terminals and equipment for business networks and mobile services; (ii) compensation paid on the settlement of business-related litigation; (iii) the financing of certain research programmes by the European Union and other organisations, and (iv) the recognition of EUR/USD foreign exchange gains/losses. It is difficult to predict trends in most of these factors.

Furthermore, a modest portion of revenues ("non-recurring revenues") results from compensation paid by satellite manufacturers in the event of a significant delay or interruption in the transmission capacity of the satellites in-orbit.

Operating costs

Operating costs mainly include staff costs and other costs related to controlling and operating the Group's satellites, as well as satellite In-Orbit Life insurance premiums:

- **Staff costs.** These costs include wages and payroll charges of employees responsible for supplying, operating and maintaining the satellites (including the Group's statutory employee profit-sharing costs).
- **Satellite operating and control costs.** These costs include the cost of running ground stations and the cost of equipment, notably range finding, control, positioning, payload management, maintenance of software applications and Satellite Control Centre equipment, and also traffic supervision and management. The size of these costs depends on the number of satellites and satellite families operated, any possible repositioning of satellites and on the number and type of services being offered. These costs also include subcontracting costs for range-finding, control and monitoring operations for a number of satellites in-orbit as well as service contracts for satellite communications systems control. Additionally, Eutelsat S.A. has entered into service contracts related to satellite communications systems control with eight suppliers.
- **Satellite In-Orbit Life Insurance premiums.** A satellite's insurance for its In-Orbit Life generally takes effect when the launch insurance policy expires (generally one year after the satellite's launch). When the Group takes out launch insurance providing In-Orbit Life coverage, the premiums for periods subsequent to the first anniversary of the launch date are treated as In-Orbit Life Insurance costs. Almost all satellites in-orbit belonging to the Group are covered for amounts defined under an insurance policy structured in tranches. Depending on the selected risk-management policy and the conditions in the space insurance market, insurance premium costs may vary from one year to another.
- Operating costs also include **a portion of the C.E.T.** (*contribution économique territoriale*), which is divided between operating costs and selling, general and administrative expenses (based on the corresponding staff headcount).

Selling, general and administrative expenses

Selling, general and administrative expenses include:

- costs related to commercial and administrative staff (including statutory employee profit-sharing);
- marketing expenses, such as advertising and co-marketing expenses with client-distributors and users;
- overheads for leasing of premises, external studies and logistics;
- expenses relating to developing and marketing new products;
- a portion of operating taxes (including a portion of C.E.T. taxes); and
- impairment allowances for trade and other receivables.

Depreciation and amortisation

The depreciation charge is the Group's largest expense item and includes costs concerning the depreciation of non-current assets.

The Group's non-current assets mainly consist of its satellites and ground facilities. Capitalised satellite costs include (i) satellite construction and launch costs, (ii) launch insurance premiums (which generally include in-orbit coverage until the first anniversary of the launch date), (iii) charges for associated capitalised interest, (iv) net present value (at launch) of the incentives payable to the manufacturer throughout the satellite's operation, depending on its compliance with technical and contractual specifications, as well as (v) costs associated directly with procurement programme monitoring (research costs, employee salaries and consultancy fees).

Satellites are depreciated on a straight-line basis over their period of operation in stable orbit, which is generally 10 to 22 years.

At least once a year, the Group reviews the remaining service life of its satellites, according to forecast use and a technical assessment of their operational performance. If a change in operational life occurs, future depreciation charges are calculated on the basis of the satellite's new remaining operational life.

The Group's non-current assets also include the 23 transponders which are covered by contracts, under which its subsidiary Eutelsat S.A. has capacity on all or some of the transponders of the third-party satellites, the risks and benefits of ownership having been transferred to it. These contracts concern the SESAT™ 2, Telstar 12 and EUTELSAT 3A satellites. The aggregate capitalised amount depends on the present value of the lease payments. Capitalised capacity costs are amortised over the duration of the contract.

Operating income

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

Financial result

The financial result mainly reflects (i) interest expense and bond issuance costs related to the Group's borrowings, less borrowing costs offset against the value of eligible assets, (ii) changes in the fair value of the financial instruments (primarily including changes in time value and changes in the fair value of derivatives not eligible for hedge accounting) and (iii) foreign exchange gains and losses.

Consolidated net income

Consolidated net income reflects the sum of operating income, the financial result and income from equity investments, less income tax.

Net income attributable to the Group

Net income attributable to the Group represents the Group's consolidated net income less the income from subsidiaries attributable to non-controlling interests in these subsidiaries.

6.1.2.1 COMPARATIVE ANALYSIS OF THE INCOME STATEMENTS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2012 AND 2013

Condensed consolidated income statement for the financial years ended 30 June 2012 and 2013

IFRS	12-month financial year ended	
(in millions of euros)	30 June 2012	30 June 2013
Revenues	**1,222.2**	**1,284.1**
Operating costs	(107.1)	(120.2)
Selling, general and administrative expenses	(157.8)	(168.6)
Depreciation and amortisation	(308.9)	(344.6)
Other operating income	0.0	33.8
Other operating charges	(7.1)	(2.9)
Operating income	**641.3**	**681.5**
Financial result	(129.5)	(117.5)
Net income before taxes	**523.2**	**578.2**
Income tax expense	(182.1)	(208.4)
Consolidated net income	**341.1**	**369.8**
Attributable to the Group	326.1	354.9
Non-controlling interests	15.0	14.9

6.1.2.2 REVENUES

The following table provides a breakdown of revenues by service for the financial years ended 30 June 2012 and 2013:

(in millions of euros)	30 June 2012	30 June 2013	Change (in millions of euros)	Change (in %)
Video Applications	832.2	865.6	+33.4	+4.0%
Data and Value-Added Services	235.0	252.8	+17.8	+ 7.6%
of which Data Services	*185.1*	*187.5*	*+2.5*	*+1.3%*
of which Value-Added Services	*49.9*	*65.3*	*+15.3*	*+30.7%*
Multi-Usages Services	146.5	145.4	(1.0)	(0.7%)
Other revenues	5.1	10.4	+5.4	NM
Non-recurring revenues[1]	3.5	9.8	+6.3	NM
Total	**1,222.2**	**1,284.1**	**+61.8**	**+5.1%**

(1) One-off revenues include indemnities for late delivery and interruption in satellite capacity transmission.

Revenues increased from 1,222.2 million euros as of 30 June 2012 to 1,284.1 million euros as of 30 June 2013, *i.e.* an increase of 5.1%. At constant exchange rates, revenue growth stood at 3.7%.

Video Applications

Revenues from Video Applications, Eutelsat's largest business activity, rose 4.0% to 865.6 million euros, reflecting dynamic sales across the Group's key video neighbourhoods.

Growth was in particular driven by two video neighbourhoods:

- The 7°/8° West neighbourhood serving broadcasters in the Middle East and North Africa was dynamic, with the number of TV channels up 24% year-on-year to 662 (+128). It benefited from refreshed and expansion capacity on the EUTELSAT 7 West A satellite, launched in October 2011, which has generated additional business with clients that include Al Jazeera, Gulfsat, MBC, Nilesat and Noorsat. Resources at this neighbourhood will be further reinforced in the first half of financial year 2013-2014 with the redeployment of HOT BIRD 13A to 7°/8° West (to be renamed EUTELSAT 8 West C). This neighbourhood also contributed significantly to the company's strong backlog, with significant multi-year multi-transponder contracts signed with anchor customers on EUTELSAT 8 West B well in advance of its launch in the third quarter of 2015.
- The 16° East neighbourhood, serving broadcasters in Africa, Indian Ocean Islands and Central Europe. Among others, additional contracts were signed with SBB and Pink International (Serbia) to support their continuing growth. Channels broadcasting from this position rose by 17% during the year to reach 666 (+96) at 30 June 2013.

Revenue growth was also supported by:

- Contract renewals at the Group's leading broadcasting neighbourhood at 13° East. The number of channels broadcast by the three high-power HOT BIRD satellites at this position stood at 1,082 at 30 June 2013, including 145 HD channels (+9%) giving a 13.4% HD penetration rate (up from 12.2% a year earlier). The HOT BIRD neighbourhood was also further consolidated as a leading digital infrastructure in terms of the installed base of Direct-to-Home antennas in key markets, notably Italy and Poland.
- The extension of contracts at 36° East with MultiChoice, an anchor customer, on the sub-Saharan African beam of EUTELSAT 36B.
- Growth at the 9° East position with good sales momentum of the KabelKiosk platform of digital channels and services in German-speaking markets.

Finally, the year also saw the consolidation of the Group's partnership with RSCC in Russia following the completion of long-term lease contracts for capacity on satellites expected to be launched in the fourth quarter of 2013 to two new video positions, at 56° East (Express-AT1 for Siberia) and 140° East (Express-AT2 for Far East Russia), providing Eutelsat with coverage of the entire Russian Federation. Multi-year multi-transponder contracts with TricolorTV for capacity on both satellites were announced in July 2013.

Strong growth in the number of TV channels broadcast from the video orbital positions serving the high-growth markets

Orbital positions	Market	30 June 2012	30 June 2013	Change
7°/8° West	North Africa and Middle East	534	662	+24.0%
7° East	Turkey	213	224	+5.2%
9° East	Central and Eastern Europe	328	339	+3.4%
16° East	Balkans and Indian Ocean islands	570	666	+16.8%
36° East	Russia and Africa	715	761	+6.4%
Total		**2,360**	**2,652**	**+12.4%**

In total, the number of TV programmes broadcast by the Eutelsat satellite fleet stood at 4,661 as of 30 June 2013, an increase of 400 channels (9.4%). HD TV largely contributed to this growth, increasing by 73 channels (+21.1%): as of 30 June 2013, the Eutelsat fleet was broadcasting 419 HD TV channels.

Data and Value-Added Services

Data Services revenues stood at 187.5 million euros (+1.3%), reflecting the integration of EUTELSAT 172A into the fleet.

The take-up of the additional capacity provided by EUTELSAT 21B and EUTELSAT 70B was slower than expected. Markets for point-to-point services remain challenging as a consequence of terrestrial network (fibre) deployment and the increase in supply of satellite capacity, notably in Africa.

Demand continues to be dynamic for corporate networks and mobility in fast-growing regions, notably Africa and Asia-Pacific, with new and renewal contracts signed with customers that include Algérie Télécom for VSAT networks across Algeria and Australian Satellite Communications for Panasonic Avionics Corporation, the world leader in in-flight entertainment.

Revenues from Value-Added Services, which include broadband services targeting consumers and businesses, increased by 30.7% to 65.3 million euros.

Broadband services on KA-SAT performed strongly, reflecting the on-going success of intensified marketing efforts combined with the enhanced broadband offer launched in February 2013 (with download speeds of up to 20 Mbps and upload speeds of up to 6 Mbps). A total of 91,000 terminals (excluding pre-KA-SAT) were activated at 30 June 2013 (from 39,000 at 30 June 2012, on a comparable basis). Distributors in Western Europe, specifically France, Germany, Ireland, Italy, Spain and the UK were the major contributors to the take-up of the consumer broadband offer. Traction was also gained with new distributors in other regions including Turkey and Russia. The targeted development of the distribution network continues.

On the professional side, the Group also developed its product offering, and secured landmark opportunities such as the deployment of 12,600 terminals in the Ukraine during national parliamentary elections and the signature of a contract with a Libyan customer using two of KA-SAT's beams to provide 1.6 Gbp/s.

Mobile connectivity services for maritime and aeronautical markets also contributed to growth in Value-Added Services. The maritime segment is served by Eutelsat's WINS subsidiary, which provides capacity and services for on-board GSM and Internet connectivity. In the market for in-flight connectivity, Eutelsat launched the *Eutelsat Air Access* service in Europe in the Ka-band, with a first contract signed for Aer Lingus' medium-haul fleet.

Multi-Usages Services

Revenues from Multi-Usages Services, which comprise capacity leased to governments and administrations, were flat, at 145.4 million euros. This reflected the outcome during the third quarter of the 2012-2013 financial year of negotiations for renewals which were adversely impacted by U.S. federal budget sequestration. It was offset by new contracts, although fewer than expected, and by the integration of EUTELSAT 172A into the fleet.

Other revenues and non-recurring revenues

Other revenues comprised contributions from activity related to service contracts with partners, some sales of equipment and the Group's foreign exchange hedging programme. They amounted to 10.4 million euros at 30 June 2013.

Non-recurring revenues included late delivery indemnities for satellites launched during the financial year or soon to be launched. They amounted to 9.8 million euros at 30 June 2013.

Geographical breakdown of revenues

The Group generated nearly 24% of its revenues in U.S. dollars. The Group's policy is to hedge the foreign exchange risk on its sales, using forward exchange or options contracts (see Section 4.5.1 on "Foreign exchange hedges").

The following table gives a breakdown of the Group's revenue by geographical area for the financial years ended 30 June 2012 and 2013. This table is based on billing addresses and does not reflect the geographical origins of satellite capacity end-users, mainly owing to the substantial proportion of the Group's client portfolio accounted for by distributor-customers.

Regions	12-month financial year ended			
	30 June 2012		30 June 2013	
(in millions of euros and as a percentage)	Amount	%	Amount	%
Italy	194.5	15.9%	203.7	15.9%
United Kingdom	94.3	7.7%	100.2	7.8%
France	145.2	11.9%	153.9	12.0%
Europe (Rest of)	402.2	32.9%	410.7	32.0%
Americas	171.8	14.1%	169.1	13.2%
Middle East	141.3	11.6%	150.9	11.8%
Africa	65.4	5.4%	67.0	5.2%
Asia	9.5	0.8%	25.1	2.0%
Others[1]	(2.0)	(0.2%)	3.5	0.3%
Total	**1,222.2**	**100%**	**1,284.1**	**100%**

(1) Including other products.

Owing to the Group's satellite resource distribution model and to the long duration of the contracts in its backlog, the geographical breakdown of revenues remained relatively stable during the financial year 2012-2013.

Main customers

As of 30 June 2013, the Group's top 10 customers accounted for 51.8% of the Group's revenues with the breakdown as follows:

Customers	Revenue per customer (in millions of euros)	(as a percentage)
Public sector entities	145.1	11.3%
France Telecom/Globecast	118.1	9.2%
Sky Italia S.r.l.	89.4	7.0%
Telespazio/Telecom Italia	72.4	5.6%
Nilesat	53.0	4.1%
Deutsche Telekom/T-Media Broadcast	50.1	3.9%
British Telecom/Arqiva	43.0	3.3%
Noorsat WLL	37.5	2.9%
Intersputnik International Organization of Space Communication	32.0	2.5%
Digital Platform Teknoloji Hizmetleri	24.5	1.9%
Total of top 10 customers	**665.2**	**51.8%**
Others	618.8	48.2%
Total	**1,284.1**	**100.0%**

As of 30 June 2012, the Group's top 10 customers represented 53.4% of revenues with the breakdown as follows:

Customers	Revenue per customer (in millions of euros)	(as a percentage)
Public sector entities	154.7	12.7%
France Telecom/Globecast	111.5	9.1%
Sky Italia S.r.l.	88.4	7.2%
Telespazio/Telecom Italia	67.3	5.5%
Deutsche Telekom/T-Media Broadcast	51.2	4.2%
Nilesat	48.5	4.0%
British Telecom/Arqiva	41.7	3.4%
Noorsat WLL	33.2	2.7%
Intersputnik International Organization of Space Communication	31.8	2.6%
Digital Platform Teknoloji Hizmetleri	24.3	2.0%
Total of top 10 customers	**652.6**	**53.4%**
Others	569.6	46.6%
Total	**1,222.2**	**100.0%**

6.1.2.3 OPERATING COSTS AND SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Operating costs and selling and administrative expenses represented 22.5% of the 2012-2013 revenues, compared to 21.7% for the financial year 2011-2012.

The 9.0% increase against the previous year reflects:

- increased resources invested in the development of the Group's commercial activity, in particular in new activities (Internet services both for consumers and companies on KA-SAT, Fransat, KabelKiosk);
- the continued strict policy of rigorous control over Group costs.

6.1.2.4 DEPRECIATION AND AMORTISATION, OTHER OPERATING CHARGES AND OTHER OPERATING INCOME

A breakdown of trends in this line item is presented in Notes 5 and 6 of the Notes to the consolidated accounts of the financial year ended 30 June 2013 shown in Section 6.2 of this Reference Document.

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". This item amounted to 46.1 million euros as of 30 June 2013.

It represents the Group's largest expense item.

As of 30 June 2013, the rise in depreciation and amortisation expenses (+11.6%) to 344.6 million euros was due to the full year effect of EUTELSAT 7 West A and EUTELSAT 16A, which were launched in the first half of the financial year 2011-2012, as well as the start of depreciation of EUTELSAT 70B and EUTELSAT 21B launched during financial year 2012-2013 and the entry into the fleet of EUTELSAT 172A.

"Other operating income (charges)" stood at 30.8 million euros as of 30 June 2013, *versus* a 7.1 million euro charge as of 30 June 2012. Other operating income (charges) for financial year 2012-2013 related mainly to the settlement of a dispute during the financial year.

6.1.2.5 OPERATING INCOME

As of 30 June 2013, operating income stood at 681.5 million euros, up 6.3%, representing 53.1% of revenues (against 52.5% as of 30 June 2012).

6.1.2.6 FINANCIAL RESULT

The financial result posted a 117.5 million euro expense as of 30 June 2013, compared to 129.5 million euros in the previous financial year.

This decrease notably reflects a non-recurring effect on the financial year 2011-2012 of 23.1 million euros due to the partial dequalification and subsequent unwinding of an existing interest rate swap following the Eutelsat Communications debt refinancing in December 2011. Furthermore, the Group's financial expenses increased as a result of a rise in gross indebtedness (new 300 million euro bond and new export credit facilities, see Section 6.1.3.3 "Changes in debt and Group financing structure" of this Reference Document).

6.1.2.7 INCOME TAX

During the financial year 2012-2013, the income tax expense increased by 14.4% to 208.4 million euros, compared to 182.1 million euros as of 30 June 2012.

As of 30 June 2013, the tax rate was 37.0% against 35.6% as of 30 June 2012. This increase is partly due to changes in the tax environment in France.

6.1.2.8 CONSOLIDATED NET INCOME

As of 30 June 2013, consolidated net income posted a gain of 369.8 million euros against 341.1 million euros as of 30 June 2012.

Increase in consolidated net income reflects changes in the operating results and in the financial result.

6.1.2.9 NET INCOME ATTRIBUTABLE TO THE GROUP

Net income attributable to the Group stood at 354.9 million euros as of 30 June 2013, compared to 326.1 million euros as of 30 June 2012.

6.1.3 LIQUIDITY AND CAPITAL RESOURCES

6.1.3.1 EUTELSAT COMMUNICATIONS' EQUITY

Investors are advised to refer to Note 15 on the consolidated financial statements for the year ended 30 June 2013 shown in Section 6.2 of this Reference Document, which contains information on the issuer's equity.

6.1.3.2 CHANGES IN EUTELSAT COMMUNICATIONS' CASH FLOW

The following table shows changes in cash flow for the financial years ended 30 June 2012 and 2013.

(in millions of euros)	30 June 2012	30 June 2013
Cash flow from operating activities	697.2	816.2
Cash flow from investing activities	(479.0)	(647.3)
Cash flow from financing activities	(261.9)	(8.7)
Impact of exchange rate on cash and cash equivalents	(1.0)	0.0
Increase (decrease) in cash and cash equivalents	**(44.7)**	**160.2**
Cash and cash equivalents at beginning of year	132.4	87.8
Cash and cash equivalents at end of year	87.8	247.9

Cash flow from operating activities

During the financial year ended 30 June 2013, the Group continued to generate very strong cash flows from operating activities representing 63.6% of revenues. Cash flows from operating activities increased from 697.2 million euros to 816.2 million euros.

Cash flow from investing activities

Investing activities here mainly concern satellites ("Acquisitions of satellites") and ground equipment ("Other property and equipment").

"Acquisitions of satellites" cover the costs of satellite construction, launch, and entry into operational service. These expenses comprise construction costs (including performance-related incentive payments), launch costs and Launch-plus-one year insurance premiums. Some of the Group's procurement and launch contracts state that the Group has to pay incentives according to whether or not the satellite launch is successful and on the basis of certain technical specifications. The Group recognises the present value of these payments as a liability, and capitalises them under satellite costs. Payment of satellite performance incentives are subject to reductions or to reimbursements if the satellite does not meet the predetermined criteria.

"Acquisitions of satellites" are the largest component of the Group's capital investments. The cost of procuring and launching a satellite is generally spread over the two or three-year period prior to the satellite launch.

"Other property and equipment" essentially comprise satellite control and monitoring equipment. A large portion of these expenses concerns the three control and monitoring sites as well as equipment for the Group's registered office (such as technical facilities, office furniture and IT equipment). Investments in on-ground equipment closely mirror trends in the satellite launch programme.

The level of investment essentially depends on the satellite launch programme and may fluctuate substantially from one year to the next.

During the financial year ended 30 June 2013, cash flows from investing activities moved from (479.0) million euros as of 30 June 2012 to (647.3) million euros. This was primarily due to (i) the acquisition during the financial year ended 30 June 2013 of the GE-23 (renamed EUTELSAT 172A) satellite and related assets for 228 million U.S. dollars, (ii) the acquisition of a 6% stake in the Spanish satellite operator Hispasat for around 56 million euros, which takes the Group's shareholding in Hispasat to 33.69% of its share capital.

The following table shows cash flows from investing activities, as well as the number of satellites launched during the financial years ended 30 June 2012 and 2013.

Financial year ended 30 June	12-month period	
(in millions of euros)	2012	2013
Acquisitions of satellites and property and equipment	(487.5)	(566.4)
Movement in equity investments	-	(83.6)
Insurance indemnities on property and equipment	-	-
Changes in other long-life assets	8.4	2.7
Cash flows from investing activities	**(479.0)**	**(647.3)**
Satellites launched	2	3

Cash flow from financing activities

During the financial year ended 30 June 2013, cash flow from financing activities moved from (261.9) million euros to (8.7) million euros.

6.1.3.3 CHANGES IN DEBT AND GROUP FINANCING STRUCTURE

The following paragraphs primarily describe the Group's liquidity needs and financial resources. See also the Company's historical consolidated financial statements for the financial years ended 30 June 2012 and 2013 prepared under IFRS standards and also the Notes to these financial statements.

The Group's liquidity needs mainly comprise:

- financing for satellite construction and launches;
- servicing of the Group's debt;
- financing of working capital.

The Group's financial resources

The Group's financial resources primarily comprise cash flows generated by Eutelsat S.A.'s operating activities. The Group has additional financial resources through the credit facilities obtained and the bonded debt issued by Eutelsat S.A.

Trend in the Group's net debt

The following table shows a breakdown of the Group's net debt as of 30 June 2012 and 2013.

Group net debt	As of 30 June	
(in millions of euros)	2012	2013
Eutelsat Communications' long-term bank debt	800	800
Eutelsat S.A.'s long-term bonded debt	1,650	1,950
Eutelsat S.A.'s long-term bank debt	-	137
Eutelsat S.A.'s short-term bank debt(1)	-	-
Bank debt	**2,450**	**2,887**
Cash, cash equivalents and marketable securities net of bank overdrafts(2)	(88)	(248)
Net bank debt	**2,362**	**2,640**
Long-life leases(3)	11	7
Net debt	**2,374**	**2,647**

(1) Including the short-term portion of long-term bank debt.
(2) Bank overdrafts stood at 17.3 million euros as of 30 June 2012 and 0.1 million euros as of 30 June 2013.
(3) Including the short-term portion of these leases.

The Group's net debt includes all bank and bonded debt, as well as debt related to satellite financing leases, less cash, cash equivalents and marketable securities net of bank credit balances (see Note 16 "Financial debt" to the consolidated financial statements for the year ended 30 June 2013 in Section 6.2 of this Reference Document).

The Group's net debt as of 30 June 2013

As of 30 June 2013, the Group's consolidated net debt came to 2,647 million euros mainly comprising: (i) 800 million euros in debt under the new Eutelsat Communications term loan, (ii) 1,950 million euros of bonds issued by Eutelsat S.A. (iii) 144 million euros of debt related to satellite financing agreements and (iv) 248 million euros in cash, cash equivalents and marketable securities (net of bank overdrafts).

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

Group's main credit facilities and bond loans as of 30 June 2013

(in millions of euros)	Amount granted	Amount used	Maturity
Eutelsat Communications term loan	800	800	6 December 2016
Eutelsat Communications revolving credit facility	200	-	6 December 2016
Eutelsat S.A. 2017 Bond	850	850	27 March 2017
Eutelsat S.A. 2019 Bond	800	800	14 January 2019
Eutelsat S.A. revolving credit facility	450	0	24 March 2015
Eutelsat S.A. 2022 Bond	300	300	10 October 2022
US Ex-Im export credit facility	51	42	15 November 2021
ONDD export credit facility 1	122	41	30 June 2024
ONDD export credit facility 2	87	54	31 August 2024
TOTAL	**3,660**	**2,887**	

For the period ended 30 June 2013, the weighted average rate of interest on amounts drawn under the Group bank debt was 4.89% after taking into account the effects of hedging instruments. The effective interest rates on the Eutelsat Communications term loan was 2.90% and 4.55% after taking into account the effects of hedging instruments, while the effective interest rate on bonds issued by Eutelsat S.A. was 4.35% for those due in March 2017, 5.17% for those due in January 2019 and 3.29% for those due in October 2022.

As of 30 June 2013, the Group's bank debt carried interest at a variable rate (generally EURIBOR plus a margin), while the bond debt and the US Ex-Im export credit facility carried interest at a fixed rate.

Given changes in the level of interest rates, the fair value of the Group's financial instruments saw a moderate decline measured at fair value through the income statement and equity. However, the effectiveness of the hedge instruments qualified as future cash flow hedges has not been challenged.

The increase in the Group's net debt from 2,374 million euros to 2,647 million euros is mainly the net result of increased financing requirements for satellites under construction or commissioned during the financial year and an increased distribution to shareholders of Eutelsat S.A. and the Company in November 2012.

The Group's financing structure

Eutelsat Communications credit facilities as of 30 June 2013

Eutelsat Communications S.A. concluded two banking credit facilities on 6 December 2011 for a five-year term maturing on 6 December 2016:

- a 800 million euro term loan (bullet loan) bearing interest at EURIBOR plus a 1.50% to 3.25% margin depending on the long term ratings assigned by Standard & Poor's (S&P) and Moody's to Eutelsat Communications S.A. The initial margin stands at 2.25%. Interest periods cover six months beginning 29 April and 29 October each calendar year, except for the three first periods which are shorter than six months;
- a 200 million euro revolving credit facility (undrawn as of 30 June 2013). Amounts drawn for a maximum period of six months bear interest at EURIBOR (or LIBOR for amounts drawn in U.S. dollars) plus a 1.00% to 2.75% margin depending on Eutelsat Communications S.A.'s long term rating assigned by S&P and Moody's. The initial margin stands at 1.75%. A non-use fee is payable representing 35% of the applicable margin mentioned above. The agreement also provides for a 0.15% utilisation commission if less than 33.33% of the revolving credit facility is drawn, 0.30% for the portion equal to or exceeding 33.33% but lower than 66.67% and a 0.50% commission for any portion exceeding 66.67%.

The credit agreements carry no guarantee from Eutelsat Communications subsidiaries, nor the pledging of assets to the lenders, but they do include restrictive clauses, subject to the usual exceptions contained in loan agreements (see Note 16, "Financial debt" to the consolidated financial statements for the financial year ended 30 June 2013 in Section 6.2 of this Reference Document for more information on the restrictive conditions and limitations in these credit contracts). The agreement allows each lender who is a party to the agreement to request early repayment of all sums due in the event of a change in control at Eutelsat Communications and/or at Eutelsat S.A. or actions in concert.

Furthermore, Eutelsat Communications has undertaken to hold, directly or indirectly, 95% of the capital and voting rights of Eutelsat S.A. for the entire duration of the loan.

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

Eutelsat Communications is required to maintain a total net debt to annualised EBITDA ratio (as defined contractually and based on the Group's consolidated financial statements presented in accordance with IFRSs), which is less than or equal to 3.75 to 1 (ratio tested on 30 June and 31 December of each year).

Furthermore, interest-rate hedging is required for a minimum period of three years to limit exposure to interest-rate risk for no less than 50% of the amounts drawn under the term loan facility.

Issuance costs incurred during the setting up of the term loan are spread over the term of the loan.

The costs still to be deferred as of 30 June 2013 were offset against the book value of the loans and amounted to 8.4 million euros.

Eutelsat S.A. lines of credit and bonds as of 30 June 2013

Eutelsat S.A's financing structure is as follows:

- 800 million euros of seven-year bonds issued on 7 December 2011 on the Luxembourg Stock Exchange regulated market and maturing on 14 January 2019 ("the Bond Loan 2019"). The 2019 bonds carry an annual coupon of 5.000%, were issued at 99.186%, and are redeemable at maturity at 100% of their principal amount;
- 850 million euros of seven-year bonds issued on 26 March 2010 on the Luxembourg Stock Exchange regulated market and maturing on 27 March 2017 ("the Bond Loan 2017"). The 2017 bonds carry an annual coupon of 4.125%, were issued at 99.232%, and are redeemable at maturity at 100% of their principal amount;
- 300 million euros of ten-year bonds issued on 1 October 2012 on the Luxembourg Stock Exchange regulated market and maturing on 10 October 2022 ("the Bond Loan 2022"). The 2022 bonds carry an annual coupon of 3.125%, were issued at 99.148%, and are redeemable at maturity at 100% of their principal amount;
- a 66 million U.S. dollars Ex-Im export credit facility, of which 42 million U.S. dollars were drawn as of 30 June 2013. This credit facility will mature on 15 November 2021. It is repayable in 17 semi-annual installments 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 95 million euros were drawn at 30 June 2013. These credit facilities have an 11.5 year maturity and will mature on 30 June 2024 and 31 August 2024. They are repayable in 17 semi-annual instalments starting in June 2016 and August 2016. The first one, for an amount of 121 million euros, bears interest at 2.07% (rate based on 6-month EURIBOR and calculated at the facility's signing date) will be used to finance the construction of a satellite. The second one, for an amount of 87 million euros, bears interest at 2.23% (rate based on 6-month EURIBOR and calculated at the facility's signing date) and will be used to finance a launcher;
- a 450 million euro revolving credit line (undrawn as of 30 June 2013) signed on 24 March 2010 with a five-year term. The amounts drawn on this line of credit bear interest at EURIBOR (or LIBOR for amounts drawn in U.S. dollars), plus a 0.75% to 2.50% margin, depending on the long-term rating assigned to Eutelsat S.A. by Standard & Poor's. A fee for non-use representing 40% of the margin mentioned above is payable. The agreement also provides for a 0.25% utilisation commission if more than 50% of the revolving credit facility is used, and it is only applied to the portion exceeding 50% of the aggregate amount of this credit line; 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 do include restrictive clauses, subject to the usual exceptions contained in loan agreements (see Note 16 "Financial debt" to the consolidated financial statements for the financial year ended 30 June 2013 in Section 6.2 of this Reference Document for more information on the restrictive conditions and limitations contained in these credit contracts) 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 mergers, acquisitions, asset disposals, 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 eurobond issues and the credit facilities allow each lender to request early repayment of all sums due in the event of the downgrading of Eutelsat S.A. or bonds issued by Eutelsat S.A., resulting from a change of control at Eutelsat S.A. or a change of control at Eutelsat Communications (except in the case of a takeover by the Group's main shareholders). This provision does not apply in the case of Group restructuring.

The credit contracts include a commitment to maintain Launch-plus-one year insurance policies for any satellite located at 13° East and, with respect to any satellite located at another orbital position, a commitment not to have more than one satellite not covered by a launch insurance policy.

The costs for the bond issues were deferred over the loan period. Remaining costs as of 30 June 2013 amounted to 7.9 million euros.

Eutelsat S.A. lines of credit put in place since 30 June 2013

Since 30 June 2013, Eutelsat S.A. has entered into two bank loan agreements on 13 September 2013:

- to finance the acquisition of Satmex, a 850 million U.S. dollar bridge term loan with a two-years maturity, bearing interest at LIBOR plus a 0.20% to 1.50% margin depending on the long-term rating assigned to Eutelsat S.A. by Standard & Poor's. The initial margin stands at 0.50%. After six months of drawing down on this credit facility, the margin is increased by 0.25% during six months, then by 0.35% during the next six months and finally by 0.40% during the last six-month period;
- a 450 million euro revolving credit facility entered into for a five-year period aimed at refinancing the above-mentioned Eutelsat S.A. revolving credit facility. 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%.

These credit agreements provide for restrictive clauses (subject to the usual exceptions contained in loan agreements), similar to those contained in previous Eutelsat S.A. bank loan facilities.

6.1.3.4 OTHER GROUP COMMITMENTS

The following table summarises the Group's contractual obligations (excluding long-term debt) and commercial commitments as of 30 June 2013 (see the Notes to Eutelsat Communications S.A.'s consolidated financial statements for the year ended 30 June 2013 in Section 6.2 of this Reference Document).

		Payments by period			
(in millions of euros)	Total	<1 year	1-3 years	3-5 years	>5 years
Amounts due in respect of finance lease contracts	8.2	4.6	3.5	-	-
In-orbit incentive payments	7.8	4.2	3.5	-	-
Operating lease commitments	10.8	4.3	6.5	-	-
Satellite construction and launch contracts	1,493.1	313.2	394.3	188.4	597.2
Operating agreements and Customer contracts(1)	171.7	53.1	41.2	53.0	24.3
Retirement indemnities and other post-employment benefits(2)	11.1	-	-	-	11.1
Total contractual obligations and commercial commitments	**1,702.6**	**379.5**	**449.0**	**241.5**	**632.6**

(1) Primarily includes costs of controlling satellites in-orbit.
(2) Mainly includes long-term obligations (more than five years).

As of 30 June 2013, Eutelsat S.A.'s contractual and commercial commitments comprised the following:

Long-life lease obligations

SESAT™ 2 satellite

In March 2004, the Group entered into a lease agreement with RSCC for 12 transponders on the SESAT™ 2 satellite for its entire operating life (with a contractual minimum of 12 years). These transponders were recognised as assets for 60 million euros, based on the discounted value of future payments.

EUTELSAT 3A Satellite

In December 2010, the Group entered into a capacity lease agreement for 10 transponders on the EUTELSAT 3A satellite for the duration of its remaining operating life. These transponders were recognised as assets for 16.8 million euros, based on the discounted value of future payments.

Express-AT1 SATELLITE

In June 2013, the Group entered into a capacity lease agreement for 19 transponders on the Express-AT1 satellite for its entire operating life. These transponders will be recognized as assets, under the condition of the satellite's entry into operational service. Its launch is scheduled in the fourth calendar quarter of 2013.

Express-AT2 satellite

In November 2012, the Group entered into a capacity lease agreement for eight transponders on the Express-AT2 satellite for its entire operating life. These transponders will be recognized as assets, under the condition of the satellite's entry into operational service. Its launch is scheduled in the fourth calendar quarter of 2013.

EUTELSAT 36C satellite

In November 2012 and June 2013, the Group entered into capacity lease agreements on the EUTELSAT 36C satellite for its entire operating life. Transponders covered by these agreements will be recognized as assets, under the condition of the satellite's entry into operational service. Its launch is scheduled in the second calendar quarter of 2015.

In-orbit incentive payments

The Group's satellite construction contracts provide for payment obligations based on satellite performance. In some contracts, a portion of the purchase price is paid to the manufacturer in instalments throughout the satellite's operating life, according to its compliance with technical and contract specifications. For the most recent contracts, the Group has agreed to pay the entire satellite price upon its initial entry into operational use, including in-orbit incentives. If the satellite does not comply with technical operating requirements, the constructor has to repay to the Group a portion of the incentive payments, or reduce their amount. Repayments by the constructor are generally guaranteed up to the amount of the incentive payments by a bank guarantee or a shareholders' guarantee.

The Group recognises the discounted value of payments to be made in the future as a liability and includes those costs in the overall cost of the satellite (posted to assets). If an incentive payment is not payable or is repaid, the cost of the satellite is adjusted, as well as the associated liability. Depreciation is then reviewed in a prospective manner.

Operating leases

During the year ended 30 June 2005, the Group had renewed the lease on its registered office in Paris for a nine-year period. On 25 November 2009, the Group concluded a rider to the contract renewing the lease for a period of nine years as of 1 August 2009, with a firm period of six years and five months. The agreement provides for the option of terminating the lease on 31 December 2015 at the earliest, in consideration for six months' notice and payment of a termination penalty equal to 668,000 euros, or subsequently on 31 July 2018 with no penalty. As of 30 June 2013, future minimum rental payments came to around 4.6 million euros. Furthermore, Eutelsat entered on 1 August 2012 into a lease agreement for an additional 923 m^2 in Paris. The exit conditions are the same as in the main lease contract and provide a termination penalty of 120,000 euros. As of 30 June 2013, future minimum rental payments stood at around 0.5 million euros.

Financial guarantee granted to the IGO's Closed Pension Fund

Before the creation of Eutelsat S.A., the IGO managed a pension fund (the "Closed Pension Fund") for its staff members. The rights of Closed Pension Fund beneficiaries have been frozen, and responsibility for managing this fund and its corresponding assets transferred to a Trust (along with the related retirement liabilities). According to the Contribution Agreement of 2 July 2001, Eutelsat S.A. took over the unlimited financial guarantee arranged by the IGO to cover any financial shortfall on the Pension Fund. Any financial shortfall on the Closed Pension Fund could create new obligations for the Group under the financial guarantee, which could have a significant negative effect on the Group's business, financial situation and results.

As of 30 June 2013, the discounted value of the Trust's pension liabilities amounted to 225.3 million euros in Eutelsat Communications' consolidated financial statements, and the fair value of its assets stood at 160.6 million euros (see Note 22.1 to the consolidated financial statements for the financial year ended 30 June 2012). 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 assumptions applied.

The unlimited financial guarantee taken over by Eutelsat S.A. may be activated under certain conditions to make up for any such future funding shortfall. During the year ended 30 June 2011, given the sharp fall in long-term interest rates, the amount of guarantee being called upon was 8.2 million euros. This was assessed on the basis of the Trust's projections, taking into account future market developments. The amount was paid in two instalments during the financial years ended 30 June 2012 and 2011.

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 occur, including if they deem that the Closed Pension Fund cannot continue to be effectively managed. Should 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 required to pay the difference, which could be substantial.

The Group cannot predict with great certainty what amount it would potentially have to pay if the guarantee was enforced. Any financing shortfall in the Closed Pension Fund could create 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.

Liquidity offers

The Company made an offer to all beneficiaries of options granted under the Partners and the Managers I, II, III and IV plans, and to beneficiaries under the stock purchase plans of March and April 2004 (see Section 3.2.2 "Options granted to employees on shares of the Company or of other companies in the Group") to buy back their Eutelsat S.A. shares.

Through its Eutelsat Communications Finance S.A.S. subsidiary, the Company made an initial liquidity offer for which the subscription period opened on 30 November 2009 and closed on 11 December 2009. Final settlement of the transaction took place on 18 December 2009. In respect of this transaction, 513,119 shares were purchased at a unit price of 6.00 euros per Eutelsat S.A. share.

Furthermore, in line with its prior commitments, the Company made a second liquidity offer *via* its Eutelsat Communications Finance S.A.S. subsidiary, whose subscription period opened on 15 March 2010 and closed on 26 March 2010. Final settlement of this transaction took place on 2 April 2010. This transaction saw 349,749 Eutelsat S.A. shares repurchased at a unit price of 6.85 euros per Eutelsat S.A. share.

Through its Eutelsat Communications Finance S.A.S. subsidiary, the Company made two liquidity offers in December 2010 and May 2011. In respect of these two transactions, 400,187 and 135,389 shares were repurchased at 6.99 euros and 7.73 euros per share respectively.

Two liquidity offers were made *via* the Company's Eutelsat Communications Finance S.A.S subsidiary in December 2011 and May 2012. In respect of these two transactions, 104,539 shares and 246,403 shares were repurchased at 7.24 euros and 7.27 euros per share respectively.

Two liquidity offers were made *via* the Company's Eutelsat Communications Finance S.A.S subsidiary in December 2012 and May 2013. In respect of these two transactions, 1,400 shares and 33,833 shares were repurchased at 6.33 euros and 6.74 euros per share respectively.

6.1.3.5 FINANCING SOURCES EXPECTED FOR FUTURE INVESTMENTS

The Group believes that cash flow generated by its operating activities, its cash and cash equivalents and the funds available under its credit facilities will be sufficient to meet its future financial obligations as currently anticipated, to satisfy its working capital requirements and to carry out its investment programme. However, the Group's financial performance depends on the general economic climate, the competitive, legislative and regulatory environment and other factors that are not necessarily under the Group's control. The Group cannot guarantee that its expected investment and working capital needs will materialise, nor can it guarantee that the funds made available to it under the resources mentioned above will be sufficient to meet its financial expenses and honour its obligations.

Furthermore, in order to finance the acquisition of Satmex, which was announced on 31 July 2013, the Group has put in place a 850 million U.S. dollar bridge facility. The acquisition is expected to be finalised by 31 December 2013.

6.1.4 DIVIDEND PAYOUT POLICY

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

Starting in the financial year ended 30 June 2010, Eutelsat Communications undertook the distribution of:

- an amount of 0.76 euro per share, of which 0.56 euro drawn from profit available for distribution, and the remainder taken from the "Share Premium Account" (*i.e.* 0.20 euro) in respect of the financial year ended 30 June 2010;
- an amount of 0.90 euro per share fully taken away from the distributable profit in respect of the financial year ended 30 June 2011;
- an amount of 1.00 euro per share fully taken away from the distributable profit in respect of the financial year ended 30 June 2012.

For the financial year ended 30 June 2013, the Board of Directors decided, on 30 July 2013, to propose to the General Meeting of Shareholders a dividend of 1.08 euro per share or a total distribution of 237,723,100.56 euros, representing a distribution rate of more than 67% of the net income attributable to the Group.

This amount of 1.08 euro per share will be taken in full from profit available for distribution.

In the 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.

6.2 Consolidated financial statements as of 30 June 2013

CONSOLIDATED BALANCE SHEET

(in millions of euros)	Note	30 June 2012	30 June 2013
ASSETS			
Non-current assets			
Goodwill	5	807.8	855.7
Intangible assets	5	638.2	639.8
Satellites and other property and equipment	6	2,169.2	2,797.4
Construction in progress	6	718.6	460.8
Investments in associates	7	193.8	261.3
Non-current financial assets	8,14	3.2	4.4
Deferred tax assets	21	23.9	13.0
Total non-current assets		**4,554.7**	**5,032.4**
Current assets			
Inventories	9	0.9	1.3
Accounts receivable	10	270.9	272.7
Other current assets	11	18.0	18.6
Current tax receivable	21	1.2	1.7
Current financial assets	12,14	19.6	30.3
Cash and cash equivalents	13	105.1	248.0
Total current assets		**415.7**	**572.6**
Total assets		**4,970.4**	**5,605.0**

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(in millions of euros)	Note	30 June 2012	30 June 2013
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	15	220.1	220.1
Additional paid-in capital	15	453.2	453.2
Reserves and retained earnings		1,111.4	1,262.2
Non-controlling interests		63.2	47.7
Total shareholders' equity		**1,847.9**	**1 983.2**
Non-current liabilities			
Non-current financial debt	16	2,421.1	2,849.1
Other non-current financial liabilities	17,18	45.9	82.9
Non-current provisions	22	25.6	29.6
Deferred tax liabilities	21	324.2	336.2
Total non-current liabilities		**2,816.8**	**3,297.8**
Current liabilities			
Current financial debt	16	53.0	35.9
Other current financial liabilities	17,18	78.5	40.5
Accounts payable		47.2	64.9
Fixed assets payable		16.5	66.8
Taxes payable		6.5	22.4
Other current payables	20	97.5	86.1
Current provisions	22	6.5	7.5
Total current liabilities		**305.7**	**324.0**
Total liabilities and shareholders' equity		**4,970.4**	**5,605.0**

CONSOLIDATED INCOME STATEMENT

(in millions of euros, except per share data)	Note	30 June 2012	30 June 2013
Revenues	23	1,222.2	1,284.1
Revenues from operations		**1,222.2**	**1,284.1**
Operating costs		(107.1)	(120.2)
Selling, general and administrative expenses		(157.8)	(168.6)
Depreciation and amortisation	5,6	(308.9)	(344.6)
Other operating income and expenses		(7.1)	30.8
Operating income		**641.3**	**681.5**
Cost of debt		(112.5)	(115.1)
Financial income		3.9	2.5
Other financial items		(20.9)	(4.9)
Financial result	**24**	**(129.5)**	**(117.5)**
Income from associates	7	11.4	14.2
Net income before tax		**523.2**	**578.2**
Income tax expense	21	(182.1)	(208.4)
Net income		**341.1**	**369.8**
Attributable to the Group		326.1	354.9
Attributable to non-controlling interests		15.0	14.9
Earnings per share attributable to Eutelsat Communications' shareholders	**25**		
Basic and diluted earnings per share (in euros)		1.483	1.612

COMPREHENSIVE INCOME STATEMENT

(in millions of euros)	Note	30 June 2012	30 June 2013
Net income		**341.1**	**369.8**
Other recyclable items of gain or loss on comprehensive income			
Translation adjustment	15.5	(0.6)	(4.5)
Tax effect	21.2	-	-
Changes in fair value of cash-flow hedging instruments	15.4	14.0	23.6
Tax effect	21.2	(4.3)	(8.5)
Total of other items of gain or loss on comprehensive income		**9.1**	**10.6**
Total comprehensive income		**350.3**	**380.4**
Attributable to the Group		335.4	365.6
Attributable to non-controlling interests		14.9	14.8

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	30 June 2012	30 June 2013
CASH FLOW FROM OPERATING ACTIVITIES			
Net income		341.1	369.8
Income from equity investments	7	(11.4)	(14.2)
Tax and interest expense, other operating items		307.4	297.6
Depreciation, amortisation and provisions		301.7	352.1
Deferred taxes	21	6.8	14.8
Changes in accounts receivable		(27.9)	(9.8)
Changes in other assets		(7.1)	(16.3)
Changes in accounts payable		(6.2)	17.7
Changes in other debt		3.9	(17.3)
Taxes paid		(211.1)	(178.2)
Net cash inflow from operating activities		**697.2**	**816.2**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of satellites, other property and equipment and intangible assets	6	(487.5)	(566.4)
Acquisition in equity investments and subsidiaries	7.2	-	(83.6)
Changes in non-current financial assets		5.0	0.1
Dividends received from associates		3.4	2.6
Net cash flows from investing activities		**(479.0)**	**(647.3)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions		(227.2)	(229.6)
Movements in treasury shares		(9.9)	(0.5)
Increase in debt	16	1,600.0	445.5
Repayment of debt	16	(1,465.0)	(76.6)
Repayment in respect of performance incentives and long-term leases		(11.1)	(9.8)
Other loan-related expenses		(28.5)	(7.9)
Interest and other fees paid		(92.3)	(134.6)
Interest received		3.6	2.5
Premiums and termination indemnities paid for derivatives settled		(29.0)	-
Acquisition of non-controlling interests	15.3	(2.5)	(0.2)
Other changes		-	2.5
Net cash flows from financing activities		**(261.9)**	**(8.7)**
Impact of exchange rate on cash and cash equivalents		(1.0)	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(44.7)**	**160.2**
Cash and cash equivalents, beginning of period		**132.4**	**87.8**
Cash and cash equivalents, end of period		**87.8**	**247.9**
Cash reconciliation			
Cash	13	105.1	248.0
Overdraft included under debt[1]	16	(17.3)	(0.1)
Cash and cash equivalents per cash flow statement		**87.8**	**247.9**

(1) Overdrafts are included in determining "Cash and cash equivalents" in the cash-flow statement as they are repayable on demand and form an integral part of the Group's cash-flow management. They are shown as "Current financial debt" under "Current liabilities" on the balance sheet.

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros, except share data)	Common stock Number	Common stock Amount	Common stock Additional paid-in capital	Reserves and retained earnings	Share-holders' equity Group share	Non-controlling interests	Total
As of 30 June 2011	**220,113,982**	**220.1**	**453.2**	**978.3**	**1,651.6**	**77.1**	**1,728.8**
Net income for the period				326.1	326.1	15.0	341.1
Other items of gain or loss on comprehensive income				9.3	9.3	(0.1)	9.2
Total comprehensive income				335.4	335.4	14.9	350.3
Treasury stock				(9.9)	(9.9)	-	(9.9)
Transactions with non-controlling interests				(1.9)	(1.9)	(0.6)	(2.5)
Distributions				(197.6)	(197.6)	(29.6)	(227.2)
Benefits for employees upon exercising options and free shares granted				5.1	5.1	0.2	5.3
Liquidity offer and others				2.0	2.0	1.2	3.2
As of 30 June 2012	**220,113,982**	**220.1**	**453.2**	**1,111.4**	**1,784.7**	**63.2**	**1,847.9**
Net income for the period				354.9	354.9	14.9	369.7
Other items of gain or loss on comprehensive income				10.8	10.8	-	10.8
Total comprehensive income				365.7	365.7	14.9	380.5
Treasury stock				(0.5)	(0.5)	-	(0.5)
Transactions with non-controlling interests				0.5	0.5	(20.3)	(19.8)
Distributions				(219.2)	(219.2)	(10.4)	(229.6)
Benefits for employees upon exercising options and free shares granted				4.3	4.3	0.2	4.5
Liquidity offer and others				0.1	0.1	0.1	0.2
As of 30 June 2013	**220,113,982**	**220.1**	**453.2**	**1,262.2**	**1,935.5**	**47.7**	**1,983.2**

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NOTE 1. KEY EVENTS DURING THE FINANCIAL YEAR

- As of 25 September 2012, the Group finalized the acquisition of the GE-23 satellite (see Note 1 of the financial statements as of 30 June 2012), renamed EUTELSAT 172A. The transaction included three distinct items (see Note 5 "Goodwill and other intangible assets" and Note 6 "Satellites and other property and equipment"):
  - the satellite;
  - the related customer relationships; and
  - the frequency rights at orbital position 172° East.
- On 18 December 2012, the EUTELSAT 21B satellite went into operational service following its successful launch on 10 November 2012.
- On 16 January 2013, the EUTELSAT 70B satellite went into operational service following its successful launch on 3 December 2012.
- On 19 June 2013, the EUTELSAT 3D satellite went into operational service following its successful launch on 14 May 2013.
- On 1 October 2012, the Group issued a 300 million euros bond with a maturity of 10 years (see Note 16 "Financial debt").

NOTE 2. GENERAL OVERVIEW

2.1. BUSINESS

The Eutelsat Communications Group (Eutelsat S.A. and its subsidiaries) is a private telecommunications satellite operator involved in the design, establishment, operation and maintenance of satellite telecommunications systems covering a large geographical area (extended Europe – including North Africa, Russia and the Middle East – the East Coast of North America, Latin America, sub-Saharan Africa and Asia).

Eutelsat S.A. itself derives from the transfer on 2 July 2001 of all of the operating activities, assets, liabilities and commitments of the EUTELSAT Intergovernmental Organisation (IGO).

As of 30 June 2013, the Group operates *via* Eutelsat S.A. and its subsidiaries 31 satellites in geostationary orbit (including three satellites belonging to third parties or to related parties on which the Group uses additional capacity) to provide capacity (assignment and availability) to major international telecommunications operators and international broadcasting companies for television and radio broadcasting services (analogue and digital), for business telecommunications services, multimedia applications and messaging and positioning services.

2.2. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements at 30 June 2013 were prepared under the responsibility of the Board of Directors, which adopted them at its meeting on 30 July 2013.

They will be submitted to the approval of the Ordinary General Meeting of Shareholders to be held on 7 November 2013.

NOTE 3. BASIS OF PREPARATION OF FINANCIAL INFORMATION

3.1. COMPLIANCE WITH IFRSS

The financial statements at 30 June 2013 have been prepared in accordance with the IFRSs, as adopted by the European Union and effective as of that date.The relevant texts are available for consultation on the following website:
http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The financial statements have been prepared on a historical cost basis except for certain items for which the standards require measurement at fair value.

3.2. ACCOUNTING POLICIES

Newly applicable standards and interpretations for financial periods beginning on or after 1 July 2012:

- The standards and interpretations applicable at 30 June 2013 are identical to those applicable at 30 June 2012, except for the following rules adopted by the European Union, which must be applied for all financial periods beginning on or after 1 July 2012.
  - The amendment to IAS 1 "Presentation: Other comprehensive income elements", the impact of which is presented in the comprehensive income statement.
- Furthermore, no standard or interpretation has been applied in advance, whether they were endorsed by the EU or not, and the Group is currently analysing the practical consequences of the new standards and the effects of applying them in the accounts. This concerns:
  - IFRS 13 regarding evaluation at fair value, effective since 1 January 2013,
  - amendments to IFRS 7 "Disclosures" – Offsetting Financial Assets and financial Liabilities, effective 1 January 2013,
  - IAS 12 "Deferred Tax – Recovery of underlying assets" (October 2010), Amendment on the method for calculating deferred taxes when rates differ, depending on whether assets are sold or used,
  - amendments to IAS 19 "Employee Benefits" effective 1 January 2013,
  - IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27R "Separate Financial Statements" and IAS 28R "Investments in Associates and Joint Ventures"; These standards have been effective since 1 January 2013, but are mandatorily applicable from 1 January 2014,
  - amendments to IFRS 10,11 and 12 relating to transition methods and procedures, applicable from 1 January 2014,
  - IFRIC 21 "Levies", the effective date is planned for 1 January 2014, with possible early application.

3.3. ACCOUNTING PROCEDURES APPLIED BY THE GROUP IN THE ABSENCE OF SPECIFIC ACCOUNTING STANDARDS

The *Cotisation sur la Valeur Ajoutée des Entreprises* or CVAE (Corporate added value contribution) is considered by the Group to be an operating expense that does not meet the criteria laid down in IAS 12 "Income Taxes" and therefore does not give rise to deferred taxes.

3.4. PRESENTATION OF THE INCOME STATEMENT

Operating costs essentially comprise staff costs and other costs associated with controlling and operating the satellites together with satellite In-Orbit Life Insurance premiums.

Selling, general and administrative expenses are mainly made up of costs for administrative and commercial staff, all marketing and advertising expenses and related overheads.

3.5. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of the Group's consolidated accounts requires Management to make estimates and judgements that are likely to affect the amounts of certain assets, liabilities, income and expenses appearing in these financial statements and their accompanying Notes. Eutelsat Communications constantly updates its estimates and assessments using past experience in addition to other relevant factors in relation to the economic environment. The eventual outcome of the operations underpinning these estimates and assumptions could, due to the uncertainty that surrounds them, result in the need for significant adjustment in a subsequent financial period to amounts recognised.

Judgements

When preparing the consolidated financial statements for the period ended 30 June 2013, Management exercised its judgement, especially with regard to contingent liabilities, provisions and the dispute related to 28.5° East (see Note 27.4 "Litigation" and 27.5 "Contingent liabilities").

3.6. PERIODS PRESENTED AND COMPARATIVES

The financial year of Eutelsat Communications runs for 12 months and ends on 30 June.

The reference currency and the currency used to issue financial statements is the euro.

NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

4.1. CONSOLIDATION METHOD

The companies controlled directly or indirectly by Eutelsat Communications, even if the Company does not directly own any of the equity of these companies, are consolidated using the full consolidation method. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the parent company owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. The determination of control takes into account the existence of potential voting rights, provided that these are immediately exercisable or convertible.

Companies over which the Group exercises joint control with a limited number of partners under a contractual agreement are consolidated using the equity method of accounting.

Associates over which the Group exerts significant influence (generally between 20% and 50% of voting rights) are accounted for using the equity method. Significant influence is defined as the power to participate in the financial and operational policies of the investee without having joint or sole control over them.

Companies are consolidated as of the date when control, joint control or significant influence is transferred to the Group. The Group's share in the earnings of these companies subsequent to acquisition is recorded in its income statement as of the same date. Similarly, the changes in their reserves following the acquisition that are not related to operations that had an impact on the income statement are recorded in the consolidated reserves up to the limit of the Group's share. Companies cease to be consolidated as of the date when the Group transfers control, joint control or significant influence.

4.2. ACCOUNTING TREATMENT FOR BUSINESS COMBINATIONS

Since 1 July 2009, business combinations have been recognised using the purchase accounting method, in accordance with the revised IFRS 3. Under this method, the various components of an acquisition are recognised at their fair values with some exceptions. Accordingly:

- the consideration transferred is measured at fair value. This includes contingent consideration that is also measured at fair value at the acquisition date, which takes into account probabilities of occurrence. Once classified as liabilities or as equity depending on their nature, obligations are entered as debts and subsequently remeasured at fair value, with their changes recorded under income;
- costs directly attributable to the acquisition are expensed in the year during which they are incurred;
- in the event of partial disposal, non-controlling interests (formerly known as "minority interests") are measured on the option determined for each combination, either at fair value, or as their proportionate share of the assets acquired and liabilities assumed (similar method used under IFRS 3);
- in a business combination achieved in stages (step acquisition), the previously held ownership interest is remeasured at its acquisition-date fair value. The difference between the fair value and the carrying amount of the ownership interest is recognised directly in income for the reporting period.

The identifiable assets, liabilities and contingent liabilities of the acquired entity which meet IFRS criteria are recognised at their fair values at the acquisition date, with the exception of non-current assets classified as assets held for sale, which are measured at fair value less costs to sell.

Goodwill represents the excess of consideration transferred and the value of non-controlling interests, if any, over the fair value of the acquiree's identifiable net assets and liabilities. Depending on the option retained for the valuation of equity interest in an acquisition, the recognised goodwill represents either the only portion acquired by the Group (partial goodwill) or the aggregate of the Group's portion and the non-controlling interests' portion (full goodwill).

Provisional fair values assigned at the date of acquisition to identifiable assets and liabilities may require adjustment as additional evidence becomes available to assist with the estimation (expert assessments still in progress at the acquisition date or additional analyses). When such adjustments are made prior to the end of a twelve-month period commencing on the date of acquisition, goodwill or negative goodwill is adjusted to the amount that would have been determined if the adjusted fair values had been available at the date of acquisition. When the carrying amounts are adjusted following the end of the twelve-month period, income or expense is recognised rather than an adjustment to goodwill or negative goodwill, except where these adjustments correspond to corrections of errors.

4.3. ACQUISITION/DISPOSAL OF NON-CONTROLLING INTERESTS

Since 1 July 2009, changes in ownership interests in subsidiaries without loss of control are accounted for as equity transactions and recognised directly in equity. Before the standard was applied and failing any specific provision in the IFRSs, the difference between the price paid (for acquisitions) or received (for disposals) and the carrying amount of the minority interests (non-controlling interests) acquired/transferred was recognised by the Group against goodwill (for acquisitions) or in the income statement (for disposals).

4.4. FOREIGN CURRENCY OPERATIONS

Transactions in foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency of the entity at the rate prevailing on the date of the transactions.

Monetary assets and liabilities (including payables and receivables) in foreign currency are translated into the functional currency at end of period using the balance sheet rate. Resulting foreign-exchange gains and losses are recorded in the income statement for the period.

Conversely, foreign exchange gains and losses arising from the translation of capitalisable advances made to foreign subsidiaries and forming part of the net investment in the consolidated subsidiary are recognised directly as "Cumulative translation adjustment" within shareholders' equity.

The main foreign currency used is the U.S. dollar. The closing exchange rate used is 1.31 U.S. dollar to 1 euro and the average exchange rate for the period is 1.29 U.S. dollar to 1 euro.

Translation of foreign subsidiaries' financial statements

Each subsidiary outside the euro zone maintains its accounting records in the currency that is most representative of its economic environment. Their financial statements are translated into euros using the closing-rate method. All assets and liabilities, including goodwill, are translated into euros using the exchange rate prevailing at the balance sheet date. Income and expenses are translated using an average exchange rate for the period, unless the use of such rate becomes inappropriate due to major erratic changes over the period. The resulting translation difference is recorded as a separate item of shareholders' equity under "Translation adjustments".

4.5. INTANGIBLE ASSETS

Intangible assets purchased separately or acquired in the context of a business combination

Intangible assets purchased separately are recorded at their acquisition cost and those purchased in a business combination are recorded at fair value on the acquisition date when allocating the acquisition cost of the entity. The fair value is set by referring to the generally accepted methods such as those based on revenues or market value.

Intangible assets consist of certain licences, the "Eutelsat" brand and the associated "Customer Contracts and Relationships" assets. Because their lifetimes are indefinite, the "Eutelsat" brand and the licences are not amortised but are systematically tested for impairment on a yearly basis.

The "Customer Contracts and Relationships" assets are amortised on a straight-line basis over their economic life.

This useful life was estimated on the basis of the average length of the contractual relationships existing at the date of acquisition of Eutelsat and took account of anticipated contract renewal rates (see Note 4.8 "Impairment of non-current assets").

Research and development costs

Development costs are recorded as intangible assets if the capitalisation criteria defined under IAS 38 "Intangible Assets" are met. Otherwise, they are expensed in the period in which they are incurred. Research costs are recorded as an item of expenditure.

The Group spent 10.1 million euros on research and development during the financial period ended 30 June 2013, including 9.1 million euros on development costs recorded as intangible assets.

Research expenses were mainly incurred for multimedia activities. They are recorded in the income statement under "Selling, general and administrative expenses".

4.6. GOODWILL

Goodwill is measured at cost at the date of the business combination, representing the difference between the aggregate of the fair value of the consideration transferred and the amount of non-controlling interests, and the net amount of identifiable assets acquired and liabilities assumed.

Goodwill arising from the acquisition of a subsidiary is separately identified in the consolidated balance sheet under "Goodwill". Goodwill arising from the acquisition of an associated company is included within the book value of the investment within the item "Investments in associates".

After initial recognition at cost, goodwill is measured at cost less any cumulative impairment losses.

Goodwill is tested for impairment at least annually or whenever events or circumstances indicate that the carrying amount may be impaired. Such events or circumstances arise when there are significant adverse developments that call into question the recoverable amount of the initial investment.

4.7. SATELLITES AND OTHER PROPERTY AND EQUIPMENT

Satellites and other property and equipment acquired separately ("Tangible fixed assets") are recognised at their acquisition cost, which includes all costs directly attributable to preparing the asset for use, less accumulated depreciation and possible impairment.

Borrowing costs incurred for the financing of tangible assets are capitalised with respect to the portion incurred during the period of construction. In the absence of a loan specifically related to the asset under construction, the capitalised interest is calculated on the basis of a capitalisation rate, which is equal to the weighted average of the borrowing costs of the Company during the period after taking into account the financing structure of the Group.

Satellites – Satellite costs include all expenses incurred for commissioning individual satellites and comprise manufacturing, launch and associated launch insurance costs, capitalised interest, performance incentives and costs directly attributable to monitoring the satellite programme (studies, staff and consultancy costs).

Satellite performance incentives – The Group has a number of contracts with its satellite manufacturers that require the Group to make certain performance incentive payments upon the initial entry into operational service of the satellites and with respect to future periods of successful satellite operation in-orbit. These items are part of the cost of the satellite and are recognised as an asset offsetting a liability equal to the net present value of the expected payments. Any subsequent change in the amount of such an incentive payment with respect to one or more periods is recognised as an adjustment to the cost of a satellite. The new value of the satellite is amortised on a prospective basis over the remaining useful life.

Ground equipment – This item comprises the monitoring and control equipment at various European locations and equipment at Group headquarters, including technical installations, office furniture and computer equipment.

Depreciation and amortisation – Amortisation is calculated on a straight-line basis over the estimated useful lives of assets, which are determined on the basis of the expected use of the assets. Depreciation includes, where appropriate, the residual value of each asset or group of assets, starting from the date when the asset enters into operational use.

The useful lives of the main categories of fixed assets are as follows:

Satellites	10 – 22 years
Traffic monitoring equipment	5 – 10 years
Computer equipment	2 – 5 years
Leasehold improvements	3 – 10 years

The Group conducts an annual review of the remaining useful lives of its in-orbit satellites on the basis of both their forecast utilisation and the technical assessment of their useful lives. When a significant change occurs, depreciation is charged for the years to come by taking into account the asset's revised remaining useful life.

Construction in progress – The "Construction in progress" item primarily consists of percentage completion payments for the construction of future satellites and advances paid in respect of launch vehicles and related launch insurance costs. Studies, staff and consultancy costs, interest and other costs incurred directly in connection with satellite acquisition are also capitalised.

Assets under finance leases – Agreements whereby the Group uses capacity on all or part of a satellite's transponders are recognised as an asset with its corresponding liability in accordance with IAS 17 "Leases" when the terms and conditions of the contracts are such that they are considered as finance leases in that they transfer substantially all risks and rewards incidental to ownership to the Group. Assets are depreciated over the shorter of their useful lives and the corresponding lease terms.

4.8. IMPAIRMENT OF NON-CURRENT ASSETS

Goodwill and other intangible assets with an indefinite useful life, such as the brand, are systematically tested annually for impairment in December, or more frequently when an event or circumstance occurs indicating a potential loss in value.

For tangible fixed assets and intangible assets with finite useful lives, such as the "Customer Contracts & Relationships" asset, an impairment test is performed when there is an external or internal indication that their recoverable values may be lower than their carrying amounts (for example, the loss of a major customer or a technical incident affecting a satellite).

An impairment test consists of appraising the recoverable amount of an asset, which is the higher of its fair value net of disposal costs and its value in use. If it is not possible to estimate the recoverable value of a particular asset, the Group determines the recoverable amount of the cash-generating unit (CGU) with which it is associated. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. In order to define its CGUs, the Group takes into account the conditions of use of its fleet, and in particular the capacity of certain satellites to be used as back-up for other satellites.

It is not always necessary to estimate both the fair value of an asset net of disposal costs and its value in use. If either of these amounts is greater than the book value of the asset, its value has not been impaired and there is no need to estimate the other amount.

The Group estimates value in use on the basis of the estimated future cash flows (discounted using the Group's WACC) to be generated by an asset or a CGU during its useful life, based upon the medium-term plan approved by Management and reviewed by the Board of Directors. Using a WACC per segment would have no impact on the results of this test. Revenues in the medium-term plan are based upon the order backlog for each satellite, market studies, and the deployment plan for existing and future satellites. Costs given in the plan that are used for the impairment test consist mainly of In-Orbit Life Insurance costs and also satellite operation and control costs directly attributable to the satellites tested. Beyond a maximum five-year period, cash flows are estimated on the basis of stable rates of growth or decline.

The fair value net of disposal costs is equal to the amount that could be received from the sale of the asset (or of one CGU) in the course of an arm's length transaction between knowledgeable, willing parties, less the costs relating to the transaction.

Impairment losses and their reversals are recognised in the income statement under the item "Other operating costs and income". An impairment of goodwill cannot be reversed.

As of 30 June 2013, each satellite and "Customer Contracts and Relationships", grouped by orbital position, as well as the investment in the Hispasat Group, were identified as CGUs.

4.9. INVENTORIES

Inventories are measured at the lower of acquisition cost and net realisable value. The calculation is at cost. The cost is calculated on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated selling costs.

4.10. FINANCIAL INSTRUMENTS

Financial assets in respect of which changes in fair value are recorded in the income statement, including trading financial assets and derivatives, are initially recorded at fair value. Other financial assets and liabilities are recorded at cost, which is their fair value plus costs directly attributable to the transaction.

In accordance with IAS 39 "Financial Instruments: Recognition and Measurement", IAS 32 "Financial Instruments: Presentation", and IFRS 7 "Financial Instruments: Disclosures", the Group has adopted the following classification for financial assets and liabilities, which is based on the objectives determined by Management at acquisition date. The designation and classification of these instruments are determined at initial recognition.

4.10.1. Financial assets

Financial assets are classified, reported and measured as follows:

Financial assets measured at fair value through the income statement

Financial assets measured at fair value through the income statement include financial instruments designated as being measured at fair value through the income statement at initial recognition. This category includes derivatives unless they are designated as hedges, and mutual fund investments (managed on the basis of their fair values) measured by applying the fair value option through the income statement.

These financial assets are recognised at fair value. Realised or unrealised gains and losses arising from changes in the fair value of these assets are recorded as financial income or expense.

Assets held for sale

Held-for-sale financial assets are financial assets, other than derivatives, which have been designated as available for sale by Management or which have not been classified in the "Financial assets measured at fair value through the income statement", "Assets held to maturity" or "Loans and receivables" categories. Held-for-sale financial assets include investments other than investments in companies recognised and consolidated as equity investments, which Management intends to hold for an indefinite period of time. These investments are classified as financial assets under "Non-current financial assets."

They are subsequently revalued at fair value, with gains and losses resulting from changes in fair value being recognised under shareholders' equity. When they are sold or when an impairment is recognised, the cumulative gains and losses previously entered under shareholders' equity are recorded in the financial result.

Available-for-sale investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at their acquisition cost.

Loans and receivables

Loans and receivables are mainly composed of employee loans, guarantee deposits and accounts receivable, which generally have a maturity of less than 12 months.

Accounts receivable are recorded initially at their nominal value, because of the insignificant impact of discounting. Accounts receivable are subsequently recognised at cost less provisions for bad debts, as appropriate, booked as a result of the irrecoverable nature of the amounts in question.

Other loans and receivables are measured at amortised cost, using the effective interest rate method.

4.10.2. Financial liabilities

Financial liabilities comprise bank loan and other debt instruments. They are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. They are subsequently measured at amortised cost, using the effective interest rate method. Any differences between initial capital amounts (net of transaction costs) and repayable amounts are recorded as financial expense over the duration of the loans, using the effective interest rate method.

4.10.3. Derivative instruments

Derivatives that are not designated as hedging instruments are recognised at fair value, and any subsequent changes in fair value are posted to the financial result.

Where a derivative can be qualified as a hedging instrument, it is valued and recorded in accordance with the hedge accounting rules laid down in IAS 39 "Financial Instruments: Recognition and Measurement" (see Note 4.10.5 "Hedging transactions").

4.10.4. Impairment

At each balance sheet date, the Group applies impairment tests to all financial assets in order to determine whether there is an indication of impairment. Impairment is recognised in the income statement when there is objective evidence that the asset is impaired. Examples of target impairment indicators include defaulting on contractual payment terms, significant financial hardship of the lender or borrower, a likelihood of bankruptcy or an extended or significant decline in the price of the listed shares.

Impairment losses, other than those related to accounts receivable and other debit operator balances, are recorded as financial expenses.

The Group's customers mainly comprise international telecommunications operators, broadcasters and other users of commercial satellite communications. Management regularly monitors its exposure to credit risk and recognises allowances for bad customer debt and doubtful payments of other receivables, based on expected cash-flows, under the heading "selling, general and administrative expenses". The method of recognising allowances for bad debt is based on experience and is periodically applied to determine a recoverable percentage based on how long the receivables have been on our books.

Impairment of investments in equity securities that do not have a quoted market price in an active market and are valued at cost, and impairment of investments in equity instruments classified as held-for-sale financial assets measured at fair value, cannot be reversed.

4.10.5. Hedging transactions

Hedging transactions are carried out using derivatives. Changes in the fair value of the derivative instrument are used to offset the exposure of the hedged item to changes in fair value.

Derivative instruments are designated as hedging instruments and recorded according to hedge accounting rules when the following conditions are met by the Group:(a) at the inception of the hedge, there is a formal designation and documentation of the hedging relationship and of Management's risk management objective and strategy for undertaking the hedge; (b) Management expects the hedge to be highly effective in offsetting risk; (c) for hedges of forecast transactions, the forecast transaction must be highly probable and must present an exposure to variations in cash flows that could ultimately affect reported income; (d) the effectiveness of the hedge should be capable of reliable measurement; and (e) the effectiveness of the hedge is assessed on an ongoing basis and determined to be highly effective throughout the period for which the hedge was designated.

These criteria are applied where the Group uses derivatives designated as cash flow hedging instruments.

Cash-flow hedging

Cash flow hedging involves a hedge against the exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable anticipated future transaction that might affect reported income.

Changes in the fair value of a hedging instrument relating to the effective portion of a hedge are recognised in shareholders' equity. Changes in fair value relating to the ineffective portion of a hedge are recognised in the income statement under financial result.

The cumulative changes in the fair value of a hedging instrument previously recognised in shareholders' equity are reclassified in the income statement when the hedged transaction affects profit or loss. Reclassified gains and losses are recorded under profit and loss, at the level of the hedged item.

Where the anticipated transaction leads to the recognition of a non-financial asset or liability, the cumulative changes in the fair value of the hedging instrument previously recognised in shareholders' equity are incorporated into the initial measurement of the asset or liability concerned.

4.10.6. Fair value of financial instruments

Fair value is the amount for which a financial asset could be exchanged, or an extinguished liability, between knowledgeable, willing parties in an arm's length transaction.

The fair value of financial assets and liabilities traded on active markets (as in the case of certain equity interests, certain marketable securities and certain derivative instruments) is determined on the basis of the listed price or at the market value at the balance sheet date.

The fair value of other financial instruments, assets or liabilities that are not listed on an active market is determined by the Group using appropriate valuation methods and assumptions reflecting market conditions at balance sheet date.

4.10.7. Firm or conditional commitments to purchase non-controlling interests

Under the revised IAS 27 "Consolidated and Separate Financial Statements", and IAS 32 "Financial Instruments: Presentation", the Group recognises the fair value of firm or conditional commitments to purchase non-controlling interests as financial debt, offset by a reduction in non-controlling interests.

Any change in the fair value of the obligation subsequent to its initial recognition is treated as an adjustment affecting the income statement.

4.11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents mainly consist of cash on hand and at bank, as well as short term deposits or investment certificates with original maturities of three months or less, and also mutual fund investments that are easily convertible into a known amount of cash, the liquid value of which is determined and published daily and for which the risk of a change in value is insignificant.

4.12. SHAREHOLDERS' EQUITY

Treasury stock

Treasury stock is recognised by reducing shareholders' equity on the basis of the acquisition cost. When the shares are sold, any gains and losses are recognised directly in consolidated reserves net of tax and are not included under income for the year.

Costs for capital increases

External costs directly related to increases in capital, reduction of capital and treasury stock buy-backs are allocated to additional paid-in capital, net of taxes when an income tax saving is generated.

Grant of stock options

Rewards granted to employees under stock-option plans are measured on the date the options are granted and represent additional employee compensation. This is recognised under personnel expenses over the vesting period of the rights representing the reward granted to the employee and is offset by increases in equity (equity settled plans) or by recognition of a debt (for plans deemed to be cash-settled plans).

Similarly, in accordance with IFRS 2 "Share-based Payment", awards granted to employees in the form of public issues or other capital transactions are measured at grant date. They represent additional compensation, which is recorded during the financial year as an expense recognised over the vesting period.

4.13. REVENUE RECOGNITION

The Group's revenues are mainly attributable to the allotment of space segment capacity on the basis of terms and conditions set out in the contracts.

These contracts usually cover periods ranging from one year to the end of life of the satellite. Contracts usually provide for the right to free-of-charge time in cases of service interruptions caused by under-performing transponders. Pursuant to certain contractual termination rights, the agreement can usually be terminated after two years with a one-year notice period and, depending on the type of contract, payment of the difference between the contractual price and the price that would have been paid for a contract with a duration similar to the expired period, plus interest for late payment, or by paying a percentage of the annual price applied to the remaining duration of the lease. The revenues initially recognised are then adjusted to reflect the overall economic outcome of the contract.

Revenues are recognised over the contractual period during which services are rendered, provided that a contract exists and the price is fixed or determinable, and provided that, as of the date it is recorded in the accounts, it is probable that the amount receivable will be recovered.

Deferred revenues include unearned balances of amounts received in advance from customers. Such amounts are recorded as revenue on a straight-line basis over the corresponding duration of the relevant transponder contracts or of the services provided.

4.14. OTHER OPERATING INCOME AND EXPENSES

The other operating income and expenses include:

- significant and infrequent factors such as impairment of intangible assets, launch failures and their related insurance reimbursements, as well as international non-commercial litigation net of the legal costs incurred;
- the impacts of changes in scope evolutions (including business combination costs and sales of tangible assets).

4.15. DEFERRED TAXES

Deferred taxes are the result of temporary differences arising between the tax base of an asset or liability and its book value. Deferred taxes are recognised for each fiscal entity in respect of all temporary differences, with some exceptions, using the balance sheet liability method.

Accordingly, deferred tax liabilities are recognised for all taxable temporary differences except:

- where the deferred tax liability arises from goodwill for which amortisation is not deductible for tax purposes or from the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect the accounting or the taxable profit, or the tax loss; and
- when the deferred tax liability arises from investments in subsidiaries, associated companies or joint ventures unless the Group is able to control the reversal of the difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be charged. However, a deferred tax asset is not recognised if it arises from a deductible temporary difference generated by the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect the accounting or the taxable profit, or the tax loss.

The book value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of part or all of the deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance sheet date.

Deferred taxes are not discounted and are recorded as non-current assets and liabilities.

4.16. EARNINGS PER SHARE

EPS (earnings per share) are calculated by dividing the net income for the period attributable to ordinary shareholders of the entity by the weighted average number of common shares outstanding during the period.

4.17. POST-EMPLOYMENT BENEFITS

The Group's retirement schemes and other post-employment benefits consist of defined contribution plans and defined benefit plans.

Defined benefit plans are plans for which the Group, or any of its entities, has contractually agreed to provide a specific amount or level of benefits following retirement. The cost of this defined benefit obligation, including lump sum retirement indemnities and other post-employment benefits, is entered as a liability on the basis of an actuarial valuation of the obligations toward employees at year-end, using the "projected credit unit" method. This method accrues the employee's pension benefit by periods of service according to the formula for entitlement to benefits under the plan.

The value of expected future payments is determined on the basis of demographic and financial assumptions such as mortality, staff turnover, salary growth, and age at retirement. The rate used to discount estimated cash flows is determined by reference to long-term market yields on high quality corporate bonds.

A complete assessment of the discounted present value of the benefit is outsourced each year and reviewed at interim periods to identify any significant changes.

When actuarial gains and losses arising as a result of changes in actuarial assumptions exceed by more than 10% the greater of the following amounts, the relevant net gains or losses are amortised over the expected average remaining working lives of the employees benefiting from these plans:

- the discounted value of the defined benefit obligation at the balance sheet date;
- the fair value of plan assets at that date.

The pension cost for the period, consisting of service cost, is recognised in operating income. The net expense (income) corresponds to the interest expense (on unwinding the discount) less the expected return on plan assets, and is fully recognised in the financial result.

Management of the defined contribution plans is performed by an independent entity to which the Group has the obligation to make regular contributions. All payments made by the Group with respect to these plans are recognised in operating costs for the period.

4.18. FINANCIAL GUARANTEE GRANTED TO A PENSION FUND

Following the acquisition of Eutelsat S.A. in April 2005, the Group granted a financial guarantee to the pension fund for the obligations that had been assigned to a Trust prior to the contribution transactions that led to the creation of Eutelsat. This defined-benefit pension scheme has been closed and the vested pension rights were frozen prior to the transfer. The risk resulting from this financial guarantee has been analysed, assessed and reported in the same way as defined benefit plan obligations described in Note 4.17 "Post-employment benefits", despite the fact that the Group has not assumed the legal commitments entered into by the Intergovernmental Organisation ("IGO") in respect of the pension fund.

4.19. PROVISIONS

A provision is made when, at the balance sheet date, (i) the Group has a present legal or constructive obligation as a result of a past event, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) a reliable estimate of the amount involved can be made.

The amount recognised as a provision represents the best estimate of the expenditure required to meet such obligation at the balance sheet date.

If the effect of the time value of money is material, the amount of the provision will be equal to the discounted value of anticipated expenditure needed to settle the obligation.

The discounted value is calculated using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

Increases in provisions recorded to reflect the passage of time and the effect of discounting are recognised as financial expenses in the income statement.

NOTE 5. GOODWILL AND OTHER INTANGIBLES

The "Goodwill and other intangibles" item breaks down as follows:

Changes in gross assets, depreciation and amortisation

(in millions of euros)	Goodwill	Customer contracts and relationships	Eutelsat brand	Other intangibles	Total
GROSS ASSETS					
30 June 2011	**807.8**	**889.0**	**40.8**	**49.4**	**1,787.0**
Acquisitions	-	-	-	19.4	19.4
Disposals	-	-	-	-	-
Transfers	-	-	-	0.8	0.8
30 June 2012	**807.8**	**889.0**	**40.8**	**69.6**	**1,807.2**
Acquisitions	47.9	32.0	-	25.7	105.6
Disposals	-	-	-	-	-
Transfers	-	-	-	0.7	0.7
Foreign exchange impact	-	(0.3)	-	(0.7)	(1.0)
30 June 2013	**855.7**	**920.7**	**40.8**	**95.3**	**1 912.5**
DEPRECIATION AND AMORTISATION					
Accumulated depreciation as of 30 June 2011	**-**	**(277.8)**	**-**	**(30.4)**	**(308.1)**
Annual allowance	-	(44.5)	-	(8.5)	(53.0)
Reversals	-	-	-	-	-
Impairment	-	-	-	-	-
Accumulated depreciation as of 30 June 2012	**-**	**(322.3)**	**-**	**(38.9)**	**(361.2)**
Annual allowance	-	(46.1)	-	(9.7)	(55.8)
Reversals	-	-	-	-	-
Impairment	-	-	-	-	-
Accumulated depreciation as of 30 June 2013	**-**	**(368.4)**	**-**	**(48.6)**	**(417.0)**
Net value as of 30 June 2011	807.8	611.2	40.8	19.0	1,478.8
Net value as of 30 June 2012	807.8	566.7	40.8	30.7	1,446.0
Net value as of 30 June 2013	**855.7**	**552.3**	**40.8**	**46.7**	**1,495.5**

The prevailing economic conditions observed as of 30 June 2013 did not lead Management to review the goodwill annual impairment test, carried out on 31 December 2012. On that date, the recoverable value as measured by analysing the implicit market value (fair value) of Eutelsat S.A. based on the stock-exchange value of Eutelsat Communications S.A. (and taking into account this Company's debt) compared with/corroborated by the latest private transactions involving Eutelsat S.A. shares did not call into question the amount shown on the balance sheet.

The Group's Management took the view that the current context did not alter assumptions made on 31 December 2012, the decrease in the stock price being far from sufficient to require a new impairment test.

The share price on the stock-exchange would have to drop by at least 61% for the fair value to fall below the carrying amount. Should such an event occur, a test would be carried out based on the value in use.

The increase in goodwill relates to the acquisitions of DH-Intercomm and Eutelsat International. These goodwill are not yet allocated at 30 June 2013.

NOTE 6. SATELLITES AND OTHER PROPERTY AND EQUIPMENT

"Satellites and other property and equipment" is broken down as follows (including assets acquired under finance leases):

Changes in gross assets, depreciation and amortisation

(in millions of euros)	Satellites[1]	Other property and equipment	Construction in progress	Total
GROSS ASSETS				
Gross value at 30 June 2011	**3,340.0**	**231.1**	**698.0**	**4,269.1**
Acquisitions	1.2	32.6	464.9	498.7
Disposals and scrapping of assets	(296.8)	(2.1)	-	(298.9)
Transfers	445.1	(4.4)	(444.3)	(3.6)
Gross value at 30 June 2012	**3,489.5**	**257.2**	**718.6**	**4,465.3**
Acquisitions	135.2	39.5	487.5	662.2
Disposals and scrapping of assets	(1.5)	(1.9)	-	(3.4)
Transfers	734.1	10.5	(745.3)	(0.7)
Foreign exchange impact	(2.3)	-	-	(2.3)
Gross value at 30 June 2013	**4,355.0**	**305.3**	**460.8**	**5,121.1**
DEPRECIATION				
Accumulated depreciation as of 30 June 2011	**(1,512.6)**	**(108.3)**	**-**	**(1,620.9)**
Annual allowance	(224.8)	(30.8)	-	(255.6)
Reversals	296.4	2.6	-	299.0
Impairment	-	-	-	-
Accumulated depreciation as of 30 June 2012	**(1,441.0)**	**(136.5)**	**-**	**(1,577.5)**
Annual allowance	(256.3)	(31.9)	-	(288.2)
Reversals	1.5	1.4	-	2.9
Impairment	-	-	-	-
Accumulated depreciation as of 30 June 2013	**(1,695.8)**	**(167.0)**	**-**	**(1,862.8)**
Net value as of 30 June 2011	1,827.4	122.8	698.0	2,648.2
Net value as of 30 June 2012	2,048.5	120.7	718.6	2,887.8
Net value as of 30 June 2013	**2,659.2**	**138.3**	**460.8**	**3,258.3**

(1) Including satellites under finance leases:

(in millions of euros)	
Gross value	91.8
Net value as of 30 June 2013	**22.7**

In particular, this item refers to three satellites for which capacity is leased, with the relevant agreements being considered as finance leases and recognised accordingly as assets:

(in millions of euros)	Gross value		
SESAT 2[1]	60.0	12 transponders	Contract dated March 2004 covering the satellite's remaining useful life
TELSTAR 12[1]	15.0	4 transponders	Contract dated December 1999 covering the satellite's remaining useful life
EUTELSAT 3A	16.8	10 transponders	Agreement dated December 2010 covering the satellite's remaining useful life

(1) Gross value corresponding to the fair value of the satellites as of 4 April 2005, the date of acquisition of Eutelsat S.A. by Eutelsat Communications.

Satellite-related transfers at 30 June 2012 correspond to the entry into operational service of the EUTELSAT 7 West A and EUTELSAT 16A satellites launched during the financial year.

Satellite-related transfers at 30 June 2013 correspond to the entry into operational service of the EUTELSAT 21B, EUTELSAT 70B and EUTELSAT 3D satellites launched during the financial year.

The fully depreciated W75 and W1 satellites were de-orbited during the financial year ended 30 June 2012.

During the financial year ended 30 June 2013, the fully-depreciated Telecom 2D was also de-orbited.

CONSTRUCTION IN PROGRESS

The satellites listed below are currently under construction and should start to operate at the following periods:

Projects	Period of operational start
EUTELSAT 25B, EXPRESS AT1, EXPRESS AT2 and EUTELSAT 3B	2013-2014
EUTELSAT 9B	2014-2015
EUTELSAT 65WA, EUTELSAT 8WB and EUTELSAT 36C	2015-2016

NOTE 7. INVESTMENTS IN ASSOCIATES

At 30 June 2012 and 30 June 2013, the "Investments in associates" item is as follows:

(in millions of euros)	30 June 2012	30 June 2013
Solaris Mobile	5.8	3.9
Hispasat	188.0	257.4
Total	**193.8**	**261.3**

7.1. SOLARIS MOBILE LTD

During the 2007-2008 financial year, the Group set up a company in partnership with SES Astra called Solaris Mobile Ltd (Solaris) in Dublin (Ireland) to provide services in the S-band.

Following an anomaly observed on the S-band payload embarked on the EUTELSAT 10A satellite born by Solaris, the asset was fully impaired from 30 June 2009.

However, the Company remains confident in its ability to meet the commitments entered into with the European Commission with respect to frequency operation.

Solaris is 50% held by Eutelsat, which has joint control with its partner.

Change in the carrying amount of the equity investment in the balance sheet

(in millions of euros)	30 June 2012	30 June 2013
Value of the equity investment at beginning of period	**8.1**	**5,8**
Capital reduction	-	-
Share of income	(2.3)	(1,9)
Impact of income and expenses directly recognised under equity	-	-
Value of the equity investment at end of period	**5.8**	**3,9**

The following table shows the half-year accounts of Solaris:

(in millions of euros)	30 June 2012	30 June 2013
Non-current assets	4.0	3,9
Current assets	8.4	4,0
Non-current liabilities	-	-
Current liabilities	0.7	0,2
Total net assets	**11.7**	**7,7**
Operating income	-	-
Net income	**(4.6)**	**(3,9)**

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7.2. HISPASAT GROUP

At 30 June 2012, the Group owns, through its subsidiary Eutelsat Services und Beteiligungen GmbH, 27.69% of the Hispasat group, a private unlisted Spanish satellite operator, where Group Abertis is the majority shareholder.

At 27 December 2012, Eutelsat exercised its preemption right over the sale by Telefonica of its stake in the capital of the Spanish satellite operator Hispasat. The exercise of this right enabled the Group to acquire 19,359 new Hispasat shares for an amount of 56 million euros (excluding acquisition costs), bringing its stake in the operator's capital to 33.69%.

Change in the carrying amount of the equity investment in the balance sheet

(in millions of euros)	30 June 2012	30 June 2013
Value of the equity investment at beginning of period	**180.3**	**188.0**
Acquisition of supplementary stake	-	57.9
Share of income	13.7	16.2
Impact of income and expenses directly recognised under equity and dividends	(6.0)	(4.7)
Value of the equity investment at end of period	**188.0**	**257.4**

The following amounts represent the Group's share of the assets, liabilities and income of the Hispasat Group:

(in millions of euros)	30 June 2012	30 June 2013
Goodwill	-	15,2
Intangible rights[1]	27.7	33,7
Service agreement[2]	0.8	0,7
Investment in Hisdesat	5.0	6,1
Sub-total	**33.5**	**55,7**
Hispasat net assets	154.5	201,8
Total	**188.0**	**257,4**

(1) These relate to rights to the use of frequencies at the 30° West orbital position, together with long-term contractual relationships with customers. The useful life of this intangible asset is considered indefinite, given the high probability of renewal of the administrative authorisations for the use of frequencies (which are given for a period of 75 years) and the specific nature of existing customer contracts. An impairment test is performed by the Company each year.
(2) The useful lives of the other identified intangible assets have been estimated at 15 years.

The following table presents the annual accounts of the Hispasat group:

(in millions of euros)	31 December 2011	31 December 2012
Non-current assets	892.8	962.1
Current assets	179.9	183.5
Non-current liabilities	388.4	386.0
Current liabilities	90.0	128.3
Total net assets	**594.3**	**631.3**
Operating income	182.4	200.3
Net income	**56.1**	**51.4**

At 30 June 2012 and 2013, "Income from equity investments" in the consolidated income statement corresponds to the Group's share of IFRS income from:

- Hispasat, after amortisation of the identified intangible assets;
- Solaris Mobile Ltd.

NOTE 8. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets are primarily made up of long-term loans and advances.

Long-term loans and advances mainly consist of loans to social welfare bodies for 1.5 million euros and guarantee deposits paid for renting Eutelsat S.A. premises in Paris.

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NOTE 9. INVENTORIES

Gross and net inventories amount to 2.8 million euros and 0.9 million euros at 30 June 2012 and 2.2 million euros and 1.3 million euros at 30 June 2013. They mainly comprise receiving antennas and modems.

The allowance for stock depletion is 1.9 million euros and 0.9 million euros respectively for the financial periods ended 30 June 2012 and 2013.

NOTE 10. ACCOUNTS RECEIVABLE

Credit risk is the risk that a debtor of the Group will not pay when the debt matures. This is a risk that mainly affects "accounts receivable" and is followed up for each entity under the supervision of the financial personnel responsible. In the most important cases, the relevant financial personnel are assisted by a credit manager, acting in accordance with the instructions of the Group's debt recovery service. This follow-up activity is based mainly on an analysis of the amounts due and may be accompanied by a more detailed investigation of the creditworthiness of a number of debtors. Depending on the assessment conducted by the financial staff, the entities concerned may, after validation by the Group, be asked to hedge the credit risk by taking out credit insurance or obtaining guarantees compatible with the assessed level of risk.

Customers are mainly international telecommunications operators, broadcasters and other users of commercial satellite communications.

As of 30 June 2012, the net value of these receivables was 270.9 million euros. The corresponding impairment charge stood at 31.0 million euros.

As of 30 June 2013, the net value of these receivables is 272.7 million euros. The corresponding impairment charge stood at 34.8 million euros.

Accounts receivable at 30 June 2012 and 2013 are for short-term amounts and bear no interest.

The Group considers that it is not subject to concentration risk, owing to the diversity of its customer portfolio at 30 June 2013 and the fact that no legal entity billed by the Group accounts individually for more than 10% of its revenues. Credit risk is managed primarily through bank guarantees with leading financial institutions, by deposits and credit insurance.

During the financial year 2012-2013, the Group continued to feel the impact of the current economic crisis in some of the areas in which it operates. Consequently, special vigilance is called for with regard to clients in geographical areas considered as being most exposed to the effects of the financial crisis. Nonetheless, the Company considers that bad debt represents only a limited risk, as unrecoverable debt is estimated at around 3.2% of the value of accounts receivable at 30 June 2013.

The amount of bad debt represents 1.2 million euros and 1.3 million euros at 30 June 2012 and 2013 respectively.

10.1. CHANGE IN THE ALLOWANCE FOR BAD DEBT

(in millions of euros)	Total
Value at 30 June 2011	**26.6**
Annual allowance	15.1
Reversals (used)	(1.2)
Reversals (unused)	(9.5)
Value at 30 June 2012	**31.0**
Annual allowance	17.8
Reversals (used)	(1.3)
Reversals (unused)	(12.7)
Value at 30 June 2013	**34.8**

10.2. ANALYSIS OF ACCOUNTS RECEIVABLE (MATURED AND UNMATURED)

(in millions of euros)	30 June 2012	30 June 2013
Non-matured receivables	192.0	193.7
Unimpaired matured receivables	74.9	72.3
Between 0 and 30 days	59.9	51.0
Between 30 and 90 days	3.9	9.8
More than 90 days	11.1	11.5
Matured and impaired receivables	35.0	41.4
Between 0 and 30 days	-	-
Between 30 and 90 days	9.7	13.4
More than 90 days	25.3	28.0
Impairment	(31.0)	(34.8)
Total	**270.9**	**272.7**

10.3. GUARANTEES AND COMMITMENTS RECEIVED, WHICH REDUCE THE CREDIT RISK

	30 June 2012		30 June 2013	
(in millions of euros)	Value of accounts receivable	Value of guarantee	Value of accounts receivable	Value of guarantee
Guarantee deposits	86.8	32.1	57.4	31.3
Bank guarantees	81.2	61.4	75.6	70.0
Guarantees from the parent company	15.9	15.9	16.5	16.5
Total	**183.9**	**109.4**	**149.5**	**117.8**

Guarantee deposits are recognised under "Other liabilities" (see Note 17 "Other Financial Liabilities"). Bank guarantees and guarantees from parent companies are not shown on the balance sheet.

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NOTE 11. OTHER CURRENT ASSETS

Other current assets are as follows:

(in millions of euros)	30 June 2012	30 June 2013
Prepaid expenses	6.2	5.7
Tax and employee-related receivables	11.8	12.9
Total	**18.0**	**18.6**

NOTE 12. CURRENT FINANCIAL ASSETS

(in millions of euros)	30 June 2012	30 June 2013
Hedging instruments[1]	0.3	0.6
Other receivables	19.3	29.7
Total	**19.6**	**30.3**

(1) See Note 26.3 "Financial Instruments".

NOTE 13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

(in millions of euros)	30 June 2012	30 June 2013
Cash	38.3	105.9
Cash equivalents	66.8	142.1
Total	**105.1**	**248.0**

Cash equivalents are mainly made up of deposit certificates, which mature less than three months from the date of acquisition, and mutual fund investments qualifying as "cash equivalents" (see Note 4.11 "Cash and cash equivalents").

NOTE 14. FINANCIAL ASSETS

The following tables give a breakdown of each balance sheet item representing financial instruments by category, and indicates its fair value, whether or not the instrument was recognised at fair value when the balance sheet was prepared:

		Net carrying amount at 30 June 2012				
(in millions of euros)	Category of financial instruments	Total	Instruments measured at amortised cost	Derivative instruments qualified as cash-flow hedges	Instruments measured at fair value through the income statement	Fair value at 30 June 2012
ASSETS						
Non-current financial assets						
Unconsolidated investments	Available for sale	-	-			-
Long-term loans and advances	Receivables	3.2	3.2			3.2
Current financial assets						
Accounts receivable	Receivables	270.9	270.9			270.9
Other receivables	Receivables	19.3	19.3			19.3
Financial instruments[1]						
• Qualified as cash-flow hedges	• N/A	0.3	-	0.3		0.3
• Non-qualified as cash-flow hedges	• Held for trading purposes	-	-		-	-
Cash and cash equivalents						
Cash	N/A	38.3	38.3			38.3
Mutual fund investments[2]	Fair value	59.6		-	59.6	59.6
Other cash equivalents	Receivables	7.2	7.2			7.2

(1) Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).
(2) Fair value hierarchy: level 1 (reflecting quoted prices).

		Net carrying amount at 30 June 2013				
(in millions of euros)	Category of financial instruments	Total	Instruments measured at amortised cost	Derivative instruments qualified as cash-flow hedges	Instruments measured at fair value through the income statement	Fair value at 30 June 2013
ASSETS						
Non-current financial assets						
Unconsolidated investments	Available for sale					
Long-term loans and advances	Receivables	4.4	4.4			4.4
Current financial assets						
Accounts receivable	Receivables	272.7	272.7			272.7
Other receivables	Receivables	29.7	29.7			29.7
Financial instruments[1]						
Qualified as cash-flow hedges	N/A	0.2		0.2		0.2
Non-qualified as cash-flow hedges	Held for trading purposes	0.4			0.4	0.4
Cash and cash equivalents						
Cash	N/A	105.9	105.9			105.9
Mutual fund investments[2]	Fair value	113.1		-	113.1	113.1
Other cash equivalents	Receivables	29.0	29.0			29.0

(1) Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).
(2) Fair value hierarchy: level 1 (reflecting quoted prices).

NOTE 15. SHAREHOLDERS' EQUITY

15.1. SHAREHOLDERS' EQUITY

As of 30 June 2013, the share capital of Eutelsat Communications S.A. comprised 220 113 982 ordinary shares with a par value of 1 euro per share. As of the same date, in terms of treasury stock, the Group holds 176,110 treasury shares amounting to 4.2 million euros under a liquidity agreement. As of 30 June 2012, the Group was holding 151,895 such shares corresponding to a total amount of 3.4 million euros. Furthermore, under the free share allocation plans (see below), the Group holds 263,909 equity shares amounting to 6.1 million euros. The aggregate amount of treasury stock is deducted from shareholders' equity.

Changes in the share capital and the additional paid-in capital of the Company since 30 June 2012 are presented below:

Definitive date of each operation	Operations	Number of shares issued/ cancelled	Nominal capital increase/reduction (in millions of euros)	Additional paid-in capital (in millions of euros)	Nominal share capital after each operation (in millions of euros)	Cumulative number of shares	Par value of shares (in euros)
30/06/2012		-	-	453.2	220.1	220,113,982	1
08/11/2012	Distribution of dividends (GM of 08/11/2012)	-	-	-	220.1	220,113,982	1
30/06/2013		-	-	453.2	220.1	220,113,982	1

15.2. DIVIDENDS

On 8 November 2012, the Ordinary and Extraordinary General Meeting of Shareholders decided to distribute a gross amount of 1.00 euro per share, *i.e.* a total of 219.2 million euros, taken from net income for the financial year 2011-2012.

The amount of the distribution for the financial year ended 30 June 2013, which is being proposed to the General Meeting on 7 November 2013, is 237.7 million euros, *i.e.* 1.08 euro per share.

15.3. SHARE-BASED REMUNERATION

Free Share Allocation

There are currently three such plans implemented by the Group in February 2010, July 2011 and November 2012.

Under the three plans, the expense recognised for the financial period ended 30 June 2013, with a double entry to shareholders' equity, was 4.3 million euros.

Features	Plan 02/2010	Plan 07/2011	Plan 11/2012
Vesting period	February 2010-February 2013	July 2011-July 2014[1]	November 2012-November 2015[2]
Settled in	Shares	Shares	Shares
Lock-up period	February 2013-February 2015	July 2014-July 2016[3]	November 2015-November 2017[3]
Maximum number of attributable shares	700,000	700,000	347,530
Expense for the period (in millions of euros)	2.1	1.5	0.7
Aggregate valuation of plan at 30/06/2013 (in millions of euros)	11.7	4.6	3.6

(1) For foreign subsidiaries, the vesting period is July 2011 to July 2015.
(2) For foreign subsidiaries, the vesting period is November 2012 to November 2016
(3) There is no lock-up period for foreign subsidiaries.

The plan started in February 2010 matured on 1 February 2013. 536,091 vested shares were ultimately granted.

Furthermore, in accordance with IAS 32 "Financial Instruments: Presentation", the acquisition cost of shares bought back by the Group under the above free share allocation plans will be recorded as a reduction to the Group's share of shareholders' equity.

Liquidity offer for employees of the Group who are shareholders in Eutelsat S.A.

Since 30 June 2012, under a liquidity agreement implemented in December 2012 and May 2013, the Group has acquired 35,233 Eutelsat S.A. shares from Eutelsat S.A. employees.

The acquisition cost amounted to 0.2 million euros.

15.4. CHANGE IN THE REVALUATION RESERVE OF FINANCIAL INSTRUMENTS

All financial instruments that have an impact upon the revaluation reserve are cash-flow hedges for the effective portion.

(in millions of euros)	Total
Balance at 30 June 2012	**(32.5)**
Recyclable changes in fair value within equity	(3.4)
Transfer to the income statement[1]	25.9
Balance at 30 June 2013	**(10.0)**

(1) This amounts corresponds to coupons due and matured on the interest rate hedging instruments (see Note 24 "Financial result").

The revaluation reserve of financial instruments does not include the Hispasat portion, which amounts to 1.1 million euros.

15.5. TRANSLATION RESERVE

(in millions of euros)	Total
Balance at 30 June 2012	**1.3**
Change over the period	(4.2)
Balance at 30 June 2013	**(2.9)**

The translation reserve does not include the (2.6) million euros change in the translation adjustment for Hispasat.

NOTE 16. FINANCIAL DEBT

At 30 June 2012 and 2013, all debt was denominated in euros and U.S. dollars.

FINANCIAL INFORMATION AT 30 JUNE 2012 AND 2013

(in millions of euros)	Rate	30 June 2012	30 June 2013	Maturity
Term loan 2016	Variable	800.0	800.0	06 December 2016
Bond 2017[1]	4.125%	850.0	850.0	27 March 2017
Bond 2019[1]	5.000%	800.0	800.0	14 January 2019
Bond 2022[1]	3.125%	-	300.0	10 October 2022
US Exim financing debt	1.710%	-	42.0	15 November 2021
ONDD financing debts	Variable	-	95.1	31 August 2024
Sub-total of debt (non-current portion)		**2,450.0**	**2,887.1**	
Loan set-up fees and premiums		(28.9)	(38.0)	
Total of debt (non-current portion)		**2,421.1**	**2,849.1**	
Bank overdrafts		17.3	0.1	
Accrued interest not yet due		35.6	35.8	
Total of debt (current portion)		**53.0**	**35.9**	

(1) The fair values are presented below:

(in millions of euros)	30 June 2012	30 June 2013
Bond 2017	939.8	931.9
Bond 2019	886.5	927.7
Bond 2022	-	305.1

The weighted average interest rate on amounts drawn under the revolving credit facility for the period ended 30 June 2013 is 1.47%.

As of 30 June 2013, the Group also has 650.0 million euros available under its various lines of undrawn revolving credit.

CHANGE IN STRUCTURE

The Group issued a 10-year 300 million euro bond on 1 October 2012 on the Luxembourg Stock Exchange regulated market, with maturity date of 10 October 2022. This bond was issued by the Eutelsat S.A. subsidiary. The bond carries a coupon of 3.125% per annum, issued at 99.148%, and redeemable at maturity at 100% of its nominal amount.

In May 2012, the Group signed a financing agreement with the US Ex-Im bank (Export-Import Bank of the United States) over 66.2 million U.S. dollars, for the investment in one geostationary satellite.

As of 30 June 2013, the Group has drawn 54.9 million U.S. dollars. The loan will be repaid in 17 equal semi-annual instalments starting on 15 November 2013. The final maturity will be eight years after the initial repayment date. The facility bears interest at a fixed rate of 1.71%.

In April 2013, the Group signed a financing agreement with the *Office National du Ducroire* (or ONDD), the Belgian export financing department, over 208.9 million euros for an investment in one geostationary satellite and one launcher.

As of 30 June 2013, the Group has drawn 95.1 million euros. The loan will be repaid in 17 equal semi-annual instalments starting on 31 December 2015 at the earliest. The final maturity will be eight years after the initial repayment date. The facility bears interest at a variable rate.

DEBT MATURITY ANALYSIS

At 30 June 2013, the debt maturity analysis is as follows:

(in millions of euros)	Amount	Maturity within one year	Maturity between 1 and 5 years	Maturity exceeding 5 years
Term loan	800.0	-	800.0	-
Bond 2017	850.0	-	850.0	-
Bond 2019	800.0	-	-	800.0
Bond 2022	300.0	-	-	300.0
US Exim financing debt	42.0	4.9	19.7	17.3
ONDD financing debts	95.1	-	21.6	73.5
Total	**2,887.1**	**-**	**1,730.1**	**1,157.0**

COMPLIANCE WITH BANKING COVENANTS

The new ONDD and US Exim financing agreements are linked to financial covenants identical to those existing on other agreements (the ratio between total net debt and EBITDA must remain less than or equal to 3.75 to 1). The banking covenants over existing financing agreements at 30 June 2013 did not evolve since their inception. As of 30 June 2013, the Group was in compliance with all banking covenants under its credit facilities.

RISK MANAGEMENT

Information on interest rate risk and liquidity risk is available in Note 18 “Financial Liabilities” and Note 26 “Financial Instruments”.

NOTE 17. OTHER FINANCIAL LIABILITIES

Other financial liabilities break down as follows:

(in millions of euros)	30 June 2012	30 June 2013
Financial instruments[1]	38.5	11.2
Performance incentives[2]	12.5	7.3
Finance leases[3]	11.2	7.2
Other liabilities	62.2	97.7
Total	**124.4**	**123.4**
Including current portion	*78.5*	*40.5*
Including non-current portion	*45.9*	*82.9*

(1) See Note 26 “Financial Instruments”.
(2) Including interest related to “Performance incentives” of €4.1 million at 30 June 2012 and €2.3 million at 30 June 2013.
(3) Including interest related to finance leases for amounts lower than €0.1 million at 30 June 2012 and at 30 June 2013.

“Other liabilities” mainly comprise advance payments and deposits from clients, and debts over non-controlling interests.

NOTE 18. FINANCIAL LIABILITIES

18.1. BREAKDOWN BY CATEGORY

(in millions of euros)	Category of financial instruments	Net carrying amount at 30 June 2012 Total	Instruments measured at amortised cost	Derivative instruments qualified as cash-flow hedges	Instruments measured at fair value through the income statement	Fair value at 30 June 2012
LIABILITIES						
Financial debt						
Floating rate loans	At amortised cost	789.1	789.1			789.1
Bond	At amortised cost	1 631.9	1 631.9			1 826.3
Fixed rate loans	At amortised cost	-	-			-
Bank overdrafts	N/A	17.3	17.3			17.3
Other financial liabilities						
Non-current	At amortised cost	45.9	45.9			45.9
Current	At amortised cost	40.0	40.0			40.0
Financial instruments[1]						
• Qualified as cash-flow hedges		33.8		33.8		33.8
• Qualified as trading instruments		4.7			4.7	4.7
Accounts payable	At amortised cost	47.2	47.2			47.2
Fixed assets payable	At amortised cost	16.5	16.5			16.5

(1) Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).

(in millions of euros)	Category of financial instruments	Net carrying amount at 30 June 2013 Total	Instruments measured at amortised cost	Derivative instruments qualified as cash-flow hedges	Instruments measured at fair value through the income statement	Fair value at 30 June 2013
LIABILITIES						
Financial debt						
Floating rate loans	At amortised cost	877.9	877.9			877.9
Bond	At amortised cost	1,931.2	1,931.2			2,164.7
Fixed rate loans	At amortised cost	40.0	40.0			40.0
Bank overdrafts	N/A	0.1	0.1			0.1
Other financial liabilities						
Non-current	At amortised cost	82.9	82.9			82.9
Current	At amortised cost	29.3	29.3			29.3
Financial instruments[1]						
• Qualified as cash-flow hedges		11.1		11.1		11.1
• Qualified as trading instruments		0.1			0.1	0.1
Accounts payable	At amortised cost	64.9	64.9			64.9
Fixed assets payable	At amortised cost	66.8	66.8			66.8

(1) Fair value hierarchy: level 2 (observable inputs other than quoted prices in active markets).

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NOTE 19. OPERATING AND FINANCE LEASES

19.1. OPERATING LEASES

Eutelsat S.A. pays rent for use of its registered office located in Paris. The operating lease was renewed in advance on 25 November 2009 for a nine year-period starting on 1 August 2009 with contractual maturity date at 31 July 2018 and a fixed term of six years and five months. The rent expense amounted to 3.9 million euros and 4.0 million euros for the financial years ended 30 June 2012 and 2013 respectively. Future payments with respect to the lease agreement are detailed in the following table:

(in millions of euros)	Total	Less than 1 year	From 1 to 5 years	More than 5 years
Future payments for operating leases	10.8	4.3	6.5	-

19.2. FINANCE LEASES

The Group operates three satellites under finance leases. None of the finance leases includes a purchase option at the expiry of the lease term. The last finance lease contract expires in 2016.

At 30 June 2013, two of the three finance leases were pre-paid.

Financial expenses for satellites operated under finance leases amounted to 0.6 million euros at 30 June 2012 and 0.4 million euros at 30 June 2013.

NOTE 20. OTHER PAYABLES AND DEFERRED REVENUES

20.1. NON-CURRENT PORTION

Other non-current debts only comprise deferred revenue.

20.2. CURRENT PORTION

Other current payables and deferred revenues were as follows at 30 June 2012 and 2013:

(in millions of euros)	30 June 2012	30 June 2013
Deferred revenues	54.4	47.8
Tax liabilities	10.9	3.1
Liabilities for social contributions[1]	32.2	35.2
Total	**97.5**	**86.1**

(1) Including the liability related to the liquidity offer of €4.8 million at 30 June 2012 and €4.6 million at 30 June 2013.

NOTE 21. INCOME TAX

The scope of the tax consolidation for the Group headed by Eutelsat Communications includes the following subsidiaries: Eutelsat S.A., Eutelsat VAS S.A.S., Eutelsat Communications Finance S.A.S., Fransat S.A. and Skylogic France S.A.S.

The companies Eutelsat Communications and Eutelsat S.A., which are included in the tax consolidation group headed by Eutelsat Communications, are subject to a tax audit for financial years ended 30 June 2009, 2010 and 2011;

Subsequent to the inspection, the tax authorities notified Eutelsat Communications and Eutelsat S.A., on 20 December 2012, of tax adjustments of 1.5 million euros and 26.1 million euros respectively, including late payment interests and any penalties.

In view of the strong arguments held by Eutelsat Communications S.A. and Eutelsat S.A., the proposed tax reassessments have been challenged.

Based on the information available at balance sheet date, Eutelsat S.A. did not book any provision in respect of the tax inspection, and considered it a contingent liability.

21.1. INCOME-STATEMENT TAX BALANCES

"Income tax expense" shows current and deferred tax expenses for consolidated entities.

The Group's income tax expense is as follows:

(in millions of euros)	30 June 2012	30 June 2013
Current tax expense	(178.3)	(193.6)
Deferred tax income (expense)	(3.8)	(14.8)
Total income tax expense	**(182.1)**	**(208.4)**

The theoretical income tax expense, based on application to the pre-tax result (excluding the share of net income from equity investments) of the standard French corporation tax rate, can be reconciled to the actual expense as follows:

(in millions of euros)	30 June 2012	30 June 2013
Income before tax and income from equity investments	511.8	564.0
Standard French corporate tax rate	*36.10%*	*36.10%*
Theoretical income-tax expense	(184.8)	(203.6)
Permanent differences and other items	2.7	(4.8)
Corporate tax expense in the income statement	**(182.1)**	**(208.4)**
Actual corporate tax rate	*35.6%*	*37.0%*

As of 30 June 2012, the difference between the actual corporate income tax rate and the theoretical income tax rate was mainly explained by the recognition of a deferred tax asset.

As of 30 June 2013, the difference between the actual corporate income tax rate and the theoretical income tax rate is largely explained by the new French tax laws.

21.2. BALANCE-SHEET TAX BALANCES

Deferred tax assets and liabilities correspond to the aggregate net financial positions of the consolidated entities. Changes in the deferred tax balances between 30 June 2012 and 30 June 2013 were as follows:

(in millions of euros)	30 June 2012	Net income for the period	Recognised in equity	30 June 2013
DEFERRED TAX ASSETS				
Financial Instruments	12.4	(0.6)	(8.1)	3.7
Provisions for impairment of assets	9.5	(2.1)	-	7.4
Capitalisation of losses carried forward	12.0	(3.3)	-	8.7
Bad-debt provisions	17.5	2.0	-	19.5
Financial guarantee granted to the pension fund	5.3	1.0	-	6.3
Provisions for risks and expenses	1.5	0.3	-	1.8
Accrued liabilities	4.8	0.4	-	5.2
Pension provision	2.8	0.2	-	3.0
Sub-total (a)	**65.8**	**(2.1)**	**(8.1)**	**55.6**
DEFERRED TAX LIABILITIES				
Intangible assets	(209.9)	15.3	-	(194.6)
Exceptional depreciation	(146.2)	(26.4)	-	(172.6)
Capitalised interest	(2.6)	0.5	-	(2.1)
Finance leases	(1.1)	0.2	-	(0.9)
Capitalised salaries and performance incentives	(0.4)	(1.3)	-	(1.7)
Other	(5.9)	(1.0)	-	(6.9)
Sub-total (b)	**(366.1)**	**(12.7)**	**-**	**(378.8)**
Total = (a) + (b)	**(300.3)**	**(14.8)**	**(8.1)**	**(323.2)**
REFLECTED AS FOLLOWS IN THE FINANCIAL STATEMENTS:				
Deferred tax assets	23.9			13.0
Deferred tax liabilities	(324.2)			(336.2)
Total	**(300.3)**			**(323.2)**

Deferred tax assets and liabilities break down as follows:

(in millions of euros)	Deferred tax assets	Deferred tax liabilities
Due within one year	3.8	(20.7)
Due after one year	9.2	(315.5)
Total	**13.0**	**(336.2)**

Deferred tax liabilities relate mainly to the taxable temporary difference generated by:

- the accounting treatment at fair value of "Customer contracts and relationships" and of the Eutelsat brand, valued at 929.8 million euros (see Note 5 "Goodwill and other Intangibles"), giving rise, on the occasion of the acquisition of Eutelsat S.A., to an initial deferred tax liability of 320.1 million euros. The 44.4 million euros amortisation of customer contracts over 20 years generates a deferred tax income;
- accelerated depreciation (*amortissements dérogatoires*) of satellites.

NOTE 22. PROVISIONS

(in millions of euros)	30 June 2012	Allowance	Reversal Used	Reversal Unused	30 June 2013
Financial guarantee granted to a pension fund	15.3	3.1	-	-	18.4
Retirement indemnities	8.0	0.9	(0.2)	-	8.7
Post-employment benefits[1]	2.3	0.4	(0.3)	-	2.4
Total post-employment benefits	**25.6**	**4.4**	**(0.5)**	**-**	**29.5**
Litigation[2]	5.9	5.3	(0.2)	(4.0)	7.0
Other	0.6	0.1	-	(0.2)	0.5
Total provisions	**32.0**	**9.8**	**(0.7)**	**(4.2)**	**37.0**
Non-current portion	*25.6*	*4.4*	*(0.5)*	-	*29.6*
Current portion	*6.5*	*5.4*	*(0.2)*	*(4.2)*	*7.5*

(1) The other post-employment benefits relate to end-of-contract indemnity payments within various subsidiaries and also to the balance of a provision entered in respect of a fixed contractual contribution to the health-insurance "mutuelle" for former employees of the IGO who had taken pension as of the date the business was transferred to Eutelsat S.A.
(2) Litigation recorded at end of period comprises business, employee and tax litigation.

22.1. FINANCIAL GUARANTEE GRANTED TO A PENSION FUND

As a result of the transfer by the IGO of its operational business as of 2 July 2001, Eutelsat S.A. granted its financial guarantee to the Trust managing the pension fund established by the IGO. Before this date, the pension fund was closed and the accrued rights frozen.

This guarantee can be called under certain conditions to compensate for future under-funding of the plan.

The actuarial valuation performed on 30 June 2012 and 2013 used the following assumptions:

	30 June 2012	30 June 2013
Discount rate	3.50%	3.00%
Expected rate of return on assets	3.50%	3.00%
Rate for pension increases	2.50%	2.50%
Inflation rate	2.00%	2.00%
Overall expenses (as a% of assets)	0.58%	0.58%
Mortality table	TGH2005-TGF2005	TGH2005-TGF2005
Pensionable age	61	61

As of 30 June 2012 and 2013, the position was as follows:

Comparative summary

(in millions of euros)	30 June 2009	2010	2011	2012	2013
Present value of obligations wholly or partly funded	134.2	163.9	151.7	202.7	225.3
Fair value of plan assets	(148.0)	(151.6)	(156.2)	(155.0)	(159.9)
Net financing requirement	**(13.8)**	**12.3**	**(4.5)**	**47.7**	**65.4**
Actuarial differences and other gains/(losses) – amortised	36.5	9.6	23.6	(32.4)	(47.0)
Net (asset)/liability recorded in the balance sheet	**22.7**	**21.9**	**19.1**	**15.3**	**18.4**

Reconciliation between the present value of the obligations at beginning and end of period

(in millions of euros)	30 June 2012	30 June 2013
Present value of the obligations at beginning of period	**151.7**	**202.7**
Service cost for the period	-	-
Finance cost	7.5	7.0
Actuarial differences: (gains)/losses	49.1	20.7
Benefits paid	(5.6)	(5.1)
Present value of the obligations at end of period	**202.7**	**225.3**

The absence of service costs is explained by the fact that rights were frozen and that the IGO pension fund was closed prior to the transfer of business on 2 July 2001.

Reconciliation between the fair value of plan assets at beginning and end of period

(in millions of euros)	30 June 2012	30 June 2013
Fair value of plan assets at beginning of period	**156.2**	**155.0**
Expected return on plan assets	6.2	5.4
Actuarial differences: gains/(losses)	(5.9)	4.5
Contributions paid	4.1	-
Benefits paid	(5.6)	(5.0)
Fair value of plan assets at end of period	**155.0**	**159.9**

The fair value of plan assets does not include any amounts relating to any financial instruments issued by Eutelsat S.A. nor any property occupied by or other assets used by, Eutelsat S.A.

The actual return on the plan's assets was 0.4 million euros and 0.9 million euros at 30 June 2012 and 2013 respectively.

Net expense (net gains) recognised in the income statement

(in millions of euros)	30 June 2012	30 June 2013
Service cost for the period	-	-
Finance cost	7.5	7.0
Expected return on plan assets	(6.3)	(5.4)
Actuarial differences: (gains)/losses – amortised	(0.9)	1.5
Net expense (net gains) recognised in the income statement	**0.3**	**3.1**

Reconciliation of assets and obligations recognised in the balance sheet:

(in millions of euros)	30 June 2012	30 June 2013
Provision at beginning of period	**19.1**	**15.3**
Net expense/(net gains) recognised in the income statement	0.3	3.1
Contributions paid	(4.1)	-
Provisions at end of period	**15.3**	**18.4**

22.2. POST-EMPLOYMENT BENEFITS

a) Retirement indemnities

French law requires payment of a lump sum retirement benefit, where appropriate. This indemnity is paid to employees based upon years of service and remuneration at retirement. Benefits only vest when an employee retires from Eutelsat. This scheme is not funded.

The actuarial valuations performed at 30 June 2012 and 2013 were based on the following assumptions:

	30 June 2012	30 June 2013
Discount rate	3.50%	3.00%
Salary increases	2.50%	2.50%
Inflation rate	2.00%	2.00%
Mortality table	TF/TH04-06	TF/TH04-06
Retirement age	65	65
Type of retirement	Voluntary	Voluntary
Rate of employer's contributions	52%	52%

Staff turnover per age bracket is based on past experience within Eutelsat S.A. and is reviewed every three years. The latest review was carried out during the period 2012-2013.

Age (years)	2012 Turnover	2013 Turnover
25	10.72	7.72
30	7.21	5.42
35	5.21	3.69
40	3.97	2.38
45	3.14	1.40
50	2.23	0.66
55	0.00	0.10
60	0.00	0.00

As of 30 June 2012 and 2013, the position was as follows:

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Comparative summary

	30 June				
(in millions of euros)	2009	2010	2011	2012	2013
Present value of obligations not financed	7.1	7.9	8.0	9.3	12.4
Past-service cost (amortised)	1.2	1.1	1.0	1.0	0.9
Actuarial differences: gains/(losses) - amortised	(2.2)	(2.4)	(1.5)	(2.3)	(4.6)
Liability recognised on balance sheet	**6.1**	**6.6**	**7.5**	**8.0**	**8.7**

Reconciliation between the present value of the obligations at beginning and end of period

(in millions of euros)	30 June 2012	30 June 2013
Present value of the obligations at beginning of period	**7.9**	**9.3**
Service cost for the period	0.5	0.6
Finance cost	0.4	0.3
Actuarial differences: (gains)/losses	0.8	2.4
Termination indemnities paid	(0.3)	(0.2)
Present value of the obligations at end of period	**9.3**	**12.4**

Net expense recognised in the income statement

(in millions of euros)	30 June 2012	30 June 2013
Service cost for the period	0.5	0.6
Financial cost	0.4	0.3
Amortisation of past service cost	(0.1)	(0.1)
Actuarial differences: (gains)/losses – amortised	-	0.1
Net expense recognised in the income statement	**0.8**	**0.9**

Reconciliation between the amount recognised on the balance sheet at beginning and end of period

(in millions of euros)	30 June 2012	30 June 2013
Provision at beginning of period	**7.4**	**8.0**
Net expense recognised in the income statement	0.9	0.9
Termination indemnities paid	(0.3)	(0.2)
Provision at end of period	**8.0**	**8.7**

Past experience and changes in assumptions

(in millions of euros)	30 June 2013
History of experience regarding the value of obligations: (gains)/losses	0.9
Impact of changes in assumptions	1.4
	2.3

b) Supplementary schemes

The Group also has a defined-contribution funded plan for its employees working in France (excluding Directors and Corporate Officers who are employees), financed by employees' and employer's contributions of 6% of gross annual salary, limited to eight times the French Social Security threshold. There are no other commitments in relation to these contributions. Employer's contributions paid under the plan stood at 1.5 million euros and 1.6 million euros as of 30 June 2012 and 2013 respectively.

Some Directors and Corporate Officers of Eutelsat Communications S.A. and Eutelsat S.A. (among key management personnel) have a supplementary defined benefits plan, which is financed by quarterly contributions to the fund managers. As of 30 June 2012, the expense for the period totalled 0.1 million euros. In view of the fact that since 30 June 2012, no Directors or Corporate Officers have been eligible for the plan, all vested rights were settled by the Company and outstanding liabilities were paid off.

c) Mandatory schemes

In accordance with French law, the Group meets its obligations to finance pensions for employees in France by paying contributions based on salaries to the relevant bodies that manage mandatory pension schemes. There are no other commitments in relation to these contributions. The employer's contributions paid under these schemes were 6.6 million euros and 6.9 million euros at 30 June 2012 and 2013 respectively.

NOTE 23. SEGMENT INFORMATION

The Group considers that it only operates in a single industry segment, basing that view on an assessment of services rendered and the nature of the associated risks, rather than on their finality. This is the provision of satellite-based video, business and broadband networks, and mobile services mainly to international telecommunications operators and broadcasters, corporate network integrators and companies for their own needs.

The information presented below is intended for the Managing Director, the Deputy Managing Director and the Chief Financial Officer who together make up the Group's main operational decision-making body.

Management data is presented according to IFRS principles applied by the Group for its consolidated financial statements as described in the Notes to the financial statements.

The performance indicators that are monitored by the decision making body include turnover, EBITDA (EBITDA is defined as the operating result before amortisation and depreciation, impairment of assets and other operating income and expense), financial expense, cash flow for investment in tangibles and equity interests and net consolidated Group debt (net debt includes all bank debt and all liabilities from long-term lease agreements, less cash and cash equivalents and marketable securities net of bank credit balances).

Internal reporting is a presentation of the Group's consolidated income statement according to a different breakdown of items than the one used in the consolidated financial statements in order to highlight performance indicators for which the main aggregates are identical to those included in the Group's consolidated accounts, such as the operating result, net result, the share attributable to non-controlling interests and the share attributable to the Group.

23.1. SEGMENT REPORTING

(in millions of euros)	30 June 2012	30 June 2013
Total revenues	**1,222.2**	**1,284.1**
Total operating costs	(265.0)	(288.8)
EBITDA	**957.2**	**995.3**
Depreciation and amortisation:	(308.9)	(344.6)
Other operating income (expenses), net	(7.0)	30.8
Operating income	**641.3**	**681.5**
Total interest	(132.4)	(114.1)
Income tax	(182.1)	(208.4)
Other financial income (expenses)	2.8	(3.5)
Net income before revenue from equity investments and non-controlling interests	**329.7**	**355.5**
Income from equity investments	11.4	14.3
Net income	**341.1**	**369.8**
Non-controlling interests	(15.0)	(14.9)
Net income attributable to the Group	**326.1**	**354.9**
Tangible investments (cash flow)	487.5	566.4
Net debt (including finance leases)	**2,373.6**	**2,646.5**

23.2. INFORMATION PER GEOGRAPHICAL ZONE

Group revenues by geographical zone, based on invoice addresses, for the financial periods ended 30 June 2012 and 2013 are as follows:

(in millions of euros and as a percentage)	30 June 2012		30 June 2013	
Regions	Amount	%	Amount	%
France	145.2	11.9	153.9	12.0
Italy	194.5	15.9	203.7	15.9
United Kingdom	94.3	7.7	100.2	7.8
Europe (other)	402.2	32.9	410.7	32.0
Americas	171.8	14.1	169.1	13.2
Middle East	141.3	11.6	150.9	11.8
Africa	65.4	5.4	67.0	5.2
Asia	9,5	0,8	25.1	2.0
Other[1]	(2,0)	(0,2)	3.5	0.3
Total	**1,222.2**	**100.0**	**1,284.1**	**100.0**

(1) Including €3.5 million and €9.8 million in indemnity payments for late delivery for the periods ended 30 June 2012 and 2013 respectively.

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

NOTE 24. FINANCIAL RESULT

The financial result is made up as follows:

(in millions of euros)	30 June 2012	30 June 2013
Interest expense after recycling(1)	(119.6)	(133.2)
Debt issuing expenses(2)	(15.9)	(8.2)
Capitalised interests(3)	23.0	26.3
Cost of debt	**(112.5)**	**(115.1)**
Financial income	3.9	2.5
Cost of net debt	**(108.6)**	**(112.6)**
Change in valuation of financial instruments(4)	(24.3)	1.5
Foreign exchange impact	4.0	(1.6)
Other	(0.6)	(4.8)
Financial result	**(129.6)**	**(117.5)**

(1) The interest expense was affected by instruments qualified as interest-rate hedges to the amount of €28.3 million and €25.8 million as of 30 June 2012 and 30 June 2013 respectively.
(2) The debt issuing expenses are made up of the amortisation of all debt issuing costs and premiums.
(3) The amount of capitalised interest greatly depends on the progress and number of satellite construction programmes during the financial period concerned. The capitalisation rates used to determine the amount of interest expense eligible for capitalisation were 4.8% at 30 June 2012 and 4.4% at 30 June 2013.
(4) The fair value variations of financial instruments mainly include:
- the changes in fair value of financial instruments not qualified for hedging,
- the ineffective portion of financial instruments qualified for a hedge relationship,
- the de-qualifications/sales of hedging instruments (see Note 26 "Financial instruments").

NOTE 25. EARNINGS PER SHARE

The following table shows the reconciliation between net income and net earnings attributable to shareholders (basic and diluted) used to compute earnings per share (basic and diluted). There are no dilutive instruments as of 30 June 2012 and 30 June 2013.

(in millions of euros)	30 June 2012	30 June 2013
Net income	**341.1**	**369,8**
Income from subsidiaries attributable to non-controlling interests, before taking into account the dilutive instruments in the subsidiaries	(14.8)	(14.9)
Net earnings used to compute diluted earnings per share	**326.3**	**354,9**

NOTE 26. 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, revenue and cash-flow fluctuations 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 own, or about which it is uncertain whether or not it will own them subsequently.

26.1. FOREIGN-EXCHANGE RISK

During the financial years ended 30 June 2012 and 2013, the Group only sold synthetic forwards with a knock-in option.

The net foreign currency exchange position, presented below, mainly includes monetary items denominated in USD, of subsidiaries whose functional currency is the euro.

(in millions of euros)	
Assets	115.3
Liabilities	(90.2)
Net position before risk management	**25.1**
Off-balance-sheet position (foreign exchange hedging)	(22.9)
Net position after risk management	**2.2**

The Group's main exposure to foreign exchange risk concerns the U.S. dollar.

The Group has hedge instruments against its exposure to the risk of euro/U.S. dollar volatility on its future turnover in U.S. dollars of up to 90 million U.S. dollars over the next six months.

Given its exposure to foreign-currency risk, the Group believes that a 10-cent increase in the U.S. dollar/euro exchange rate would have a 3.3 million euro impact on Group income and would result in a negative change in Group OCI amounting to 9.0 million euros and a change of 26.2 million euros in Group translation reserve.

26.2. INTEREST RATE RISK

Interest-rate risk management

During the financial year ended 30 June 2013 and in accordance with its hedging policy, the Group hedges its exposure to changes in interest rates by the use of hedging instruments such as:

- 2 swaps for a notional amount of 350 million euros;
- 2 collars for a notional amount of 350 million euros; and
- 1 cap for a notional amount of 100 million euros.

Sensitivity to interest-rate risk

Given the full range of financial instruments available to the Group at 30 June 2013, a ten base-point increase (+0.10 %) over the EURIBOR interest rate would have an insignificant impact on the interest expense, and the revaluation of financial instruments in the income statement. It would result in a positive change amounting to 1.5 million euros in equity related to the effective portion of the change in the fair value of hedging instruments qualified as cash flow hedges.

26.3. KEY FIGURES AT 30 JUNE 2012 AND 2013

The following tables analyse the contractual or notional amounts and fair value of the Group's derivatives by type of contract as of 30 June 2012 and 2013. The instruments are valued by an independent expert and this valuation is verified/validated by the Group's banking counterparts.

	Notional		Fair Values		Change in fair value over the period	Impact on income (excl. coupons)[1]	Impact on equity
(in millions of euros)	30 June 2012	30 June 2013	30 June 2012	30 June 2013			
Synthetic forward transaction with knock-in option (Eutelsat S.A.)	103.3	68.7	(4.8)	0.4	5.2	1.3	3.9
Total forex derivatives	**103.3**	**68.7**	**(4.8)**	**0.4**	**5.2**	**1.3**	**3.9**
Swap	800.0	-	(27.1)	-	27.1	-	23.2
Future Swaps	350.0	350.0	(3.9)	(6.8)	(2.9)	-	(2.7)
Collars	350.0	350.0	(2.2)	(4.3)	(2.1)	-	(2.0)
Caps	100.0	100.0	0.3	0.2	(0.1)	(0.1)	-
Collars[2]	100.0	100.0	(0.4)	(0.1)	0.3	0.3	-
Total interest rate derivatives	**1,700.0**	**900.0**	**(33.3)**	**(11.0)**	**22.3**	**0.2**	**18.6**
Total derivatives			**(38.1)**	**(10.6)**	**27.5**	**1.5**	**22.5**
Equity interests							1.1
Total							**23.6**

(1) The ineffective portion of the hedges was not significant and has not been isolated.
(2) Instrument not qualifying as hedges.

At 30 June 2013, the cumulative fair value of financial instruments was positive at 0.6 million euros and negative at 11.2 million euros (see Note 17 "Other Financial Liabilities" and Note 12 "Other Financial Assets").

Impact on income statement and equity

The impact on the income statement and equity of changes in fair value of derivatives qualified as interest rate hedges on future cash flows is as follows:

- the coupons on swaps that qualify as cash flow hedges are directly recognised under income. Changes recognised in equity with respect to these instruments correspond to changes in fair value excluding coupons ("clean fair value").

26.4. 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 minimises its exposure to issuer, execution and credit risk by acquiring financial products from first-rate financial institutions and banks. Exposure to these risks is closely monitored and maintained within predetermined limits.

The Group does not foresee any loss resulting from a failure by its counterparties to fulfil their contractual obligations.

26.5. LIQUIDITY RISK

The Group manages liquidity risk by using a tool enabling it to monitor and manage its recurrent cash flow needs. This tool takes account of 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 and flexibility of its funding requirements through the use of overdraft facilities, term loans, and revolving lines of credit from banks, bond loans and satellite lease agreements.

The Group's debt maturity is reflected in the table below.

Breakdown of net financial liabilities by maturity (in millions of euros)

At 30 June 2012	Balance-sheet value	Total contractual cash flows	06/2013	06/2014	06/2015	06/2016	06/2017	More than 5 years
Term loan Eutelsat Com.	(789.1)	(919.3)	(26.5)	(26.5)	(26.5)	(26.5)	(813.3)	-
Eutelsat S.A. bond	(1,631.9)	(2,105.3)	(75.0)	(75.1)	(75.0)	(75.1)	(925.1)	(880.0)
Eutelsat S.A. foreign exchange derivatives[1]	(4.8)	(4.8)	(4.8)	-	-	-	-	-
Eutelsat Communications interest rate derivatives[1]	(33.2)	(33.2)	(27.9)	-	-	(5.3)	-	-
Non-qualifying Eutelsat S.A. interest rate derivatives[1]	(0.5)	(0.5)	(0.5)	-	-	-	-	-
Bank overdrafts	(17.3)	(17.3)	(17.3)	-	-	-	-	-
Total financial debt	**(2,476.8)**	**(3,080.4)**	**(152.0)**	**(101.6)**	**(101.5)**	**(106.9)**	**(1,738.4)**	**(880)**
Other financial liabilities	(86.0)	(88.6)	(40.3)	(8.5)	(7.0)	(0.6)	-	(32.2)
Total financial liabilities	**(2,562.8)**	**(3,169.0)**	**(192.3)**	**(110.1)**	**(108.5)**	**(107.5)**	**(1,738.4)**	**(912.2)**
Non-qualifying Eutelsat S.A. interest rate derivatives[1]	0.3	0.3	0.3	-	-	-	-	-
Financial assets	22.5	22.5	19.2	-	-	-	-	3.3
Cash	38.3	38.3	38.3	-	-	-	-	-
Mutual fund investments	59.6	59.6	59.6	-	-	-	-	-
Other cash equivalents	7.2	7.2	7.2	-	-	-	-	-
Total financial assets	**127.9**	**127.9**	**124.6**	**-**	**-**	**-**	**-**	**3.3**
Net position	**(2,434.9)**	**(3,041.1)**	**(67.7)**	**(110.1)**	**(108.5)**	**(107.5)**	**(1,738.4)**	**(908.9)**

(1) Amounts broken down under derivative instruments are recognised at fair value (not as contractual cash flows).

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At 30 June 2013	Balance-sheet value	Total contractual cash flows	06/2014	06/2015	06/2016	06/2017	06/2018	More than 5 years
Term loan Eutelsat Com.	(791.6)	(868.6)	(19.6)	(19.6)	(19.6)	(809.8)	-	-
Eutelsat S.A. bonds	(1,931.2)	(2,424.0)	(84.4)	(84.4)	(84.4)	(934.4)	(49.4)	(1,186.9)
US Exim financing debt	(40.0)	(45.2)	(5.6)	(5.6)	(5.5)	(5.4)	(5.3)	(17.9)
ONDD financing debts	(86.3)	(107.7)	(1.8)	(1.8)	(4.3)	(12.5)	(12.7)	(74.7)
Eutelsat Communications interest rate derivatives[1]	(11.1)	(11.1)	(0.7)	-	(10.4)	-	-	-
Non-qualifying Eutelsat S.A. interest rate derivatives[1]	(0.1)	(0.1)	(0.1)	-	-	-	-	-
Bank overdrafts	(0.1)	(0.1)	(0.1)	-	-	-	-	-
Total financial debt	**(2,860.4)**	**(3,456.9)**	**(112.4)**	**(111.4)**	**(124.2)**	**(1,762.1)**	**(67.3)**	**(1,279.5)**
Other financial liabilities	(112.2)	(113.6)	(31.7)	(41.3)	(23.3)	(8.5)	(4.8)	(4.0)
Total financial liabilities	**(2,972.6)**	**(3,570.5)**	**(144.1)**	**(152.7)**	**(147.5)**	**(1,770.6)**	**(72.1)**	**(1,283.5)**
Non-qualifying Eutelsat S.A. interest rate derivatives[1]	0.4	0.4	0.4	-	-	-	-	-
Non-qualifying Eutelsat Communications interest rate derivatives[1]	0.2	0.2	0.2	-	-	-	-	-
Financial assets	34.1	34.1	29.7	-	-	-	-	4.4
Cash	105.8	105.8	105.8	-	-	-	-	-
Mutual fund investments	113.1	113.1	113.1	-	-	-	-	-
Other cash equivalents	29.0	29.0	29.0	-	-	-	-	-
Total financial assets	**282.6**	**282.6**	**278.2**	**-**	**-**	**-**	**-**	**4.4**
Net position	**(2,690.0)**	**(3,287.9)**	**134.1**	**(152.5)**	**(147.5)**	**(1,770.6)**	**(72.1)**	**(1,279.1)**

(1) Amounts broken down under derivative instruments are recognised at fair value (not as contractual cash flows).

Cash-flow hedges – Fair value recognised in equity and to be reclassified to income

	Fair value recognised in equity and to be reclassified to income						
(in millions of euros)	Total	One year at most	One to two years	Two to three years	Three to four years	Four to five years	More than 5 years
Foreign-exchange-risk hedges	-	-	-	-	-	-	-
Interest-rate risk hedges	(10.0)	-	-	(10.0)	-	-	-
Net total at 30 June 2013[1]	**(10.0)**	**-**	**-**	**(10.0)**	**-**	**-**	**-**

(1) Excluding equity investments for a negative amount of €2.6 million.

NOTE 27. OTHER COMMITMENTS

As of 30 June 2013, Management considers that, to the best of its knowledge, no commitments exist that may have an impact on the Group's present or future financial position with the exception of the following items:

27.1. PURCHASE COMMITMENTS

At 30 June 2013, future payments under satellite construction and financing contracts amount to 1,141 million euros (including 859 million euros with related parties), and future payments under launch agreements amount to 352 million euros. These commitments are spread over 18 years.

The Group also has commitments with suppliers for the acquisition of assets and provision of services for satellite monitoring and control.

The following table lists the payments for these services and acquisitions as of 30 June 2012 and 30 June 2013:

(in millions of euros)	30 June 2012	30 June 2013
2013	43	-
2014	27	53
2015	24	24
2016	18	17
2017 and beyond[1]	67	16
2018 and beyond	-	62
Total	**179**	**172**

(1) For the period ended 30 June 2012 only.

At 30 June 2013, the above total includes 4 million euros for purchase commitments entered into with related parties (see Note 28 "Related-party transactions").

The Group may receive penalty payments linked to incidents affecting the performance of its operational satellites.

27.2. FLEET INSURANCE

As of 30 June 2013, the Group's existing Launch-plus-one year insurance and In-Orbit Life Insurance policies have been taken out with insurance syndicates, generally with ratings of between AA- and A+. Counterpart risk is therefore limited and, if any of the insurers should default, that entity's share of the insurance cover could be taken on by a new player.

The In-Orbit Life Insurance plan taken out by the Group was renewed for a 12-month period starting on 1 July 2012. The programme has been designed with a view to minimising, at an acceptable cost, the impact of one or several satellite losses on the balance sheet and the income statement. The satellites covered under this policy are insured for their net book value.

On 1 July 2013, this policy was replaced by a new twelve-month programme.

27.3. COMMITMENTS RECEIVED

The Group has received a purchase commitment with no time limit, which it can exercise twice a year in respect of its equity in Hispasat.

27.4. LITIGATION

The Group is involved in a number of cases of litigation in the normal course of its business. In respect of the expected cost of such litigation, regarded as probable by the Company and its advisers, the Company has set aside provisions considered to be sufficient enough to cover the risks incurred (see Note 22 "Provisions").

On 6 April 2011, Eutelsat initiated a request for arbitration before the International Chamber of Commerce against Deutsche Telekom and MediaBroadcast to enforce its rights at the orbital position 28.5° East. The rights to certain frequencies at this orbital position are currently exploited by Eutelsat under an agreement dated June 1999 between Eutelsat and Deutsche Telekom whose satellite activity has since been transferred to MediaBroadcast. Pursuant to a settlement agreement signed between Eutelsat S.A. and Deutsche Telekom on 7 February 2013, the Court of Arbitration terminated the arbitration proceedings between the two companies. In an initial ruling, the Arbitration Court declared it had no competent jurisdiction with respect to Media Broadcast. This prompted Eutelsat to appeal against the court's decision, seeking its revocation by the Paris Court of Appeal.

On 16 October 2012, Eutelsat filed a request for arbitration against SES before the International Chamber of Commerce. This request is grounded on a breach by SES of the Intersystem Coordination Agreement signed with Eutelsat in 1999, whose object is to coordinate Eutelsat's and SES's respective operations at several orbital positions, including 28.2° East and 28.5° East. At this stage, the Group is confident of its ability to have its rights enforced.

27.5. CONTINGENT LIABILITY

The companies Eutelsat Communications and Eutelsat S.A., which are included in the tax consolidation group headed by Eutelsat Communications, are subject to a tax audit for financial years ended 30 June 2009, 2010 and 2011;

Subsequent to the inspection, the tax authorities notified Eutelsat Communications and Eutelsat S.A., on 20 December 2012, of their respective tax adjustments of 1.5 million euros and 26.1 million euros, including late payment interest and penalties.

In view of the strong arguments held by Eutelsat Communications S.A. and Eutelsat S.A., the proposed tax reassessments have been challenged.

Based on elements held at the balance sheet date, Eutelsat S.A. did not book any provision in respect of the tax inspection, and considered it a contingent liability.

NOTE 28. RELATED-PARTY TRANSACTIONS

Related parties consist of:

- direct and indirect shareholders, and their subsidiaries, who have significant influence, which is presumed where more than 20% of the shares are held or where the investor is a member of the Board of Directors of a Group entity;
- minority shareholders of entities which the Group consolidates under the full consolidation method;
- companies in which the Group has an equity interest that it consolidates under the equity method, and
- key management personnel.

The Group considers that the concept of "key management personnel" as applied to Eutelsat's governance includes members of the administrative and management bodies, namely the Chairman and CEO, the Deputy CEO and the other members of the Board of Directors.

28.1. RELATED PARTIES OTHER THAN "KEY MANAGEMENT PERSONNEL"

Amounts due by or owed to related parties and included on the balance sheet within current assets and liabilities as of 30 June 2012 and 2013 are as follows:

(in millions of euros)	30 June 2012	30 June 2013
Gross receivables (including unbilled revenues)[1]	8.6	5.1
Liabilities (including accrued invoices)	0.2	0.5

(1) Including €0.3 million and €0.02 million for entities accounted for via the equity method as of 30 June 2012 and 2013 respectively.

Related party transactions included in the income statements for the periods ended 30 June 2012 and 2013 are as follows:

(in millions of euros)	30 June 2012	30 June 2013
Revenues[1]	37.8	24.6
Operating costs, selling, general and administrative expenses	0.8	2.1
Financial result	-	-

(1) Including €1.6 million and €1.6 million for entities accounted for via the equity method as of 30 June 2012 and 2013 respectively.

For the year ended 30 June 2013, no related party transaction accounts individually for more than 10% of revenues.

In addition, the Group has entered into agreements with some shareholders for the provision of services related to the monitoring and control of its satellites.

28.2. REMUNERATION PAID TO MEMBERS OF THE "KEY MANAGEMENT PERSONNEL"

(in millions of euros)	30 June 2012	30 June 2013
Remuneration excluding employer's charges	1.9	1.0
Short-term benefits: employer's charges	0.5	0.3
Total short-term benefits	**2.4**	**1.3**
Post-employment benefits[1]	-	-
Other long-term benefits (indemnity payment for unintended termination of activity)	-	-
Share-based payment	0.7	0.5

(1) See Note 22.2 "Post-employment benefits, b) Supplementary schemes".

Share-based payment

At its meetings of 1 February 2010, 28 July 2011 and 8 November 2012, the Board of Directors approved free share allocation plans for the benefit of members of the Group's administrative and management bodies subject to conditions set out in the plan and to set a 50% holding rate for all fully vested shares during the terms of office of the Company's Directors and Corporate Officers ("mandataires sociaux").

The value of the benefit granted is spread over a three-year vesting period. The expense recognised with a double entry to shareholders' equity for the periods ended 30 June 2012 and 2013, was 0.7 million euros and 0.5 million euros respectively.

NOTE 29. STAFF COSTS

Staff costs (including mandatory employee profit-sharing and employee-related fiscal charges) are as follows:

(in millions of euros)	30 June 2012	30 June 2013
Operating costs	43.2	46.0
Selling, general and administrative expenses	57.0	64.4
Total[1]	**100.2**	**110.4**

(1) Including €5.3 million and €4.3 million at 30 June 2012 and 30 June 2013 respectively for expenses related to share-based payments.

The average number of employees is as follows:

	30 June 2012	30 June 2013
Operations	338	359
Selling, general and administrative	409	431
Total	**747**	**790**

As of 30 June 2013, the Group had 822 employees, against 756 on 30 June 2012.

Remuneration paid to the Eutelsat Communications' Directors and Corporate Officers ("mandataires sociaux") employed by the Group was 1.3 million euros for the year ended 30 June 2013. 0.1 million euros were paid to the members of the Board of Directors as attendance fees during the reporting period.

The Group has a corporate savings plan (*Plan d'Épargne d'Entreprise* or PEE) for Eutelsat S.A. employees with more than three months of service, funded by employees' voluntary contributions.

The Group also has an employee profit sharing agreement (*Accord d'intéressement*) for its Eutelsat S.A. subsidiary, which was set up for a three-year period, based on objectives reviewed annually.

NOTE 30. COMPANIES INCLUDED IN THE CONSOLIDATION

As of 30 June 2013, the list of companies included in the scope of consolidation is as follows:

Company	Country	Consolidation method	% control at 30 June 2013	% interest at 30 June 2013
Eutelsat Communications Finance S.A.S.	France	FC	100.00%	100.00%
Eutelsat S.A.	France	FC	100.00%	96.34%
Eutelsat S.A. Sub-Group				
• EUTELSAT VAS S.A.S.	France	FC	100.00%	96.34%
• Fransat S.A.	France	FC	100.00%	96.34%
• Eutelsat do Brasil S.A.[1]	Brazil	FC	100.00%	96.34%
• Eutelsat Participaoes[1]	Brazil	FC	100.00%	96.34%
• Eutelsat Italia S.r.l	Italy	FC	100.00%	96.34%
• Skylogic S.p.A.	Italy	FC	100.00%	96.34%
• Eutelsat Services und Beteiligungen GmbH	Germany	FC	100.00%	96.34%
• Eutelsat VisAvision GmbH	Germany	FC	100.00%	96.34%
• Eutelsat Inc.	United States	FC	100.00%	96.34%
• Eutelsat America Corp.	United States	FC	100.00%	96.34%
• Eutelsat UK Ltd	United Kingdom	FC	100.00%	96.34%
• Eutelsat Polska spZoo	Poland	FC	100.00%	96.34%
• Skylogic Polska spZoo	Poland	FC	100.00%	96.34%
• Skylogic Finland Oy	Finland	FC	100.00%	96.34%
• Skylogic France SAS	France	FC	100.00%	96.34%
• Skylogic Germany GmbH	Germany	FC	100.00%	96.34%
• Skylogic Mediterraneo S.r.l	Italy	FC	100.00%	96.34%
• Irish Space Gateways	Ireland	FC	100.00%	96.34%
• CSG Cyprus Space Gateways	Cyprus	FC	100.00%	96.34%
• Skylogic Eurasia	Turkey	FC	100.00%	96.34%
• Skylogic Greece	Greece	FC	100.00%	96.34%
• Skylogic Espana S.A.U.	Spain	FC	100.00%	96.34%
• Eutelsat Madeira Unipessoal Lda	Madeira	FC	100.00%	96.34%
• Wins Ltd[1]	Malta	FC	100.00%	67.44%
• Wins GmbH	Germany	FC	100.00%	67.44%
• DH Intercomm	Germany	FC	100.00%	50.58%
• Eutelsat Asia	Singapore	FC	100.00%	96.34%
• DSat Cinéma	Luxemburg	FC	100.00%	48.33%
• Eutelsat Middle East	Dubai	FC	100.00%	96.34%
• Eutelsat International	Cyprus	FC	100.00%	49.13%
• Eutelsat Network	Russia	FC	100.00%	49.13%
• Hispasat S.A.[1]	Spain	EM	33.69%	32.45%
• Solaris Mobile Ltd[1]	Ireland	EM	50.00%	48.17%

FC: Full consolidation method.
EM: Equity method.
(1) Companies with financial years ending on 31 December.
NB: The other companies' financial year ends on 30 June.

Consolidation of these subsidiaries under the full consolidation method was performed using financial statements prepared as of 30 June 2013.

NOTE 31. SUBSEQUENT EVENTS

No significant event occurred between the balance sheet date and the date on which the consolidated financial statements were approved by the Board of Directors.

NOTE 32. STATUTORY AUDITORS' FEES

	Ernst & Young				Mazars			
	Amount		Amount		Amount		Amount	
(in thousands of euros)	N	%	N-1	%	N	%	N-1	%
STATUTORY AUDIT								
Statutory audit, certification, review of separate and consolidated financial statements								
Eutelsat Communications	168	18%	190	22%	133	29%	156	33%
Other subsidiaries	582	63%	517	59%	299	65%	259	55%
Other due care and services directly linked to the statutory audit task								
Eutelsat Communications	34	4%						
Other subsidiaries	63	7%	87	10%	31	7%	60	13%
Sub-total	**847**	**92%**	**794**	**90%**	**463**	**100%**	**475**	**100%**
OTHER SERVICES, WHEN APPROPRIATE								
Legal, tax, social	74	8%	88	10%				
Information technology								
Internal audit								
Others (to be specified if more than 10% of statutory audit fees)								
Sub-total	**74**	**8%**	**88**	**10%**				
Total	**921**	**100%**	**882**	**100%**	**463**	**100%**	**475**	**100%**

6.3 Annual financial statements as of 30 June 2013

BALANCE SHEETS

(in thousands of euros)	Notes	30 June 2012	30 June 2013
ASSETS			
Long-term assets			
Financial assets	3	2,444,798	2,445,718
Total long-term assets		**2,444,798**	**2,445,718**
Current assets			
Accounts receivable		821	1,036
Other receivables	4	62,572	40,602
Cash and marketable securities	5	21,254	37,610
Total current assets		**84,647**	**79,247**
Prepaid expenses	6	11,017	8,601
Total assets		**2,540,462**	**2,533,566**

(in thousands of euros)	Notes	30 June 2012	30 June 2013
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock (220,113,982 ordinary shares as of 30 June 2013 with a nominal value of €1 per share)		220,114	220,114
Additional paid-in capital		453,214	453,214
Legal reserve		22,011	22,011
Retained earnings		109,188	807,312
Result for the year		917,290	193,469
Regulated provisions		389	467
Total shareholders' equity	**7**	**1,722,207**	**1,696,587**
Provisions for risks		13	-
Provisions for expenses		1,536	2,391
Total provisions for risks and expenses	**8**	**1,549**	**2,391**
Loans and bank debt[1]	9	808,404	801,517
Other financial debt		-	-
Total bank debt		**808,404**	**801,517**
Accounts payable		1,809	2,252
Tax and employee-related payable	10	6,492	21,354
Fixed assets payable		-	-
Other payables	15.1	-	9,465
Total operating debt		**8,301**	**33,071**
Deferred revenues		-	-
Total liabilities and shareholders' equity		**2,540,462**	**2,533,566**
(1) Including part maturing within one year		*8,404*	*1,517*

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INCOME STATEMENT

(in thousands of euros)	Notes	30 June 2012	30 June 2013
Revenues	12	3,318	2,228
Release of provisions and reclassification of costs	6	13,599	2,909
Other income		-	-
Total operating income		**16,917**	**5,137**
Other purchases and external expenses		24,597	7,057
Taxes and assimilated		63	155
Wages	18.2	1,219	1,016
Social charges	18.2	2,161	1,541
Depreciation, amortisation and provisions	6	6,752	2,995
Other charges		659	601
Total operating charges		**35,452**	**13,364**
Operating result		**(18,535)**	**(8,227)**
Financial income		969,838	237,396
Financial expenses		82,572	48,598
Financial result	**13**	**887,265**	**188,798**
Exceptional income		825	14,377
Exceptional charges		1,572	17,745
Exceptional result	**14**	**(747)**	**(3,368)**
Mandatory employee profit-sharing		-	-
Income tax	15	(49,306)	(16,266)
Net income		**917,290**	**193,469**

STATEMENTS OF CASH FLOWS

(in thousands of euros)	Notes	30 June 2012	30 June 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		917,290	193,469
Adjustments for non-cash items:			
Capital (gain)/loss on disposal of assets		-	-
Depreciation, amortisation and provisions		6,845	3,673
Other non-operating items		(887,194)	(187,558)
Changes in operating assets and liabilities:			
Accounts receivable		(457)	(215)
Other current assets		19,969	14,782
Accounts payable		(289)	443
Other payables		(33,916)	24,327
Net cash flows provided by operating activities		**22,247**	**48,920**
NET CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisitions of intangible assets		-	-
Acquisitions of satellites and other property and equipment		-	-
Proceeds from sale of assets		-	-
Changes in other long-term assets		-	-
Equity investments and other movements in financial investments		629	(1,237)
Net cash flows used in investing activities		**629**	**(1,237)**
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Changes in capital		-	-
Distribution	7.1	(197,578)	(219,166)
Dividends received	13	896,018	237,030
Additional long-term and short-term debt	9	800,000	-
Reimbursements of long-term and short-term debt	9	(1,465,000)	-
Changes in borrowing		35,535	7,000
Financial instruments	13, 16	(23,815)	-
Free share plans		(7,169)	13,267
Interest paid		(62,234)	(55,015)
Interest received		581	495
Changes in other debt		-	-
Net cash flows provided by (used in) financing activities		**(23,662)**	**(16,390)**
Increase (decrease) in cash and cash equivalents		(786)	31,293
Cash and cash equivalents, beginning of period		**979**	**193**
Cash and cash equivalents, end of period	**6**	**193**	**31,486**

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NOTE 1. PRESENTATION

1.1. BUSINESS DESCRIPTION

The role of Eutelsat Communications S.A. ("the Company") is to hold shares and provide services to its equity interests. It is the parent company of the Eutelsat Communications Group ("the Group").

The Company's fiscal year runs for 12 months and ends on 30 June.

1.2. KEY EVENTS DURING THE PERIOD

The purpose of the Company being the holding of equity interests, no particular key event occurred during the financial year.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

2.1. BASIS OF PRESENTATION

The annual financial statements are prepared in accordance with the French Code of Commerce (Articles L. 123-12 to L. 123-28) and Rule 99-03 of the *Comité de la Réglementation Comptable* (CRC).

The following conventions have been applied in compliance with the principle of prudence and in accordance with the following basic rules:

- going concern;
- separation of the financial periods;
- consistent accounting methods used from one financial year to the next;

and in accordance with the general rules for preparing and presenting annual financial statements.

The basic method used for evaluating the items recorded is the historical cost method.

There have been no changes in accounting methods during the period.

The currency used in the presentation of the Company's accounts is the euro.

2.2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of financial statements requires Management to make judgements and estimates that are liable to affect certain assets and liabilities, the amounts shown for the corresponding income and expenses in these annual financial statements and their accompanying Notes. Eutelsat constantly updates its estimates and assessments by using past experience and other relevant factors related to the economic environment. The eventual outcome of the operations underpinning these estimates and assumptions could, due to the uncertainty that surrounds them, result in the need for significant adjustment in a subsequent financial period to amounts recognised.

Judgements

In preparing the financial statements as of 30 June 2013, Management has exercised its judgement, particularly with regard to the tax inspection procedure (see Note 15 "Tax on profits").

2.3. FINANCIAL ASSETS

Stock is recorded in the balance sheet at its acquisition value less incidental expenses. It may include treasury shares acquired under liquidity agreements.

Any excess of cost over fair value, as estimated by Management of the Company based on criteria such as the market value, the expected development and profitability or the shareholders' equity, and taking into account the specific nature of each investment, is recorded as an impairment charge to net income.

A provision for impairment of treasury shares is recognised if their book value is higher than their market value at balance sheet date.

2.4. CASH AND MARKETABLE SECURITIES

Cash and marketable securities consist mainly of treasury shares acquired under share buyback programmes designed to serve free share allocation plans, mutual fund investments, cash at bank and deposit certificates with original maturities of three months or less.

Shares repurchased for the purpose of serving stock plans are recorded at their initial cost until they are delivered to their recipients or reclassified if not attributed. This results in their not being impaired in the event of a drop in the share price.

2.5. RECEIVABLES AND DEBT

Receivables and debt have been evaluated at their nominal value.

Receivables are entered with a loss in value, where appropriate, to reflect any difficulties in recovering outstanding amounts.

2.6. APPORTIONMENT OF LOAN SET-UP COSTS

Loan set-up costs are amortised over the duration of the loan.

2.7. SHAREHOLDERS' EQUITY

External costs directly related to increases in capital, reduction of capital and share buy-back for reduction of capital, are allocated to the share premium net of taxes when an income tax benefit is generated.

Under French law, Eutelsat Communications S.A. is obliged to allocate 5% of its net annual result (after deduction of balances brought forward in the red, if any) to a legal reserve. This minimum contribution is no longer mandatory if and when the legal reserve represents at least 10% of the share capital. The legal reserve can only be distributed when the company is being wound up.

2.8. PROVISIONS

A provision is an item with a negative economic value for the company, *i.e.* it is a company obligation towards an unrelated party that is probable or certain to lead to an outflow of resources to the benefit of such party, with nothing at least equivalent expected of the unrelated party in return and for which the term or the amount is not precisely determined.

The amount recognised as a provision represents the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

NOTE 3. FINANCIAL ASSETS

Financial assets break down as follows:

(in thousands of euros)	30 June 2012	30 June 2013
Equity investments	2,440,645	2,440,645
Other investments in securities	4,152	5,389
Loans and other financial assets	1	1
Total gross book values	**2,444,798**	**2,446,035**
Less provisions	-	(317)
Total net carrying amounts	**2,444,798**	**2,445,718**

Changes in net carrying amounts between beginning and end of period are as follows:

(in thousands of euros)	Equity investments	Other investments in securities[1]	Loans and other financial assets[1]	Total
Net carrying values as of 1 July 2012	**2,440,645**	**4,152**	**1**	**2,444,798**
Acquisitions	-	54,650	54,650	109,300
Revaluation	-	-	-	-
Transfers	-	-	-	-
Reimbursement (of capital contribution) and disposals	-	(53,413)	(54,650)	(108,063)
Depreciation, amortisation and provisions	-	(317)	-	(317)
Net carrying values as of 30 June 2013	**2,440,645**	**5,072**	**1**	**2,445,718**

(1) Transactions relating to the liquidity agreement (see Note 3.2 – Other investments in securities).

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3.1. EQUITY INTERESTS

As of 30 June 2012 and 2013, the "Equity investments" item includes:

- Eutelsat Communications Finance shares:
  - 500,000 shares in Eutelsat Communications Finance for an amount of 2,401,488,322.14 euros, including:
    - 3,700 shares subscribed when forming the Company,
    - 100,000 shares subscribed on the occasion of the cash increase carried out on 19 June 2006,
    - 252,544 shares received as a result of the merger between SatBirds Finance and Eutelsat Communications Finance,
    - the 58.7 million euros of additional paid-in capital distributed by Eutelsat Communications Finance to Eutelsat Communications following the decision of the sole shareholder on 4 October 2006 was considered as repayment of a capital contribution. The value of the Eutelsat Communications Finance shares reduces accordingly,
    - 143,756 shares received on the occasion of the capital increase of 15 June 2007, subscribed for in full by offsetting the cost against an outstanding repayment,
  - the 97.5 million euros of additional paid-in capital distributed by SatBirds Finance to Eutelsat Communications following the General Meeting of 25 September 2006 was considered as repayment of a capital contribution. The value of "Equity interests" was reduced accordingly,
  - the 45.5 million euros of additional paid-in capital distributed by SatBirds Finance to Eutelsat Finance following the General Meeting of 25 September 2006 was considered as a repayment of a capital contribution and by being dissolved into Eutelsat Communications, the value of "Equity interests" reduces accordingly,
  - the 79.8 million euros of additional paid-in capital distributed by Eutelsat Communications Finance following the decision of Eutelsat Communications, its sole shareholder, on 30 October 2007 was considered as repayment of a capital contribution. The value of the Eutelsat Communications Finance shares reduces accordingly,
  - all distributions of additional paid-in capital have been treated in the accounts as repayment of a capital contribution. These have been reported as a reduction in the value of the shares, as following implementation of the Group's legal structure, it was envisaged that most of the additional contributions would be recognised as additional paid-in capital to make it easier for liquidity to rise to the head company in the Group. This can be achieved by distributing amounts recognised as additional paid-in capital irrespective of whether or not a distributable profit is recognised in the books of the Group's subsidiaries;
- Eutelsat S.A. shares:

  7,248,478 shares in Eutelsat S.A. for an amount of 39,156,817.32 euros (including acquisition costs of 467,000 euros):
  - 3,216,183 shares derived from the liquidity offer of October 2007, as follows:
    - the Company's share exchange offer to employees, former employees, Directors and Corporate Officers ("mandataires sociaux"), and historical shareholders resulted in the acquisition of 3,216,183 Eutelsat S.A. shares with a value of 16,570,977 euros for a contribution of 991,332 new shares in Eutelsat Communications;
    - the buying-back of 572,735 Eutelsat S.A. shares from minority interests and institutional shareholders for an amount of 2,953,222 euros;

– 3,459,560 shares derived from the Company's exchange offer based on the transfer agreement relating to Eutelsat S.A. shares, as entered into between the Company and a historical shareholder in May 2008, and amounting to 19,165,962 euros in return for the contribution of 1,038,242 new shares in Eutelsat Communications.

3.2. OTHER INVESTMENTS IN SECURITIES

Other investments in securities breaks down as follows:

- Treasury stock held under a liquidity agreement for 3,429 thousand euros corresponding to 151,895 shares as of 30 June 2012 and for 4,158 thousand euros corresponding to 176,110 shares as of 30 June 2013. As of 30 June 2013, a 317 thousand euro depreciation was recognised for treasury stock;
- *SICAV de trésorerie* (short-term marketable securities) held under the liquidity agreement for an amount of 723 thousand euros corresponding to 315 SICAV BNP Paribas as of 30 June 2012 and for an amount of 1,231 thousand euros corresponding to 535 SICAV BNP Paribas as of 30 June 2013.

3.3. LOANS AND OTHER FINANCIAL ASSETS

"Loans and other financial assets" comprises the cash account related to the liquidity agreement on treasury stock for 1 thousand euros as of 30 June 2012 and 30 June 2013.

NOTE 4. OTHER RECEIVABLES

"Other receivables" breaks down as follows:

(in thousands of euros)	30 June 2012	30 June 2013
Income tax	18,178	3,512
Deductible VAT	396	301
Inter-company accounts within the Group	43,934	36,765
Other debit balances	63	24
Total	**62,572**	**40,602**

All other receivables mature within one year.

NOTE 5. CASH AND MARKETABLE SECURITIES

Cash and marketable securities are as follows:

(in thousands of euros)	30 June 2012	30 June 2013
Treasury stock[1]	21,061	6,124
Mutual fund investments	184	31,478
Cash	9	8
Deposit warrants	-	-
Total	**21,254**	**37,610**

(1) See Note 7.2 "Other securities giving access to capital".

NOTE 6. PREPAID EXPENSES AND OTHERS

"Prepaid expenses and others" is composed as follows:

(in thousands of euros)	30 June 2012	30 June 2013
Prepaid expenses	215	234
Expenses to be accrued over several years	10,802	8,366
Total	**11,017**	**8,601**

As of 30 June 2012 and 2013, expenses to be accrued relate to loan set up costs initially amounting to 11,982 thousand euros. They are accrued over five years, which is the lifetime of the loan taken out in December 2011.

Amortisation of accrued expenses recorded in the income statement amounted to 6,088 thousand euros and 2,435 thousand euros at 30 June 2012 and 2013 respectively. It should be observed that the early reimbursement during the financial period 2011-2012 of the syndicated credit facility entered into in 2006 resulted in the accelerated amortisation of the residual value of loan set-up fees for 3,863 thousand euros.

NOTE 7. SHAREHOLDERS' EQUITY

7.1. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

As of 30 June 2013, the Company's share capital was composed of 220,113,982 ordinary shares with a par value of 1 euro each. No movement occurred during the financial period with respect to the number or the par value of shares. As of 30 June 2013, the legal reserve is 22.0 million euros representing 10% of the share capital.

On 8 November 2012, the Ordinary and Extraordinary Annual General Meeting of Shareholders was called upon to approve the annual financial statements for the period ended 30 June 2012. Having recognised a 917,290,109.02 euros profit, the AGM decided to distribute a 1.00 euro dividend per share for a total amount of 219,166 thousand euros taken from net income for the year.

The remaining balance of net income for 698,124 thousand euros was allocated to retained earnings now amounting to 807,312 thousand euros.

		Movements affecting the capital					
(in thousands of euros)	01/07/2012	Increase	Reduction	Allocation of the result	Distribution of dividends	Other movements	30/06/2013
Share capital	220,114	-	-	-	-	-	220,114
Additional paid-in capital	419,929	-		-	-	-	419,929
Share premium	33,285	-	-	-	-	-	33,285
Legal reserve	22,011	-	-	-	-	-	22,011
Retained earnings (+)	109,188	-	-	698,124	-	-	807,312
Result at 30/06/2012	917,290	-	-	(698,124)	(219,166)	-	-
Regulated provisions[1]	389	-	-	-	-	77	467
Total	**1,722,207**	**-**	**-**	**-**	**(219,166)**	**77**	**1,503,118**
				Shareholders' equity before result			1,503,118
				Result for the year			193,469
Total Shareholders' equity							**1,696,587**

(1) Regulated provisions cover the exceptional amortisation ("amortissement dérogatoire") of securities acquisition costs.

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7.2. OTHER SECURITIES GIVING ACCESS TO CAPITAL

Position at 30 June 2013

As of 30 June 2013, the Group runs two free share allocation plans started in July 2011 and November 2012 respectively:

Features	Plan 07/2011	Plan 11/2012
Vesting period	July 2011-July 2014[1]	November 2012-November 2015[1]
Settled in	Shares	Shares
Lock-up period	July 2014-July 2016[2]	November 2015-November 2017[2]
Total number of shares granted	700,000	347,530
Number of recipients	619	712
Features of "Employees" plan	600	200
• Number of shares per recipient	Cumulative EBITDA[3] for 50%	Cumulative EBITDA for 50%
• Performance-related targets	Average ROCE[4] for 50%	Average ROCE for 50%
Features of "Managers" plan	343 750	205 530
• Total number of shares	Cumulative EBITDA for 25%	Cumulative EBITDA for 25%
• Performance-related targets	Average ROCE for 25% Cumulative EPS[5] for 25% TSR[6] for 25%	Average ROCE for 25% Cumulative EPS for 25% TSR for 25%
Share price used as taxation basis for calculating social contributions		
• "Employees" plan	€26.77	€19.73
• "Managers" plan	€7.48	€6.88

(1) For foreign subsidiaries, the vesting period is 4 years.
(2) There is no lock-out period for foreign subsidiaries.
(3) EBITDA is defined as the operating result before depreciation and amortisation, excluding impairment of assets, other operating income and expenses.
(4) ROCE is Return on Capital Employed = operating result / (shareholders' equity + net debt – goodwill).
(5) EPS is defined as the Group's net earnings per share.
(6) 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).

The performance objectives are defined on the basis of the Group's consolidated accounts.

Plan having matured during the financial year 2012-2013

During the financial year ended 30 June 2010, a plan providing for the allocation of free shares to all Group employees (including non-executive Directors and Corporate Officers *(mandataires sociaux)* was approved under a decision of the Board of Directors dated 1 February 2010. The plan covered the market purchase of 700,000 shares to be granted conditional upon a three-year service requirement and the achievement of performance targets. Employees eligible for the scheme were also required to hold their shares for a further period of two years after effective date of acquisition.

On the plan's anniversary date, *i.e.* on 1 February 2013, 536,091 shares purchased for 14.9 million euros fully vested (see Note 14 "Exceptional result").

Under the charge back agreement covering the cost of free shares signed in February 2010 between Eutelsat Communications and the subsidiaries concerned, the Company reinvoiced its subsidiaries for 13.4 million euros representing 480,474 shares (see Note 14 "Exceptional result").

Treasury stock

As of 30 June 2013, the Company holds 263,909 equity shares for 6.1 million euros, recorded as "Cash and marketable securities" (see Note 5 "Cash and marketable securities").

As of 30 June 2012, the Company held 800,000 equity shares for 21.1 million euros, recorded as "Cash and marketable securities" (see Note 5 "Cash and marketable securities").

NOTE 8. PROVISIONS FOR RISKS AND EXPENSES

"Provisions for risks and expenses" mainly includes the provision for retirement pension payments (see Note 7.2 "Other securities giving access to capital") and provisions for litigation.

The change in the provisions for risks and expenses is as follows:

(in millions of euros)	30 June 2012	Allowance	Reversals (used provisions)	Reversals (unused provisions)	30 June 2013
Operating result	1,549	558	1,833	13	261
Financial result	0	154	0	0	154
Exceptional result	0	1,976	0	0	1,976
Total	**1,549**	**2,688**	**1,833**	**13**	**2,391**

NOTE 9. FINANCIAL DEBT

Loans and bank debt are denominated in euros with a five-year maturity period and are repayable at maturity. Breakdown is as follows:

(in thousands of euros)	30 June 2012	30 June 2013
Bank debt (between 1 and 5 years)	800,000	800,000
Accrued interest	8,404	1,517
Total	**808,404**	**801,517**

Maturities of debts are as follows:

(in thousands of euros)	At 30 June 2012	At 30 June 2013
2016	800,000	800,000
Total	**800,000**	**800,000**

As of 30 June 2012 and 30 June 2013, Eutelsat Communications has access to the following credit facilities:

- a long-life term loan for 800 million euros, bearing interest at EURIBOR plus a margin of between 1.50% and 3.25%, with maturity date of December 2016;
- a revolving credit facility for 200 million euros (unused as of 30 June 2013) entered into on 6 December 2011 with a five-year maturity.

The credit agreements include neither a guarantee by the Group, nor the pledging of assets to the lenders, but provide for restrictive clauses (subject to the usual exceptions contained in this type of loan agreement), which limit the capacity of Eutelsat Communications and its subsidiaries, in particular to:

- grant security interests or guarantees;
- enter into agreements resulting in additional liabilities;
- sell assets;
- enter into mergers, acquisitions, asset disposals, or lease transactions (with the exception of those carried out within the Group and expressly provided for in the loan agreement);
- change the nature of the business of the Company or its subsidiaries.

The credit agreements allow each lender to request early repayment of all sums due if there is a change of control of the Company and of Eutelsat S.A. or in the event of concerted action. Furthermore, the Company must hold, directly or indirectly, 95% of the capital and voting rights of Eutelsat S.A. for the entire duration of the loan.

The credit agreements provide for a commitment to maintain Launch-plus-one year insurance policies for any satellite located at 13° East and, for any other satellite, a commitment not to have more than one satellite not covered by a launch insurance policy.

The credit facilities are linked to the following financial covenants, calculated on the basis of the Group's consolidated financial statements presented in accordance with IFRSs:

- Eutelsat Communications is required to maintain a total net debt to annualised EBITDA ratio (as defined contractually), which is less than or equal to 3.75 to 1, this ratio being tested as of 30 June and 31 December each year;
- furthermore, interest rate hedging is required for a minimum period of three years to limit exposure to interest rate risk for no less than 50% of the amounts drawn under the term loan facility.

COMPLIANCE WITH BANKING COVENANTS

As of 30 June 2013, the Company was in compliance with all banking covenants under its credit facilities.

NOTE 10. TAX AND EMPLOYEE-RELATED PAYABLE

Tax and employee-related payable is composed of the following:

(in thousands of euros)	30 June 2012	30 June 2013
State: accrued liabilities	85	143
Income tax	5,224	19,940
Output VAT	251	134
Staff: accrued liabilities	623	646
Social charges payable	307	492
Other	2	-
Total	**6,492**	**21,354**

All tax and employee related-payable mature within one year.

NOTE 11. STAFF

The Company has no employees.

Compensation paid to senior managers is indicated in Note 18.2 "Compensation paid to"key management personnel".

NOTE 12. REVENUE

Company revenue is generated through reinvoicing of services to its equity investments.

Activities mainly include managing their staff, setting up and implementing their industrial and commercial policies, their strategy and their technical, financial and institutional communication.

Revenue breakdown is as follows:

(in thousands of euros)	30 June 2012	30 June 2013
France	3,190	2,140
Export	128	88
Revenue recognition	**3,318**	**2,228**

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NOTE 13. FINANCIAL RESULT

The financial result is made up as follows:

	Period ended 30 June	
(in thousands of euros)	2012	2013
Interest expense	(58,757)	(48,127)
Interest income	753	326
Proceeds from equity investments	969,018	237,030
Provisions on investments	-	(317)
Investment earnings	24	2
Proceeds from mutual fund investments	43	38
Hedging instruments	(23,815)	-
Other	-	(154)
Total	**887,265**	**188,798**

The interest expense corresponds to existing loans (see Note 9 "Financial debt"), after taking into account interest received or paid on hedging instruments.

As of 30 June 2013, income from equity investments mainly consists of interim dividends and dividends from the subsidiaries Eutelsat Communications Finance (235 million euros) and Eutelsat S.A. (2 million euros).

For the year ended 30 June 2012, income from investments mainly consists of interim dividends and dividends from the subsidiaries Eutelsat Communications Finance (963.3 million euros) and Eutelsat S.A. (5.7 million euros).

The hedging expense recorded for the financial year ended 30 June 2012 consists of a termination indemnity excluding accrued interest as a result of the partial termination of an instrument and the premium paid following the purchase of a cap (see Note 16 "Market risk").

NOTE 14. EXCEPTIONAL RESULT

The exceptional result comprises the following:

(in thousands of euros)	30 June 2012	30 June 2013
Gain on repurchase of treasury stock	825	990
Cost of free share grant invoiced to subsidiaries	-	13,387
Exceptional income	**825**	**14,377**
Fines and penalties	-	-
Loss on repurchase of treasury stock	1,478	755
Cost of purchase of free shares allocated	-	14,937
Exceptional depreciation and amortisation	93	77
Tax risk allocation	-	1,976
Exceptional charges	**1,572**	**17,745**
Exceptional result	**(747)**	**(3,368)**

NOTE 15. TAX ON PROFITS

15.1. TAX CONSOLIDATION

On 28 June 2006, the Company decided to apply a tax consolidation system to the Group consisting of itself and its subsidiary Eutelsat Communications Finance.

Under the tax consolidation agreement, the subsidiaries had to bear company tax, social contributions and an annual lump sum tax expense equal to the amount that they would have had to bear if there had been no tax consolidation agreement applying to the Group, and on the understanding that it was the Company at the head of the tax consolidation group that would bear or benefit from any additional tax expense or tax savings resulting from the application of such a system.

The scope of the tax consolidation group includes the entities Eutelsat S.A., Eutelsat Communications Finance S.A.S., Eutelsat VAS S.A.S, Fransat S.A. and Skylogic France S.A.S.

As of 30 June 2012 and 30 June 2013, the income tax expense in respect of the tax consolidation group is 171 million euros and 183 million euros respectively, and the amounts due by the sub-subsidiaries under the tax consolidation agreement are respectively 220 million euros and 205 million euros, generating a profit of 48 million euros and 22 million euros. As of 30 June 2013, the Company posted current accounts with respect to the tax consolidation system with debit balances for 3,512 thousand euros and credit balances for 9,465 thousand euros.

For information, Eutelsat Communications' losses prior to the tax consolidation system were 43.3 million euros.

15.2. TAX AUDIT

Eutelsat Communications S.A. Company was subject to a tax inspection procedure for financial years ended 30 June 2009, 2010 and 2011. As a result of the tax inspection, the French tax authorities issued a tax reassessment on 20 December 2012 amounting to 1.5 million euros, including late interest and penalties. The proposed tax reassessments have been challenged. However, in view of the tax authorities' stance displayed in their reply dated 7 May 2013, as well as ongoing discussions, a provision for risks and expenses was set aside.

15.3. COMMON LAW PROVISIONS

As of 30 June 2013, the Company's tax liability breaks down between current income and exceptional income as follows:

(in thousands of euros)	Result before tax	Tax due	Net income
Current	180,570	(16,576)	197,146
Exceptional	(3,368)	309	3,677
Total	**177,202**	**(16,266)**	**193,469**

The corporate tax includes the income tax rate estimated at 36.1% pursuant to the general arrangements for business taxation, and results from the application of the Amended Finance Act for 2012 (*Loi de finances rectificative 2012*), which introduced an additional 3% contribution on dividends, and the 2013 Finance Act (*Loi de finances 2013*) which caps deductibility of financial expenses at 85%.

15.4. INCREASES AND REDUCTIONS IN FUTURE TAX LIABILITY

(in thousands of euros)	30 June 2012	30 June 2013
Reductions in future tax liability:		
Loss carry-forwards(1)	14,910	14,910
Impairment of assets	-	-
Non-deductible provisions(2)	4	461
Total	**14,914**	**15,371**
Increases in future tax liability:		
Capitalised interest and interest for late payment	-	-
Total	**-**	**-**

(1) Rate used: 34.43%.
(2) Rate used: 36.10%.

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NOTE 16. MARKET RISK

The Company has exposure to market risk, particularly with regard to interest rates. Exposure to such risks is actively managed by Management, and for this purpose the Company employs a certain number of derivatives, the objective of which is to limit, where appropriate, exposure of revenue and cash flows to interest rate risk. The Company's policy is to use derivatives to manage exposure to such risks. The Company does not engage in financial transactions whose associated risk cannot be quantified at their outset, *i.e.* the Company never sells assets it does not possess or does not know it will subsequently possess.

Eutelsat Communications S.A.'s exposure to interest-rate risk is managed by hedging its floating rate debt.

In order to hedge the risk on future cash flow changes related to floating rate coupon payments on its debt, the Company has implemented the following interest rate hedging instruments for hedging the Term Loan facility:

- a swap (pay fixed rate/receive floating rate) put in place in September 2006 with a deferred start date in April 2010 (maturing in June 2013) for an initial notional amount of 1,615 million euros reduced to 1,465 million euros in June 2011.

  As part of the company's refinancing carried out during the financial period 2011-2012, the swap's notional amount was further reduced to 800 million euros in March 2012 in order to correspond to the exact amount borrowed under the term loan. A termination indemnity amounting to 28.3 million euros (including interest for 5.2 million euros) was paid as a result of the swap's partial termination (see Note 13 "Financial result").

  The swap matured in June 2013;
- 2 swaps for a notional amount of 350 million euros;
- 2 collars for a notional amount of 350 million euros;
- 1 cap for a notional amount of 100 million euros.

16.1. FINANCIAL COUNTERPART RISK

Counterpart risk includes issuer risk, execution risk in connection with derivatives or monetary instruments, and credit risk related to liquidity and forward investments. The Company minimises its exposure to issuer risk and its exposure to execution and credit risk by acquiring financial products from first-rate financial institutions or banks. Exposure to these risks is closely monitored and maintained within predetermined limits. The Company does not foresee any loss that would result from a failure by its counterparts to respect their commitments under the agreements concluded. The risks to which the Group is exposed are confined neither to the financial sector nor to any particular country.

16.2. FINANCIAL INFORMATION AT 30 JUNE 2012 AND 30 JUNE 2013

The following table analyses the contractual or notional amounts and fair values of derivatives by type of contract:

	30 June 2012		30 June 2013	
(in thousands of euros)	Contractual or notional amounts	Fair values	Contractual or notional amounts	Fair values
FINANCIAL				
Swap 2013 matured in June 2013	800,000	(27,148)	-	-
Swap 2015 No.1	175,000	(1,908)	175,000	(3,360)
Swap 2015 No.2	175,000	(1,946)	175,000	(3,408)
Collar 2015 No.1	175,000	(1,093)	175,000	(2,173)
Collar 2015 No.2	175,000	(1,096)	175,000	(2,148)
Cap 2015	100,000	326	100,000	191
Total		**(32,865)**		**(10,898)**

NOTE 17. OTHER COMMITMENTS AND CONTINGENCIES

In accordance with the loan agreements and as mentioned in Note 9 "Financial debt", Eutelsat Communications is committed to perform or not to perform certain actions.

This type of commitment cannot be quantified.

The company's off-balance sheet purchase commitments maturing within less than one year stand at 0.4 million euros.

NOTE 18. RELATED-PARTY TRANSACTIONS

Related parties are defined as any third parties having a direct or indirect capital-based link (not exceeding 99%) with Eutelsat.

More specifically, related party transactions consist of the direct and indirect shareholders who have significant influence (which is presumed where more than 20% of the shares are held or where the investor is a member of the Board of Directors of a subsidiary of the Company, the companies other than subsidiaries in which Eutelsat has an equity and "key management personnel".

The Company considers that the concept of "key management personnel" as applied to the governance of Eutelsat includes members of the administrative and management bodies, namely the Chairman and CEO, the Deputy CEO and the other members of the Board of Directors.

18.1. RELATED PARTIES WHO ARE NOT MEMBERS OF THE "KEY MANAGEMENT PERSONNEL"

Amounts due by or owed to related parties and included on the balance sheet within current assets and liabilities are as follows:

(in thousands of euros)	30 June 2012	30 June 2013
Gross receivables (including unbilled revenues)	821	982
Inter-company accounts: receivables (payables)	21,695	9,516
Liabilities (including accrued invoices)	712	590

Current assets comprise trade receivable balances, inter-company accounts and unbilled revenues, but do not take into account any provisions for bad debts.

Transactions with related parties included in the income statement are as follows:

(in thousands of euros)	30 June 2012	30 June 2013
Revenues	3,318	2,228
Transfer of expense	951	14,168
Operating charges	2,681	2,157
Financial result	**6,311**	**2,117**

18.2. COMPENSATION PAID TO "KEY MANAGEMENT PERSONNEL"

Gross compensation (including employer's contributions) paid by the Company to its Directors and Corporate Officers during the financial period ended 30 June 2013 breaks down as follows:

(in millions of euros)	30 June 2013
Short-term benefits	1.3
Post-employment benefits	Not applicable
Share-based payment	See below

Free share allocation programmes in force as of 30 June 2013

During its meetings of 28 July 2011 and 8 November 2012, the Board of Directors approved new free share allocation plans (see Note 7.2 "Other securities giving access to capital") and decided to grant a maximum of 117,800 free shares in Eutelsat Communications to members of the Company's administrative and management bodies under the conditions set out in the plan. It also decided to define a 50% holding rate for all fully vested shares during the terms of office of Eutelsat's non-executive Directors and Corporate Officers ("mandataires sociaux").

The value of the benefit granted as of 30 June 2013 has been estimated at 773 thousand euros, spread over a three-year vesting period.

Plan having matured during the financial year 2012-2013

At the end of the vesting period of the 1 February 2010 free share allocation plan, 55,617 shares were granted to members of the Company's administrative and management bodies.

Free share allocation plan expenses

The expense recorded under staff expenses for the financial years ended 30 June 2012 and 30 June 2013 was 663 thousand euros and 559 thousand euros respectively.

On 7 August 2012, members of the Board of Directors received 35 thousand euros as attendance fees in respect of the financial year 2011-2012. On 4 July 2013, 334 thousand euros were paid in respect of the financial period 2012-2013.

NOTE 19. FINANCIAL INFORMATION RELATED TO SUBSIDIARIES AND EQUITY INVESTMENTS

The table below contains the list of investments held by Eutelsat Communications in subsidiaries and other companies as of 30 June 2013:

(in thousands of euros)	Capital	Other components of equity as of 30 June (local accounts)	Percentage of ownership (as a %)	Last financial period ended: Revenues (local accounts)	Last financial period ended: Net income (local accounts)
Eutelsat Communications Finance RCS No. 490416674 Paris Headquarters in Paris (period ended 30/06/2013)	5,000	2,934,911	100%	-	266,761

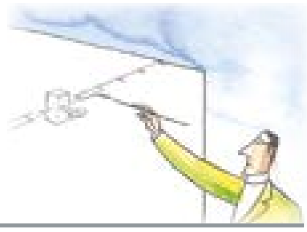
The table below provides aggregated information on all investments held by Eutelsat Communications in subsidiaries and other companies as of 30 June 2013:

(in thousands of euros)	Gross book value of the investments	Provision for impairment	Loans and advances	Pledges and guarantees granted	Dividends received
Subsidiaries and equity interests	2,401,488	-	-	-	235,000

NOTE 20. SUBSEQUENT EVENTS

No significant event occurred between the balance sheet date and the date on which the financial statements were approved by the Board of Directors.

7. OTHER INFORMATION



7.1 Legal information regarding the Group

7.1.1 GROUP HISTORY AND DEVELOPMENT

7.1.1.1 CORPORATE AND TRADING NAME

Eutelsat Communications.

7.1.1.2 COMMERCIAL AND CORPORATE REGISTRY

Eutelsat Communications is registered with the French "*Registre du Commerce et des Sociétés*" in Paris (Paris Registry of Trade and Businesses) under number 481 043 040.

7.1.1.3 INCORPORATION DATE AND DURATION

The Company was incorporated on 15 February 2005 as a French "*société par actions simplifiée*" (simplified joint-stock company) and subsequently transformed into a "*société anonyme*" (limited company) on 31 August 2005. It was registered on 25 February 2005 for a period of 99 years, expiring on 25 February 2104.

7.1.1.4 REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LEGISLATION

Registered office

70, rue Balard

75015 Paris

France

Telephone: +33 (0)1 53 98 47 47

Legal form and applicable legislation

A "*société anonyme*" (limited company) under French law with a Board of Directors, governed by the provisions of Book II of the French Commercial Code.

7.1.1.5 KEY EVENTS

The activities of Eutelsat S.A. (the main operating subsidiary of Eutelsat Communications) were originally carried out by an intergovernmental organisation, the European Telecommunications Satellite Organisation (the "IGO"). The IGO was founded by a number of countries in Western Europe in order to develop and operate a satellite telecommunications system for trans-European telecommunications purposes. On 2 July 2001, all the IGO's operating activities were transferred to Eutelsat S.A. (the "Transformation").

The Transformation was motivated mainly by the liberalisation of the telecommunications industry in Europe, under the more specific framework set out by the European Commission in its 1990 Green Paper, which recommended that international satellite telecommunications organisations should be reformed in order to liberalise end-user access to satellite capacity and ensure it could be freely commercialised by operators. The main purpose of the Transformation, therefore, was to position the IGO's operating activity in a competitive environment with a view to an open satellite telecommunications market.

Eutelsat IGO has been maintained as an intergovernmental organisation and currently includes 48 European countries.

On 15 February 2005, Eutelsat Communications was incorporated and, on 4 April 2005, acquired Eutelsat S.A.

On 30 June 2005, Eutelsat Communications bought out some of Eutelsat S.A.'s non-controlling interests.

On 2 December 2005, Eutelsat Communications was floated on the Paris stock exchange.

In January and February 2007, some of Eutelsat Communications' long-standing shareholders sold their shares to Abertis Telecom, a wholly-owned subsidiary of the Spanish Abertis Group, and to CDC Infrastructure, a wholly-owned subsidiary of the *Caisse des Dépôts et Consignations* ("CDC").

Furthermore, in 2007, the Group carried out restructuring activities aimed at streamlining its organisational chart, and Eutelsat Communications again repurchased non-controlling interests in Eutelsat S.A. during the financial year 2007-2008.

On 1 July 2009, CDC Infrastructure sold all its shareholding in Eutelsat Communications (56,399,660 shares and voting rights) to CDC in an off-market transaction.

On 15 July 2009, CDC transferred the entirety of its stake in the Company to the *Fonds Stratégique d'Investissement* ("FSI"). At the filing date of this Reference Document, CDC owns, indirectly *via* its FSI subsidiary, 25.6% of the Company's share capital and voting rights.

On 26 March 2010, to refinance its bank debt, Eutelsat S.A. issued a seven-year 850 million euro inaugural unsecured eurobond on the Luxembourg Stock Exchange regulated market.

In December 2011, the Group refinanced Eutelsat Communications S.A.'s debt by:

- setting up a new 800 million euro term loan and a new 200 million euro revolving credit facility at Eutelsat Communications S.A. level, both maturing in five years; and
- an unsecured 800 million euro bond issue on the Luxembourg Stock Exchange's regulated market, maturing in seven years, at Eutelsat S.A. level.

On 13 January 2012, Abertis Telecom announced the disposal of 16.1% of Eutelsat Communications through an Accelerated Book Building ("ABB") with qualified investors. On 22 June 2012, Abertis Telecom announced the disposal to China Investment Corporation (CIC) of a 7.00% shareholding in the Group. Following these two transactions, Abertis Telecom held 8.35% of the Group's capital, making it the second largest shareholder after *Fonds Stratégique d'Investissement* (FSI). As of the filing date of this Reference Document, Albertis Telecom owns 5.01% of Eutelsat Communication's capital.

On 25 September 2012, the Group finalised the acquisition of the GE-23 satellite (renamed EUTELSAT 172A) and its associated assets for a total amount of 228 million U.S. dollars.

On 31 July 2013, the Group announced the acquisition of 100% of the share capital of Satmex, the Mexican satellite operator, for an amount of 831 million U.S. dollars. The closing of the transaction is expected by 31 December 2013.

7.1.2 GENERAL INFORMATION ON THE SHARE CAPITAL

7.1.2.1 SHARE CAPITAL

At the filing date of this Reference Document, the share capital stood at 220,113,982 euros, divided into 220,113,982 ordinary shares, each with a par value of one euro.

The Company's shares are fully subscribed, fully paid-up and they are all in the same category.

The Company's shares have been admitted for trading since 2 December 2005 in compartment A of NYSE Euronext Paris under the ISIN code FR0010221234.

7.1.2.2 SECURITIES NOT REPRESENTING THE SHARE CAPITAL

None.

7.1.2.3 SHARES HELD BY THE COMPANY OR FOR ITS OWN ACCOUNT

Share buy-back programme

The Company's General Meeting held on 10 November 2009 authorised the Board of Directors to proceed with purchases of its own shares by the Company pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, within a 10% limit of the share capital (excluding external growth transactions) and for a maximum unit price of 30 euros.

Using this authorisation, on 1 February 2010, the Company's Board of Directors approved the free share allocation plan capped at a maximum of 700,000 shares ("LTIP").

A share buy-back programme was put in place within the framework of the authorisation given to the Board of Directors by the General Meeting of Shareholders held on 8 November 2012.

The report on the implementation of the share buy-back programme and the use of the shares, as required under Articles L. 225-211 of the French Commercial Code is as follows (excluding the liquidity contract):

- number of shares purchased during the financial year ended 30 June 2012 pursuant to Articles L. 225-208, 209 and 209-1 of the French Commercial Code: 300,000 representing 0.14% of the Company's share capital, in two instalments of 100,000 and 200,000 shares respectively, at an average weighted share price of 28.3869 euros and 21.6940 euros respectively, representing a total amount of 7.2 million euros;
- number of shares purchased during the financial year ended 30 June 2013 pursuant to Articles L. 225-208, 209 and 209-1 of the French Commercial Code: not applicable;
- number of shares held as treasury stock at 30 June 2013: 263,909:
  - estimated value at acquisition price: 6.1 million euros,
  - number of shares used: 536,091 (February 2012 free share plan),
  - possible reallocations: not applicable,
  - portion of capital represented: 10% maximum.

The Company publishes on its website, under the heading: **http://www.eutelsat.com/fr/investors/programme-rachat-actions.html**, the transactions realised in its own shares (excluding those realised under the liquidity agreement), in compliance with the applicable law.

Free share allocation plans for 2011 and 2012

As of 30 June 2013, under the free share allocation plans of 28 July 2011 and 8 November 2012 as detailed in Section 2.3.1 "Compensation and other benefits paid to the Company's Corporate Officers and Executive Directors", the Company held 263,909 of its own shares.

Liquidity agreement

In 2007, the Company entrusted Exane BNP Paribas with implementing a liquidity agreement in line with the AMAFI Code of Ethics. This agreement was amended by an addendum in 2011 in order to take into account the updated accepted market practice published by the AMF on 24 March 2011. It was modified again by an addendum on 12 June 2013.

As of 30 June 2013, the liquidity provider had purchased 176,100 shares in the name of and on behalf of the Company, representing a total of 4.2 million euros.

7.1.2.4 OTHER SECURITIES GIVING ACCESS TO THE SHARE CAPITAL

None.

7.1.2.5 SHARE CAPITAL AUTHORISED BUT NOT ISSUED

The table below summarises the delegations of power and authorisations granted to the Board by the General Meetings of Shareholders on 8 November 2011 and 8 November 2012 and 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** (15th resolution - OGM of 8 November 2012).	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 8 November 2012.
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** (21st resolution OGM of 8 November 2011), **b - without preferential subscription rights for shareholders in the case of a public offering** (22nd resolution OGM of 8 November 2011), **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** (23rd resolution OGM of 8 November 2011), **d - in the event of a public exchange offer initiated by the Company** (27th resolution OGM of 8 November 2011), **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** (28th resolution OGM of 8 November 2011);	a), b), c), d) and e) 44 million euros (total common ceiling for the 21st to 24th, 27th to 29th and 31st resolutions of the OGM of 8 November 2011); c) 20% of share capital per year; e) 10% of share capital.	Maximum duration of 26 months as from the OGM of 8 November 2011.
	(ii) to increase the share capital through the incorporating of reserves, profits, premiums or other sums whose capitalisation is admitted (20th resolution OGM of 8 November 2011);	44 million euros (separate ceiling).	Maximum duration of 26 months as from the OGM of 8 November 2011.
	(iii) to issue: **a - free stock warrants to shareholders in the case of a public offer involving the Company's shares** (26th resolution OGM of 8 November 2011), **b - ordinary shares as a result of the issuance by the Company's subsidiaries of securities conferring rights to the Company's ordinary shares** (29th resolution OGM of 8 November 2011), **c - securities conferring rights to the allocation of debt securities** (30th resolution OGM of 8 November 2011).	a) 44 million euros (separate ceiling); b) 44 million euros (common ceiling for the 21st to 24th, 27th to 29th and 31st resolutions of the OGM of 8 November 2011); c) 1.5 billion euros (separate ceiling).	Maximum duration of 26 months as from the OGM of 8 November 2011.
3.	**Authorisation granted to the Board of Directors in the case of issues without preferential subscription rights to set the issue price based on modalities set by the General Meeting of Shareholders, limited to 10% of the share capital per year** (24th resolution OGM of 8 November 2011).	44 million euros (common ceiling for the 21st to 24th, 27th to 29th and 31st resolutions of the OGM of 8 November 2011); and 10% of the share capital per year.	Maximum duration of 26 months as from the OGM of 8 November 2011.
4.	**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 21st to 23rd** (25th resolution OGM of 8 November 2011).	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 8 November 2011.

	Operation concerned	Maximum nominal amount	Duration of authorisation and expiry date
5.	**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 (31st resolution OGM of 8 November 2011);	€2 million (ceiling common to the 21st to 24th, 27th to 29th and 31st resolutions of the OGM of 8 November 2011).	26 months as from the OGM of 8 November 2011.
	(ii) to grant: **a - free shares in the Company to eligible employees and Corporate Officers of the Company or Group** (32nd resolution of the OGM of 8 November 2011), **b - stock and/or purchase options in the Company's ordinary shares to eligible employees and Corporate Officers of the Company or Group** (33rd resolution OGM of 8 November 2011);	0.5% of the share capital (ceiling common to the 32nd and 33rd resolutions of the OGM of 8 November 2011).	A maximum of 38 months as from the OGM of 8 November 2011.
	(iii) to reduce the share capital by cancelling shares acquired by the Company under its share repurchase programme (16th resolution OGM of 8 November 2012).	10% of the share capital by periods of 24 months.	A maximum of 18 months as from the OGM of 8 November 2012.

During the financial year ended 30 June 2013, the Board of Directors used the authorisation granted under the 15th resolution of the OGM of 8 November 2012 within the framework of the liquidity agreement to stimulate trading in the secondary market and for the purpose of future allocation of free shares.

During the financial year ended 30 June 2013, the Board of Directors used the authorisation granted under the 32nd resolution of the OGM of 8 November 2012 within the framework of distribution of free shares (8 November 2012 plan).

The table below summarises the delegations of power and authorisations that will be proposed to the General Meetings of Shareholders scheduled on 7 November 2013:

Nature of the authorisations	Cap	Maximum amount of the authorisations	Maximum period of the authorisations
Authorisation to be granted to the Board of Directors to **purchase** the Company's own shares (resolution No. 9)	10% of the share capital of the Company (5% in case of purchase of Company shares for the purpose of holding and subsequently remitting them as payment or exchange consideration in connection with potential external growth, merger, demerger or contribution transactions)		18 months, starting from the date of the Shareholders' Meeting
Authorisation granted to the Board of Directors to **reduce the share capital** through the cancellation of shares acquired by the Company in connection with its buy-back programme (resolution No. 10)	10% of the share capital in any given 24-month period		18 months, starting from the date of the Shareholders' Meeting
Delegation of authority to the Board of Directors to increase the share capital **by capitalization** of reserves, profits, premiums or other monies the capitalization of which is permitted (resolution No. 11)		Maximum nominal amount of share capital increase: 44 million euros (separate maximum amount)	26 months, starting from the date of the Shareholders' Meeting
Delegation of authority to the Board of Directors to issue common shares and/or securities conferring access to common shares of the Company, **subject to the preferential subscription right** of the shareholders (resolution No. 12)		Maximum nominal amount of share capital increase: 44 million euros, which shall be deducted from the overall maximum nominal amount of all share capital increases resulting from resolutions Nos. 12 to 14, 17 to 19 and 21 submitted to this Shareholders' Meeting, which totals and may not exceed 44 million euros (the "**Overall Maximum Share Capital Increase Amount**") Maximum nominal amount of debt securities issue: 1 billion euros, which shall be deducted from the overall maximum nominal amount of all debt securities issued pursuant to resolutions Nos. 12 to 14, 17 and 18 submitted to this Shareholders' Meeting, which totals and may not exceed 1 billion euros (the "**Overall Maximum Debt Securities Issue Amount**")	26 months, starting from the date of the Shareholders' Meeting
Delegation of authority to the Board of Directors to issue common shares and/or securities conferring access to common shares of the Company, with **cancellation of the preferential subscription right** of the shareholders, **in connection with a public offering** (resolution No. 13)		Maximum nominal amount of share capital increase: 22 million euros, which shall be deducted from the sub-maximum nominal amount of any share capital increases with cancellation of the preferential subscription right carried out under resolutions Nos. 13, 14, 17 to 19 and 21, stands at and is limited to 22 million euros (the "**Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right**") and shall be deducted from the Overall Maximum Share Capital Increase Amount Maximum nominal amount of debt securities issue: 1 billion euros, which shall be deducted from the Overall Maximum Debt Securities Issue Amount	26 months, starting from the date of the Shareholders' Meeting
Delegation of authority to the Board of Directors to issue common shares and/or securities conferring access to common shares of the Company, with **cancellation of the preferential subscription right** of the shareholders**, in connection with a private placement** (resolution No. 14)		Maximum nominal amount of share capital increase: 22 million euros, which shall be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and shall be deducted from the Overall Maximum Share Capital Increase Amount Maximum nominal amount of debt securities issue: 1 billion euros, which shall be deducted from the Overall Maximum Debt Securities Issue Amount	26 months, starting from the date of the Shareholders' Meeting

Nature of the authorisations	Cap	Maximum amount of the authorisations	Maximum period of the authorisations
Authorisation given to the Board of Directors, in the event of an issue without preferential subscription rights, **to set the issue price** in accordance with the terms determined by the Shareholders' Meeting, up to 10% of the share capital per year (resolution No. 15)	10% of the share capital in any given 12-month period, this maximum amount being applicable to all issues implemented pursuant to resolutions no. 13, 14 and 19 submitted to this Shareholders' Meeting		26 months, starting from the date of the Shareholders' Meeting
Authorisation given to the Board of Directors **to increase the number of securities to be issued** in the event of a share capital increase **with or without preferential subscription rights**, decided pursuant to resolutions Nos. 12 to 14 (resolution No. 16)	15% of the initial issue	Maximum amount provided in the resolution pursuant to which the issue was decided	26 months, starting from the date of the Shareholders' Meeting
Delegation of authority to the Board of Directors to issue common shares and/or securities conferring access to common shares of the Company **with cancellation of the preferential subscription right** of the shareholders in the event of an **exchange offer initiated by the Company** (resolution No. 17)		Maximum nominal amount of share capital increase: 22 million euros, which shall be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and shall be deducted from the Overall Maximum Share Capital Increase Amount Maximum nominal amount of debt securities issue: 1 billion euros, which shall be deducted from the Overall Maximum Debt Securities Issue Amount	26 months, starting from the date of the Shareholders' Meeting
Delegation of power to the Board of Directors to increase the share capital through the issue of common shares and/or securities conferring access to common shares of the Company with **cancellation of the preferential subscription right** of the shareholders **as consideration for contributions in kind**, up to 10% of the share capital of the Company (resolution No. 18)	10% of the share capital	Maximum nominal amount of share capital increase : 10 % of the Company's share capital, which shall be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and shall be deducted from the Overall Maximum Share Capital Increase Amount Maximum nominal amount of debt securities issue: 1 billion Euros, which shall be deducted from the Overall Maximum Debt Securities Issue Amount	26 months, starting from the date of the Shareholders' Meeting
Delegation of authority to the Board of Directors to issue common shares with **cancellation of the preferential subscription right** of the shareholders **further to the issue, by Company subsidiaries**, of securities conferring access to common shares of the Company (resolution No. 19)		Maximum nominal amount of share capital increase: 22 million euros, which shall be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and shall be deducted from the Overall Maximum Share Capital Increase Amount	26 months, starting from the date of the Shareholders' Meeting
Delegation of authority to the Board of Directors to issue **securities conferring the right to the allotment of debt securities** (resolution No. 20)		Maximum nominal amount of debt securities issue: 1,5 billion euros (separate maximum amount)	26 months, starting from the date of the Shareholders' Meeting
Delegation of authority to the Board of Directors to increase the share capital through the issue of common shares and/or securities conferring access to the share capital of the Company with **cancellation of the preferential subscription right** of the shareholders **reserved for the members of the Company or Group savings plan** (resolution No. 21)		Maximum nominal amount of share capital increase: 2 million euros, which shall be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and shall be deducted from the Overall Maximum Share Capital Increase Amount	26 months, starting from the date of the Shareholders' Meeting

7.1.2.6 OPTIONS OR AGREEMENTS CONCERNING THE SHARE CAPITAL OF THE COMPANY OR OF A MEMBER OF THE GROUP

Not applicable.

7.1.2.7 CHANGES IN THE SHARE CAPITAL UP TO THE FILING DATE OF THIS REFERENCE DOCUMENT

There has been no change in the share capital in the three years preceding the filing date of this Reference Document.

7.1.2.8 PLEDGES, GUARANTEES AND SECURITIES

Pledges of Company shares

To the best of the Company's knowledge, at the filing date of this Reference Document, no Company share was pledged.

Pledges, guarantees and securities on the Company's assets

To the best of the Company's knowledge, at the filing date of this Reference Document, the Company's assets were neither pledged nor used as collateral or security deposits.

7.1.3 ORGANISATIONAL DOCUMENTS AND BY-LAWS

The provisions described in the following paragraphs provide a summary of the Company's By-laws applicable at the filing date of this Reference Document.

7.1.3.1 CORPORATE PURPOSE (ARTICLE 3 OF THE BY-LAWS)

The Company's corporate purpose in France and abroad shall be:

- to supply Space Segment capacity, and satellite communications systems and services. To this end, the Company shall undertake any activities relating to the design, development, construction, installation, operation and maintenance of its Space Segment and those satellite systems and services; and,
- more generally, to acquire an equity interest in any enterprise or company that has been formed or is to be formed and participate in any transactions of any nature, be they financial, commercial, industrial, civil, real-estate-related or other, pertaining directly or indirectly to that corporate purpose or to any similar, related or complementary purposes, and likely to promote, directly or indirectly, the aims pursued by the Company, its expansion into other fields, its growth and its assets.

The term "Space Segment" shall designate a set of telecommunications satellites, and the tracking, telemetry, command, control, monitoring and related facilities and equipment necessary for the operation of those satellites.

7.1.3.2 BOARD OF DIRECTORS, COMMITTEES AND OBSERVER (ARTICLES 13 TO 19 OF THE BY-LAWS)

The Company is administered by a Board of Directors composed of at least three and at most 12 Board Members, subject to the exceptions stipulated by law. Board Members are appointed for a period of four years by the Ordinary General Meeting of Shareholders.

Board Members may be re-elected and their term of office may be revoked at any time by decision of the Ordinary General Meeting of Shareholders.

No one may be appointed to be a Board Member if he/she has passed the age of 70 and if, as a result of his/her appointment, more than one third of the members of the Board will have exceeded that age.

From among its members, the Board of Directors shall elect a Chairman, who shall be an individual, failing which the appointment shall be null and void.

The Chairman shall be appointed for a period that may not exceed the duration of his/her term of office as a Board Member. He/she may be re-elected.

The Board of Directors may revoke his/her appointment at any time.

No Board Member aged 71 or over may be elected as Chairman of the Board of Directors. The term of office of the Chairman of the Board of Directors will automatically come to an end at the close of the General Meeting of Shareholders held after the date on which the Chairman of the Board of Directors has reached the aforementioned age.

The Chairman of the Board of Directors shall organise and manage the work of the Board, about which he/she shall report to the General Meeting of Shareholders. He/she shall see to it that the bodies of the Company function properly and, specifically, ensure that the Board Members are able to do their work.

Board Meetings

The Board of Directors shall meet as often as required by the Company's interest, in response to a notice from its Chairman. Moreover, if the Board has not met for more than two months, Board Members who together constitute at least one third of the members of the Board may ask the Chairman to convene it for a specific agenda. The Chief Executive Officer may also ask the Chairman to convene the Board for a specific agenda.

Notices of meetings shall be given by any means, even orally.

Quorum – Majority – Minutes of meetings

The Board of Directors may deliberate validly if at least half of its members are present.

Decisions are made by a majority of the members present or represented.

In the event of a tie, the Chairman's vote shall be decisive.

In accordance with statutory and regulatory provisions and except for transactions indicated specifically by the applicable law, the Internal rules may provide that the Board Members who participate in the meeting by means of video conference or any other telecommunications technologies permitting their identification and guaranteeing their actual participation under the conditions set by the applicable regulations, shall be considered present for calculating the quorum and the majority.

Meetings of the Board of Directors shall be recorded in minutes, written in a special register numbered and initialled and kept at the registered office pursuant to regulatory provisions.

Representation

Any Board Member may, in writing, authorise another Board Member to represent him/her at a meeting of the Board.

During one and the same meeting, each Board Member may hold only one of the proxies received under the preceding paragraph.

These provisions shall be applicable to the permanent representative of a legal entity appointed as a Board Member.

Powers

The Board of Directors determines the priorities for the Company's business activities and ensures that they are implemented. Subject to the powers expressly vested in General Meetings of Shareholders and within the limit of the corporate purpose, it shall take up any question involving the proper operation of the Company and shall settle, by its deliberations, the matters that concern it.

In dealings with third parties, the Company shall be bound even by acts of the Board of Directors that do not fall within the corporate purpose, unless it can prove that the third party knew that the act exceeded that purpose or if the third party could not have been ignorant of that fact considering the circumstances. Mere publication of the By-laws shall not be sufficient to constitute such proof.

Committees

The Board may decide to create committees to study the questions that it or its Chairman submits for examination and opinion. The Board shall determine the composition and powers of the committees, which shall conduct their activity under its responsibility. It shall furthermore determine the remuneration of the persons who are members of the committees.

Compensation

The General Meeting of Shareholders may allocate to Board Members, in consideration for their activities, by way of Board Members' attendance fees, an annual fixed sum that the Meeting determines, without being bound by previous decisions.

The Board of Directors shall freely distribute among its members the total amounts allocated to the Board Members in the form of attendance fees.

The Board of Directors may allocate extraordinary compensation for duties or appointments assigned to Board Members under the conditions provided by law.

Board Members who are bound to the Company by an employment contract may receive compensation on the basis of that employment contract under the conditions provided by law.

The Board of Directors may authorise the reimbursement of travel costs and expenses incurred by the Board Members in the Company's interest.

Observer (*censeur*)

The position of Observer has been created.

This Observer position is reserved for the individual who holds the position of Executive Secretary of Eutelsat IGO and may only be exercised by this individual.

No person may be an Observer if he/she has any direct or indirect relationship with any direct or indirect competitor of any entity of the Eutelsat Group (Eutelsat Group being defined as Eutelsat Communications and all entities controlled directly or indirectly by Eutelsat Communications, including Eutelsat S.A., where "Control" has the meaning ascribed to such term in Article L. 233-3 of the French Commercial Code).

In the event of a vacancy in the position of Executive Secretary of Eutelsat IGO, the Observer's position shall remain vacant as long as the Executive Secretary position remains vacant.

The Observer shall be called to and may attend meetings of the Board of Directors and express his/her point of view on any item on the agenda, but he/she may not take part in the voting.

The Observer may not be represented at a meeting of the Board of Directors except, if it is impossible for him/her to attend a meeting, with the approval of the Chairman of the Board.

The Observer shall receive the same information and the same documentation as the Board Members, the afore-mentioned information and documentation being sent concurrently to the Board Members and Observer.

All the information brought to the attention of the Observer in connection with his/her duties shall be considered strictly confidential and he/she shall be bound by the same obligations as the Board Members (unless such information has fallen into the public domain).

No confidential information may be disclosed to a third party by the Observer without first having been authorised by the Chairman of the Board of Directors, the CEO if the latter is not the Chairman, or the Deputy CEO.

7.1.3.3 FORM OF SHARES – IDENTIFICATION OF SHAREHOLDERS (ARTICLE 10 OF THE BY-LAWS)

The shares shall be in registered or bearer form, at the option of each shareholder. They shall be recorded in an account pursuant to laws and regulations.

For purposes of identifying the holders of bearer shares, the Company shall have the right, at any time, in return for compensation at its expense, to ask the central depositary that keeps the Company's securities account, under current statutory and regulatory conditions, for information about the holders of shares that immediately or ultimately confer the right to vote at Meetings of Shareholders and the number of shares held by each of them and any restrictions that may affect such shares.

7.1.3.4 RIGHTS AND OBLIGATIONS ATTACHED TO SHARES (ARTICLE 12 OF THE BY-LAWS)

The shares shall be indivisible with respect to the Company.

The co-owners of undivided shares shall be represented at General Meetings of Shareholders by one of them or a single agent. In the event of disagreement, the agent shall be designated by a court of law at the request of the co-owner who acts first.

Each share confers the right to one vote at General Meetings of Shareholders. The By-laws impose no limit on voting rights.

The voting right shall belong to the beneficial owner at Ordinary General Meetings and to the owner of title at Extraordinary General Meetings. However, shareholders may agree among themselves to any other distribution for exercising the voting right at General Meetings of Shareholders, provided that the beneficial owner is not deprived of the right to vote on decisions concerning the profits. In this case, they must bring their agreement to the Company's attention by registered letter with acknowledgement of receipt sent to the head office. The Company shall be required to respect that agreement for any General Meetings held at least five days after receipt of the notice of that agreement.

Even deprived of the voting right, the owner of title of the shares shall always have the right to participate in General Meetings of Shareholders.

Each share shall give the right to a stake in the Company's assets, the liquidation surplus and the profits, in proportion to the percentage of the share capital that it represents.

Possession of a share shall automatically entail adherence to these By-laws and the resolutions duly adopted by the General Meeting of Shareholders.

Whenever it is necessary to own several shares in order to exercise any right, the owners of isolated shares or a number of shares less than the required number may exercise those rights only on the condition that they personally see to the pooling and, possibly, the purchase or sale of the required number of shares.

Each share is entitled, if applicable, to the dividend approved by the Annual General Meeting of Shareholders.

7.1.3.5 MODIFICATION OF THE RIGHTS ATTACHED TO SHARES

Modification of the rights attached to shares is subject to legal requirements, as the Company's By-laws do not contain any specific provisions in this respect.

7.1.3.6 GENERAL MEETINGS OF SHAREHOLDERS (ARTICLE 21 OF THE BY-LAWS)

The collective decisions of the shareholders shall be made in General Meetings of Shareholders under the conditions defined by law. Any General Meeting duly convened shall represent all shareholders of the Company.

The resolutions of the General Meetings shall be binding on all shareholders, even those who are absent, dissenting or deemed legally incapable.

General Meetings shall be called and convened under the conditions set by the law and the regulations.

Meetings shall take place at the registered office or at any other location stated in the convening notice.

Shareholders will have to produce evidence of their right to take part in General Meetings of the Company in accordance with the applicable regulations.

If not attending the General Meetings in person, a shareholder may choose between one of the following three options: give a proxy to any person of his choice, or vote by mail, or send a proxy to the Company without indicating any agent, under the conditions provided in the law and regulations.

An intermediary who has satisfied the applicable statutory provisions may, under a general power of attorney for management of securities, convey for a General Meeting the vote or the proxy of an owner of shares who does not have his/her domicile in French territory.

The Company shall have the right to ask the intermediary indicated in the preceding paragraph to furnish a list of the non-resident owners of the shares to which those voting rights are attached and the number of shares held by each of them.

Under the conditions set by the law and regulations, shareholders may send their proxy and voting forms concerning any General Meeting of Shareholders either in paper form or, by decision of the Board of Directors indicated in the convening notice, by remote transmission.

In the event of remote voting, only the forms received by the Company by 3:00 p.m. (Paris time), at the latest on the day before the General Meeting is held, shall be counted.

The Board of Directors may shorten or eliminate the time period indicated in the preceding section.

Legal representatives of shareholders deemed legally incapable and individuals representing legal-entity shareholders shall participate at the General Meetings, irrespective of whether or not they are themselves shareholders.

General Meetings of Shareholders shall be chaired by the Chairman of the Board of Directors or, in his absence, by a Board Member specially delegated for that purpose by the Board. Otherwise, the General Meeting itself shall elect its Chairman.

The duties of scrutineers shall be performed by the two members of the General Meeting present and accepting those duties, who have the largest number of votes. A secretary shall be designated who may be chosen from those who are not shareholders.

An attendance sheet shall be kept under the conditions provided by the law and regulations.

Minutes shall be kept and copies or extracts of the resolutions shall be issued and certified pursuant to the law and regulations.

Ordinary General Meetings and Extraordinary General Meetings shall meet on first call and, if applicable, on second call under the quorum conditions provided by law.

Resolutions of General Meetings shall be adopted under the majority conditions provided for by law.

Shareholders who participate in the Meeting by video conference or by telecommunications media making it possible to identify them under the conditions set by the regulations applicable at the time of its use shall also be considered present for calculating the quorum and majority.

Ordinary General Meetings and Extraordinary General Meetings shall exercise their respective powers under the conditions provided by law.

7.1.3.7 CROSSING OF STATUTORY THRESHOLDS (ARTICLE 11 OF THE BY-LAWS)

The shares shall be freely transferable, subject to statutory and regulatory provisions.

The assignment of shares, regardless of their form, shall occur by transfer from account to account under the conditions and according to the terms provided by law.

In addition to the legal obligations to report the crossing of thresholds or declaration of intent, any individual or legal entity, acting alone or in concert, that comes to possess, in any way, pursuant to Articles L. 233-7 *et seq.* of the French Commercial Code, directly or indirectly, a number of shares representing a stake equal to 1% of the capital and/or voting rights of the Company, must inform the Company of the total number of shares and voting rights that it possesses, and the number of securities that it owns that ultimately give access to the capital and the voting rights that are attached thereto, by registered letter with acknowledgement of receipt sent to the head office, or by any equivalent means for shareholders or bearers of securities domiciled outside France, within five stock exchange business days after that threshold is crossed. This information shall be renewed for the holding of each additional stake of 1% of the capital or voting rights without limitation.

This disclosure obligation shall apply under the same conditions as those stipulated above whenever the percentage of the share capital and/or voting rights possessed becomes less than a multiple of 1% of the capital or voting rights.

If not duly disclosed under the conditions stipulated above, the shares that exceed the percentage that should have been reported shall, upon request, be recorded in the minutes of the General Meeting, from one or more shareholders holding a percentage of the capital or the voting rights of the Company at least equal to 1%, be deprived of the voting right for any General Meeting of Shareholders that is held until the expiry of a period of two years following the date of rectification of the notice.

7.1.3.8 CHANGES IN THE SHARE CAPITAL (ARTICLE 8 OF THE COMPANY'S BY-LAWS)

The share capital may be increased, reduced or redeemed under the conditions set by law.

7.2 Other operational information

7.2.1 SATELLITE AND COMMUNICATIONS CONTROL

The Group's fleet is operated from control centres at the Group's head office in Paris and at the Rambouillet teleport, which the Group acquired from France Telecom in September 2004. There is full back-up between the Paris and Rambouillet facilities. The first control centre handles satellite telemetry and remote control "Satellite Control Centre" and the second is responsible for managing communications and space segment access from customers' terrestrial stations "Communications Control Centre". All software used to control the satellite platforms and communications payload was developed by companies in accordance with the Group's specifications.

The Group monitors its satellites and communications 24 hours a day, 365 days a year and, as of 30 June 2013, employed more than 100 expert technicians and engineers for this purpose.

The Group's satellite and communications control activities are certified ISO 9001 (quality management system).

ACTIVITIES OF THE SATELLITE CONTROL CENTRE

The Group managed the 28 satellites it owned as of 30 June 2013, with support from a contractor for EUTELSAT 12 West A and EUTELSAT 172A. Telstar 12 is controlled by Skynet, SESAT™ 2 by RSCC, while EUTELSAT 3A is controlled by China Satcom.

The Group's engineers regularly make minor positioning adjustments on each of the satellites controlled by the Group and perform East-West and North-South station-keeping manoeuvres. In addition, it is also possible to change the orbital position of a satellite so that it is able to serve new markets or provide in-orbit back-up capacity to another satellite.

Daily operations on the satellites, including the configuration of payloads and management of electrical power and propulsion systems, are controlled (*via* the Telemetry, Command and Ranging (TCR) station network) from the Satellite Control Centre.

The Group's satellites and communications control activities are certified ISO 27001 (security of information systems).

The satellite control centre is connected to a TCR (telemetry, command and ranging) station network to communicate with the satellites. The Rambouillet teleport contains the largest number of TCR stations. Furthermore, the Group has entered into long-term service agreements with five operators who provide capacity at their transmission/reception earth stations and perform telemetry and in-orbit monitoring operations. These contracts also cover the operation and maintenance of the Group's equipment installed at their sites. Under these contracts, the Group has extended control and supervision rights. These services are currently provided from TCR stations located in Sintra in Portugal, Dubna in Russia, Caniçal in Madeira, Makarios in Cyprus and Fucino in Italy. The different stations and control centres are all linked up with a network of protected and redundant voice/data lines. The network and the location of the sites were selected so that operations could be continued even if one of the sites were to become unavailable.

The Rambouillet teleport is also used for in-orbit positioning of new satellites joining the Group's fleet. LEOP ("Launch and Early Orbit Phase") operations on a geostationary satellite were successfully performed for the first time from Rambouillet for the EUTELSAT 7A satellite in March and April 2004. Since then, LEOP operations have been carried out from the Rambouillet site for all satellites except for EUTELSAT 16A, for which LEOP operations were conducted by Thales Alenia Space manufacturer following its launch in October 2011.

ACTIVITIES OF THE COMMUNICATIONS CONTROL CENTRE (CSC)

Payload control is carried out for all satellites and transponders whose capacity is marketed by the Group, including satellites owned by other companies. The Group has a set of facilities at its Paris and Rambouillet sites for this purpose. In addition to these facilities, the Group has service contracts with operators of 13 sites worldwide, selected according to the geographical coverage of the satellites. These sites are in São Paulo (Brazil) for South America, Hauppauge (New York, USA) for North America, Makarios (Cyprus) for the Eastern Mediterranean and Middle East regions, Doubna (Russia), Hartebeesthoek (South Africa) for sub-Saharan Africa, Singapore for the Far East, Yaoundé (Cameroon) for Western Africa and Dubai (United Arab Emirates) for beams covering North Africa and the Arabian peninsula, Mauritius for the Indian Ocean and Cagliari (Sicily) for the Western Mediterranean and North Africa, Yamaguchi in Japan for the North of the Pacific Ocean and the West of Asia, Noumea in New Caledonia for the South of the Pacific Ocean and Madagascar in order to reinforce the facilities in île Maurice. The last two sites are heavily impacted by violent weather conditions. At each site, the Group has installed the equipment needed to monitor the quality of services provided to its customers. Service contracts cover the hosting of this equipment and first-level work performed by site operators.

In addition to this infrastructure, Eutelsat also operates nine other sites dedicated to the control of EUTELSAT KA-SAT 9A.

All equipments are managed automatically and centrally by the Communications Control Centre (CSC), which has been based at the Rambouillet teleport since December 2007, with a back-up centre in Paris. The two centres are connected to each other and to each monitoring site *via* a network of protected and redundant voice/data communication lines.

7.2.2 TECHNICAL FAILURES AND LOSS OF EQUIPMENT

The theoretical length of operation in stable orbit of the Group's satellites is generally between 12 and 15 years. However, because of the launch configuration and the remaining estimated propellant on-board after positioning the satellite, the operational lives of the Group's most recently launched satellites (EUTELSAT 7A, EUTELSAT 9A, EUTELSAT HOT BIRD 13B and 13C, EUTELSAT 3C, EUTELSAT 10A, EUTELSAT 36B and EUTELSAT KA-SAT 9A, EUTELSAT 7 West A,

EUTELSAT 16A, EUTELSAT 21B, EUTELSAT 70B and EUTELSAT 3D) were estimated between approximately 14 years and more than 20 years once they became operational. A number of factors can reduce the operating life of a satellite and/or affect its transmission capability, including:

- defects in the quality of the satellite's on-board components or equipment;
- defects concerning construction or operability;
- excessive fuel consumption in reaching the desired orbital position and maintaining the satellite on station or relocating it to a new orbital position; and
- damage caused by electrostatic or solar storms, or by collision with micro-meteorites or space debris.

The Group believes that on the whole, its fleet of satellites is in good operating condition. Some of the Group's satellites, however, have experienced equipment failure and are currently operating with their back-up equipment.

TECHNICAL FAILURES AND LOSS OF EQUIPMENT IN-ORBIT FOR GROUP-OWNED SATELLITES

In 1999, the Group experienced operational anomalies on its EUTELSAT 16B and EUTELSAT 25A satellites due to a faster-than-expected deterioration in some solar panels (the power source for satellites). To date, these defects have only had a limited impact on the satellites (four transponders were shut down on each satellite).

The EUTELSAT 12 West A satellite has suffered a number of failures since it began operational service in October 2002. All necessary measures have been taken to solve the problems encountered.

Additionally, the EUTELSAT 5 West A and EUTELSAT HOT BIRD 13A satellites experienced a minor reduction in battery power (the reduction in battery power of EUTELSAT 5 West A was caused by the loss of six cells out of 108 during the eclipse period in March-April 2004). These batteries provide satellites with energy during the two annual eclipse periods. A loss of cells leads to a reduction in the electrical power of satellites and may result in reduced transmission capabilities during such periods. To date, these failures have only had a very limited impact on the overall performance of satellites during eclipses.

On 16 June 2008, EUTELSAT 70A suffered an anomaly in one of its power generation sub-systems. The satellite's power sub-system was stabilised following a technical investigation carried out jointly with the manufacturer, Thales Alenia Space. However, the default reduced the satellite's capacity from 24 to 20 transponders in current operating conditions, and reduced its estimated remaining in-orbit life by 12 months.

The performance of the EUTELSAT 28B satellite, which was launched on 20 December 2008, does not comply with the specifications established with its manufacturer EADS Astrium/ISRO Antrix because of a major anomaly affecting its electrical power sub-system. This default came to light on 22 January 2009 while the satellite was being transferred from its test position to its planned operational position. A claim for total loss was filed with the insurance company, which refunded the total claim during the financial year 2008-2009.

In-orbit testing of EUTELSAT 10A's S-band payload belonging to Solaris Mobile Ltd (joint venture with SES Astra) revealed an anomaly with this payload's coverage and power. This required further testing to be carried out with Thales Alenia Space manufacturer. Since the satellite's S-band payload does not comply with its contractual specifications, Solaris Mobile Ltd filed a claim for constructive total loss with its insurers, who refunded the full claim during the financial year 2009. This incident does not affect the non-S-band operations and performance of the satellite.

On 18 April 2012, the EUTELSAT 33A satellite lost one of two telemetry transmitters that also function as beacons transmitted by this satellite. The loss of this equipment has no impact on the quality of service provided by the satellite. Should the remaining transmitter be lost, EUTELSAT 33A's mission would be terminated.

On 4 September 2012, a 42-minute transmission cut occurred on EUTELSAT 16A. The cut was due to the excessively sensitive on-board system used for detecting pointing loss. The on-board software has been modified to avoid such excessive sensitivity on the satellite as well as on other satellites of the fleet equipped with the same on-board software.

On 28 November 2012, EUTELSAT 3C suffered an anomaly on one of the sensors used to detect Earth. The on-board software automatically replaced the sensor with the redundant equipment. Eutelsat is developing methods for stabilising the satellite in order to be protected in case of possible problems with the active sensor.

LAUNCH FAILURES

Since it began its activities (including the period prior to the Transformation), the Group has lost three satellites as a result of launch failures (Eutelsat I-F3 in September 1985, Eutelsat II-F5 in January 1994 and HOT BIRD™ 7 in December 2002).

In October 2010, the Group reported the loss of the W3B satellite following an operating malfunction observed on the satellite's propulsion sub-system after its launch by an Ariane 5 rocket.

TECHNICAL FAILURES AND LOSS OF EQUIPMENT AFFECTING SATELLITES LEASED BY THE GROUP

The Group has no knowledge of technical defaults or loss of equipment affecting satellites leased from third parties.

Under its capacity lease agreements, the Group can request compensation if there is any interruption in the capacity's availability or deterioration in the transponders. The amount of such compensation, which is limited to a certain amount per year, is calculated on the basis of the frequency and duration of the interruptions affecting the transponders leased. Moreover, certain agreements provide that the Group may, in the event of specific malfunctions and if no other capacity is provided, terminate the entire allotment agreement or the lease covering the affected transponder without penalties being incurred. In such cases, the Group can request reimbursement of that part of the lease cost corresponding to the period in which it was unable to make use of the capacity.

7.2.3 SATELLITE END-OF-LIFE

After their remaining fuel has been used up, satellites at the end of their operational lives are de-orbited and placed in a graveyard orbit situated above the geostationary satellite orbit.

The Group complies with the principles discussed at international level by the Inter-Institution Coordination Committee on Space Debris and the United Nations Committee on the Peaceful Uses of Outer Space as well as the new French Space Operations Act, which came into force in December 2010.

In the financial year ended 30 June 2013, no satellite has come to the end of its operational life.

7.3 Principal shareholders

7.3.1 BREAKDOWN OF OWNERSHIP AND STRUCTURE AND VOTING RIGHTS

The following table shows the changes to Eutelsat Communications' ownership structure reported to the Company over the past three financial years:

	30 June 2013		30 June 2012		30 June 2011	
Shareholders	**Number of shares and voting rights**	**As a percentage**	**Number of shares and voting rights**	**As a percentage**	**Number of shares and voting rights**	**As a percentage**
Abertis Telecom S.A.U.	11,027,890	5.01%	18,396,773	8.35%	69,022,989	31.36%
China Investment Corporation (CIC)	15,541,767	7.06%	15,541,767	7.06%	-	-
Fonds Stratégique d'Investissement (FSI) (Bpifrance Participations since 12 July 2013)	56,399,660	25.62%	56,399,660	25.62%	56,399,660	25.62%
Radio Televizijia Slovenia	1,212,000	0.55%	1,619,724	0.74%	1,894,724	0.86%
Entreprise des Postes et Telecoms (Luxembourg)	2,395,886	1.09%	2,395,886	1.09%	2,395,886	1.09%
Other minority shareholders[1]	3,227,077	1.47%	3,227,577	1.47%	3,227,577	1.47%
Free float	128,169,780	58.23%	120,096,146	55.02%	85,628,543	38.90%
Employees and senior managers	2,139,922	0.97%	1,436,449	0.65%	1,544,603	0.70%
Total shares	**220,113,982**	**100%**	**220,113,982**	**100%**	**220,113,982**	**100%**

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

At the filing date of this Reference Document, the share capital is made up of ordinary shares, all of the same class, entitling the bearer to one vote per share. For this reason, the main shareholders in the Company do not enjoy preferential voting rights.

In addition, Blackrock Inc. declared that it owned 11,101,764 shares, representing 5.04% of the Company's share capital, as of 3 October 2013.

To the best of the Company's knowledge, no other shareholders own, directly or indirectly, more than 5% of its share capital or voting rights at the date of this Reference Document.

To the best of the Company's knowledge, there are no other shareholders holding registered shares who own more than 1% of the Company's share capital at the date of this Reference Document. However, other bearer shareholders have reported to the Company that they have crossed thresholds exceeding 1% of the share capital and may therefore hold at least 1% of the Company's capital.

7.3.2 CROSSING OF DISCLOSURE THRESHOLDS

To the best of the Company's knowledge, no shareholder, acting alone or in concert, holds more than 50% of the shares bearing voting rights in the Company, and no shareholder, alone or in concert, controls the Company within the meaning of Article L. 233 *et seq.* of the French Commercial Code.

Pursuant to Article 12 of the By-laws, the Company has been notified and the Board of Directors informed of the following crossings of threshold:

Crossing of disclosure thresholds	
4 October 2013	Notification of the upward crossing of the 5% threshold in terms of Company capital and voting rights by Blackrock Inc., which owns 11,030,133 shares, representing 5.01% of the Company's share capital. In addition, Blackrock Inc. declared that it owned 11,101,764 shares, representing 5.04% of the Company's share capital, as of 3 October 2013
3 September 2013	Notification of the downward crossing of the 5% threshold in terms of Company capital and voting rights by Blackrock Inc., which owns 10,997,746 shares, representing 4.99% of the Company's share capital
3 September 2013	Notification of the upward crossing of the 1% threshold in terms of Company capital and voting rights by Crédit Suisse Group AG, which owns 2,263,080 shares, representing 1.03% of the Company's share capital
23 August 2013	Notification of the upward crossing of the 5% threshold in terms of Company capital and voting rights by Blackrock Inc., which owns 11,032,724 shares, representing 5.01% of the Company's share capital
22 August 2013	Notification of the upward crossing of the 1% threshold in terms of Company capital and voting rights by Commonwealth Bank of Australia, which owns 2,202,823 shares, representing 1.00% of the Company's share capital
21 August 2013	Notification of the downward crossing of the 1% threshold in terms of Company capital and voting rights by Governement of Singapore Investment Corporation (GIC), which owns 2,112,361 shares, representing 0.9597% of the Company's share capital
5 July 2013	Notification of the downward crossing of the 1% threshold in terms of Company capital and voting rights by Franklin Resources Inc., which owns 2,055,000 shares, representing 0.93% of the Company's share capital
23 May 2013	Notification of the downward crossing of the 1% threshold in terms of Company capital and voting rights by Threadneedle Asset Management Holdings Ltd, which owns 2,021,422 shares, representing 0.918% of the Company's share capital
30 April 2013	Notification of the downward crossing of the 2% threshold in terms of Company capital and voting rights by Franklin Resources Inc., which owns 4,396,161 shares, representing 1.99% of the Company's share capital
11 April 2013	Notification of the downward crossing of the 3% threshold in terms of Company capital and voting rights by Norges Bank Investment Management (NBIM), which owns 6,410,958 shares, representing 2.91% of the Company's share capital
14 March 2013	Notification of the upward crossing of the 1% threshold in terms of Company capital and voting rights by Government of Singapore Investment Corporation (GIC), which owns 2,214,910 shares, representing 1.00% of the Company's share capital
7 March 2013	Notification of the downward crossing of the 1% threshold in terms of Company capital and voting rights by Crédit Suisse Group AG, which owns 1,666,451 shares, representing 0.76% of the Company's share capital
20 February 2013	Notification of the downward crossing between 9% and 8% thresholds, by 1% successive instalments in terms of Company capital and voting rights by Abertis Telecom,which owns 12,266,598 shares, representing 5.57% of the Company's share capital
7 February 2013	Notification of the downward crossing of the 1% threshold in terms of Company capital and voting rights by Government of Singapore Investment Corporation (GIC), which owns 2,168,737shares, representing 0.98% of the Company's share capital
23 January 2013	Notification of the upward crossing of the 1% threshold in terms of Company capital and voting rights by BNP Paris Asset Management, which owns 2,479,918 shares, representing 1.12% of the Company's share capital
11 December 2012	Notification of the upward crossing of the 1% threshold in terms of Company capital and voting rights by Government of Singapore Investment Corporation (GIC), which owns 2,211,767 shares, representing 1.00% of the Company's share capital
3 December 2012	Notification of the downward crossing of the 1% threshold in terms of Company capital and voting rights by BNP Paris Asset Management, which owns 1,923,611 shares, representing 0.87% of the Company's share capital
27 November 2012	Notification of the downward crossing of the 2% threshold in terms of Company capital and voting rights by Threadneedle Asset Management Holdings Limited, which owns 4,293,440 shares, representing 1.95% of the Company's share capital
26 November 2012	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 1,851,852 shares, representing 0.84% of the Company's share capital
23 November 2012	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 2,983,258 shares, representing 1.36% of the Company's share capital

Crossing of disclosure thresholds	
21 November 2012	Notification of the upward crossing of the 1% threshold in terms of Company capital and voting rights by Crédit Suisse Group AG, which owns 2,560,050 shares, representing 1.16% of the Company's share capital
19 November 2012	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 6,199,090 shares, representing 2.82% of the Company's share capital
16 November 2012	Notification of the upward crossing of the 1% threshold in terms of Company capital and voting rights by BNP Paribas Asset Management, which owns 2,242,128 shares, representing 1.01% of the Company's share capital
5 November 2012	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 4,538,458 shares, representing 2.06% of the Company's share capital
30 October 2012	Notification of the downward crossing of the 5% threshold in terms of Company capital and voting rights by Blackrock Inc., which owns 10,668,308 shares, representing 4.85% of the Company's share capital
24 October 2012	Notification of the upward crossing of the 1% threshold in terms of Company capital and voting rights by UBS Investment Bank, Wealth Management and Corporate Centre, which owns 2,846,026 shares, representing 1.29% of the Company's share capital
1 October 2012	Notification of the downward crossing of the 1% threshold in terms of Company capital and voting rights by BNP Paris Asset Management, which owns 2,120,691 shares, representing 0.96% of the Company's share capital
25 September 2012	Notification of the upward crossing of the 1% threshold in terms of Company capital and voting rights by BNP Paris Asset Management, which owns 2,258,943 shares, representing 1.02% of the Company's share capital
24 September 2012	Notification of the downward crossing of the 3% threshold in terms of Company capital and voting rights by Franklin Resources Inc., which owns 6,572,571 shares, representing 2.98% of the Company's share capital
21 September 2012	Notification of the downward crossing of the 1% threshold in terms of Company capital and voting rights by BNP Paris Asset Management, which owns 2,169,908 shares, representing 0.98% of the Company's share capital
2 July 2012	Notification of the downward crossing between 15% and 9% thresholds, by 1% successive instalments in terms of Company capital and voting rights by Abertis Telecom, which owns 18,396,773 shares, representing 8.35% of the Company's share capital

At the filing date of this document, the Company had not been notified of any other crossings, whether upwards or downwards, of legal or statutory disclosure thresholds in the Company's capital.

7.3.3 SECURITIES TRANSACTIONS BY CORPORATE OFFICERS

Declarations of securities trading by corporate officers	
13 August 2013	Michel de Rosen and related party(ies): acquisition of 17,457 shares
12 August 2013	Michel de Rosen and related party(ies): acquisition of 16,043 shares
16 November 2012	Michel de Rosen and related party(ies): acquisition of 8,545 shares

7.3.4 SHAREHOLDERS' AGREEMENTS

To the best of the Company's knowledge, there are no shareholders' agreements, actions in concert or any other form of agreement, the subsequent implementation of which might lead to a change in the control of the Company.

7.3.5 AGREEMENTS LIKELY TO LEAD TO A CHANGE IN CONTROL OF THE COMPANY

At the filing date of this Reference Document, the Company has no knowledge of any agreement, shareholders' agreement, or clause of any convention providing for preferential conditions for disposing of or acquiring shares in the Company involving at least 5% of the capital or voting rights in the Company, the implementation of which could lead, at a later date, to the Company being taken over.

7.4 Organisational chart

During the financial year ended 30 June 2013 Eutelsat S.A. developed its commercial subsidiaries in order to meet at the best the expectations and needs of the Group's customers in their various markets.

As of 30 June 2013, Eutelsat Communications S.A. owned directly or indirectly 29 subsidiaries and held 10 equity interests.

The simplified organisational chart below reflects the Group at 30 June 2013. The complete list of the companies consolidated within Eutelsat Communications as at 30 June 2013 is provided in Note 30 of the Group's consolidated accounts in Section 6.2 "Consolidated financial statements as of 30 June 2013" in the Notes to this report.

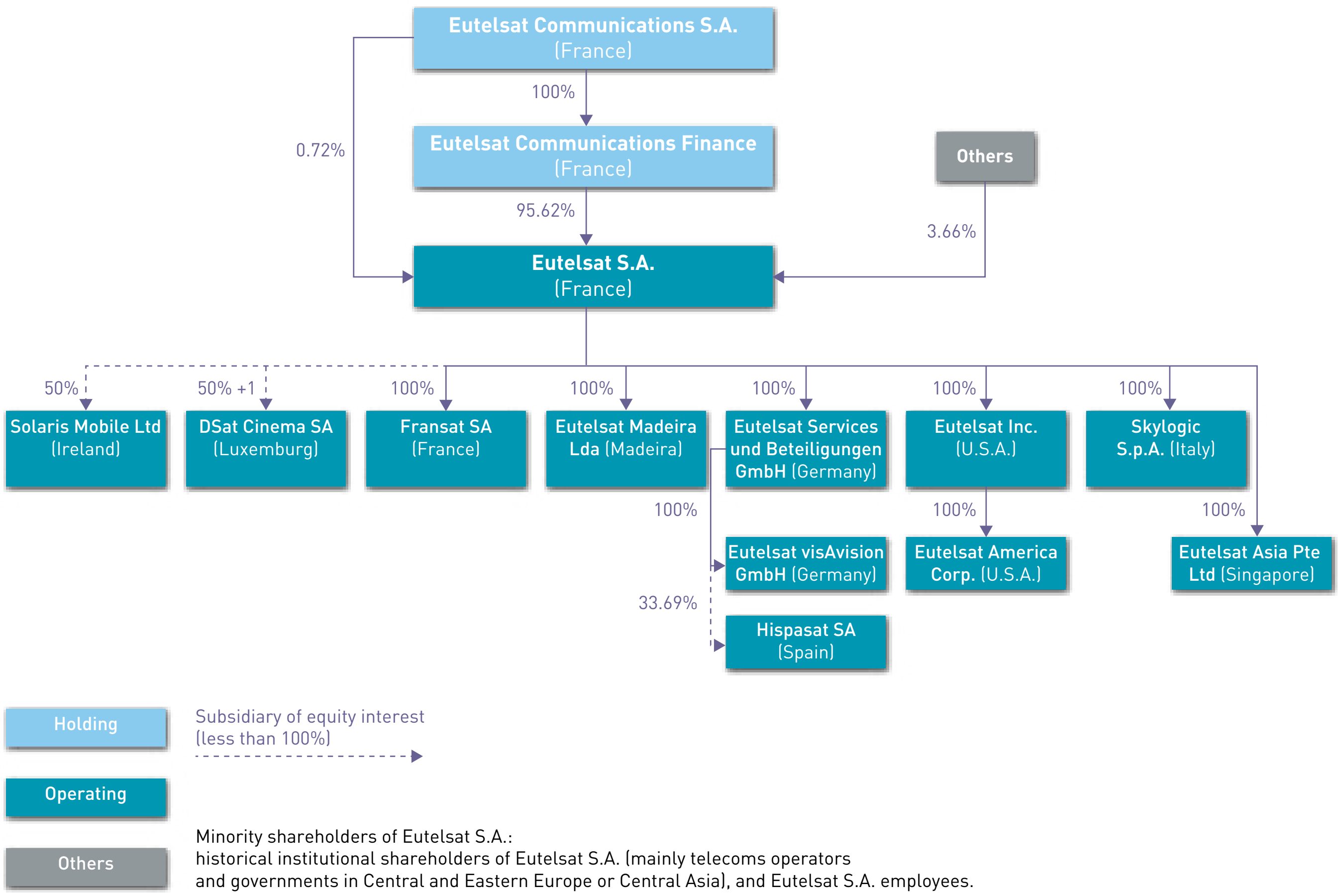
Eutelsat Communications is a holding company with no operational role other than its direct and indirect interest in Eutelsat S.A.

The companies' revenues and results shown in Section 7.4.2 "Main subsidiaries and equity interests" are based on the companies' annual accounts in accordance with applicable local accounting standards. These figures are not representative of the contribution from these companies to the financial indicators of the Group's consolidated performance.

The list of offices held by the management of the Company within the Group is provided in section 2.2 "Key management personnel" of this Reference Document.

7.4.1 THE GROUP'S SIMPLIFIED ORGANISATIONAL CHART

THE SIMPLIFIED ORGANISATIONAL CHART BELOW DEPICTS THE EUTELSAT GROUP AS AT 30 JUNE 2013



Information on the agreements between the Company and its various subsidiaries is provided in Section 7.9 "Related Party Transactions" in this Reference Document.

7.4.2 MAIN SUBSIDIARIES AND EQUITY INTERESTS

The Group's main operating subsidiaries are Eutelsat S.A. (France), Skylogic S.p.A. (Italy), Eutelsat Madeira Lda (Madeira), Eutelsat Services und Beteiligungen GmbH (Germany) and Fransat SA (France) – all 100% directly owned by Eutelsat S.A. – and Eutelsat America Corp. (United States of America), an indirect 100% subsidiary of Eutelsat S.A., held through Eutelsat Inc. (United States of America).

The Group's main equity interests are Solaris Mobile Ltd (Ireland), Hispasat (Spain) and DSat Cinema S.A. (Luxembourg).

Furthermore, and in order to develop its international activities, the Group owns a number of operating subsidiaries which represent and promote the services of Eutelsat S.A. Nevertheless, their revenues and net incomes are not significant

7.4.2.1 EUTELSAT COMMUNICATIONS FINANCE S.A.S. AND EUTELSAT S.A.

Eutelsat Communications Finance S.A.S. (France)

Established in June 2006 and fully-owned (100%) by Eutelsat Communications, Eutelsat Communications Finance S.A.S. is a French "*société par actions simplifiée*" (joint-stock company) whose registered office is located at 70, rue Balard, 75015 Paris. Its purpose is to hold 95.62% of Eutelsat S.A.'s share capital.

Based on the projected results of Eutelsat Communications Finance for the financial year 2012-2013, two interim dividends were paid to Eutelsat Communications during the financial year:

- a first interim dividend of 215 million euros, under a decision dated 7 November 2012, based on interim financial statements at 31 October 2012 showing distributable income of 235.6 million euros; and
- a second interim dividend of 20 million euros, under a decision dated 8 March 2013, based on interim financial statements at 28 February 2013 showing distributable income of 58.8 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 at 70 rue Balard – 75015 Paris.

As of 30 June 2013, Eutelsat Communications owned directly and indirectly, 96.34% of the capital of Eutelsat S.A., through which it controls several subsidiaries and equity interests.

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

The table below presents the revenues and the net result of Eutelsat Communications Finance and Eutelsat S.A. as of 30 June 2013:

(in millions of euros)	30 June 2013 Eutelsat Communications Finance S.A.S.	30 June 2013 Eutelsat S.A.
Revenues	-	1,206.1[1]
Net income	266.8	376.3

(1) Non-consolidated revenues based on annual financial statements for the period ended 30 June 2013, including billings to subsidiaries, equity interests and affiliates, but excluding revenues from subsidiaries, equity interests or affiliates of Eutelsat S.A.

7.4.2.2 MAIN SUBSIDIARIES OF EUTELSAT S.A.

Eutelsat America Corp. (USA)

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 100% owned by Eutelsat Inc., which itself is 100% owned by Eutelsat S.A.

Skylogic S.p.A. (Italy)

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

Over the first half of the year, Skylogic S.p.A.'s activity focused mainly on marketing its D-STAR™ service and on advancing the technical activities for the development of Tooway™.

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

Skylogic S.p.A. owns 10 subsidiaries and five equity interests, among which:

- Skylogic Mediterraneo S.r.l. (Italy), a directly-owned 100% subsidiary of Skylogic S.p.A. that operates a teleport in Sardinia;
- seven directly-owned 100% subsidiaries of Skylogic S.p.A., incorporated in each country (outside Italy) where the gateways which are 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), with direct equity interest of 70% held by Skylogic S.p.A. and of 30% held 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 10 A since April 2009 for Africa and the Portuguese-speaking regions, and in January 2012 on the EUTELSAT 16A satellite, for Africa and the Indian Ocean islands.

Eutelsat Services und Beteiligungen GmbH and Eutelsat Visavision GmbH (Germany)

Eutelsat Services und Beteiligungen GmbH is a 100% directly-owned subsidiary of Eutelsat S.A. Its' fully-owned subsidiary VisAvision GmbH (Germany) is in charge of promoting the KabelKiosk service in Germany. This service consists of providing satellite capacity and associated dedicated services for a bouquet of channels (including ethnic channels) marketed by regional cable-TV operators to their subscribers.

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 December 2001 (for 21.15% of the share capital). It was then increased by 6.54% in April 2002 (to 27.69% of the share capital) and then transferred in full to Eutelsat Services Beteiligungen GmbH in 2003. On 18 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)

Eutelsat Asia Pte Ltd (initially named Eutelsat Singapore Pte Ltd) was incorporated in June 2012, aimed to hold and control the EUTELSAT 172A satellite from the second half of 2013. In that perspective, the share capital was converted into U.S. dollars and increased to 228 million U.S. dollars (from 1 SG dollar). The capital increase was entirely taken up by Eutelsat S.A.

Fransat S.A. (France)

Incorporated in 2009, Fransat S.A. is a 100% directly-owned subsidiary of Eutelsat S.A. It is responsible 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), for promoting this offer towards broadcasters with a view to include additional free-to-air channels, and finally to provide the technical means to integrate new channels (free-to-air or not) as a complement to the Fransat offering.

Revenues and net results of the main subsidiaries of Eutelsat S.A.

The table below presents the revenues and the net results of the main subsidiaries of Eutelsat S.A.:

	30 June 2013						
(in millions of euros)	Eutelsat America Corp.	Skylogic S.p.A.	Eutelsat Madeira Lda.	Eutelsat visAvision GmbH	Eutelsat Services und Beteiligungen GmbH	Fransat S.A.	Eutelsat Asia Pte Ltd
Revenues	153.8	95.4	27.7	6.8	2.4	7.4	31.9
Net income	1.3	40.8	9.1	0.6	3.3	-	6.7

7.4.2.3 MAIN EQUITY INTERESTS OF EUTELSAT S.A.

Hispasat S.A. (Spain)

As of 30 June 2013, Eutelsat S.A. indirectly owned, through its subsidiary Eutelsat Services und Beteiligungen GmbH, 33.69% of Hispasat's share capital and voting rights. As of 31 December 2012, Hispasat S.A. posted revenues of 200.3 million euros and a net income of 51.4 million euros.

The following table shows a summary of Hispasat group's annual data for the year ended 31 December 2012 (latest data published by Hispasat):

(in millions of euros)	31 December 2011	31 December 2012
Assets	1,072.7	1,145.6
Equity	594.3	631.3
Revenues	182.4	200.3
Net income	56.1	51.4

Solaris Mobile Ltd (Ireland)

Under a joint-venture agreement signed with SES Astra S.A. in March 2008, Eutelsat S.A. directly holds 50% of the share capital and the voting rights of Solaris Mobile Ltd.

The company's mission was to supply S-band services on the EUTELSAT 10A satellite enabling the marketing of television, video and radio services, as well as bidirectional communications on mobile equipment such as telephones, computers and multimedia readers.

As of 30 June 2013, this company posted revenues of 0.1 million euros and a net loss of 3.9 million euros.

7.4.3 GROUP CASH FLOW

At the filing date of this Reference Document, there are no contractual relationships generating significant cash flow aside from the cash flows generated under the service agreements and centralised cash management agreements signed within the Group. Cash flows having been the subject of regulated agreements and commitments are presented in the Statutory Auditors' report figuring in Appendix 5 of this Reference Document.

The following table summarises relations between the Company and its subsidiaries as of 30 June 2013:

Consolidated items (except dividends) (in millions of euros)	Eutelsat S.A. (sub-group)	Eutelsat Communications Finance	Eutelsat Communications	Consolidated total
Non-current assets (incl. goodwill)	5,028	-	4	5,032
Debt (owed to non-Group entities)	2,087	-	800	2,887
Cash assets on balance sheet	216	-	32	248
Cash flow from operating activities	777	(5)	44	816
Dividends paid to the Company	2	235	-	237

7.5 Legal and arbitration proceedings

The Group is involved in a number of cases of litigation in the normal course of its business. The Company has set up provisions that are considered to be adequate to cover the costs deemed to be likely by the Company and its advisers.

On 6 April 2011, Eutelsat initiated a request for arbitration before the International Chamber of Commerce against Deutsche Telekom and Media Broadcast to enforce its rights at the orbital position 28.5° East. The rights to certain frequencies at this orbital position are currently exploited by Eutelsat under an agreement dated June 1999 between Eutelsat and Deutsche Telekom whose satellite activity has since been transferred to Media Broadcast. Pursuant to a settlement agreement signed between Eutelsat S.A. and Deutsche Telekom on 7 February 2013, the Court of Arbitration terminated the arbitration proceedings between the two companies. Without deciding on the merits, the Court of Appeal dismissed the action for annulment of the Arbitration Court's decision that the arbitration proceeding was unenforceable against Media Broadcast. On 16 October 2012, Eutelsat filed a request for arbitration against SES before the International Chamber of Commerce. This request is grounded on a breach by SES of the Intersystem Coordination Agreement signed with Eutelsat in 1999, whose object is to coordinate Eutelsat's and SES's respective operations at several orbital positions, including 28.2° East and 28.5° East. The International Chamber of Commerce (ICC) of Paris has drawn its conclusions on the first phase of the arbitration initiated by Eutelsat Communications against SES in October 2012 (see Section 7.10 "Significant changes in financial and commercial position" in this Reference Document).

To the Company's knowledge, there are no other governmental, judicial or arbitration proceedings pending or threatened against the Company that are likely to have a material impact on the financial position or profitability of the Company and/or the Group, or that effectively had such a material impact over the past 12 months.

7.6 Group property and equipment

The registered office of the Company and of Eutelsat S.A. is located at 70, rue Balard, 75015 Paris.

In August 2009, Eutelsat S.A. negotiated the early renewal of the lease on the building for a nine-year period, including a fixed term of six years and five months during which the lease cannot be terminated.

Eutelsat entered on 1 August 2012 into a lease agreement for one floor at the "Tour Cristal", a building situated at 21, quai André Citroën, 75015 Paris. The length of the rental period was calculated on the one of the lease for the registered office.

The Rambouillet teleport, owned by Eutelsat since 2004, notably serves as a back-up control and satellite telecommunications centre, to be used in the event of a failure at the control centres located in Eutelsat S.A.'s technical control facility in Paris. This teleport also has the technical resources required to deliver Value-Added Services. It hosts, amongst other things, a D-STAR™ platform and the EutelTRACS platform. Furthermore, this teleport enables the Group to offer uplink/downlink services to its clients, including for Video Applications or hosting operator platforms for satellite communications networks.

Skylogic S.p.A. has owned a teleport in Turin (Italy) since 2005. Skylogic Mediterraneo S.r.l., a company based in Cagliari (Italy) and wholly owned by Skylogic S.p.A. also owns a teleport which operates, notably, C-band, Ku-band, Ka-band and S-band services.

Since early 2009, Eutelsat do Madeira has occupied a 5,000 m^2 site in Eastern Madeira where it has built a satellite control centre whose first phase was completed in June 2010.

As of 30 June 2013, the Group also has 26 geostationary satellites in stable orbit, which are described in Section 1.4 "In-orbit operations".

7.7 Research and development, patents and licenses

When the IGO was operating as an intergovernmental organisation, its strategy was to secure for itself and for its signatories, on conditions that varied in accordance with the use of intellectual property, a free licence for any intellectual property (notably in respect of invention patents and software) developed under contracts financed by the IGO. Its status as an international organisation prevented it from filing patent applications for technologies developed jointly with third parties. At the time of the Transformation on 2 July 2001, all intellectual property developed by the IGO was transferred to Eutelsat S.A., which is now the owner thereof.

As regards trademarks, the IGO had assembled a portfolio prior to July 2001. This portfolio was transferred to Eutelsat S.A. under the contribution agreement.

At the date of this Reference Document, the Group owned 35 patent families, one of which is held on a co-ownership basis with Invacom Ltd (UK), and one in co-ownership with the company Calearo Antenne S.p.A. (Italy), and one in co-ownership with the *Commissariat à l'énergie et aux energies alternatives* (France).

At the date of this Reference Document, the Group owns 59 trademarks.

The Group spent 10.1 million euros on research and development during the financial period ended 30 June 2013, including 9.1 million euros on development costs recorded as intangible assets.

As of 30 June 2013, patents, licenses and brands were accounted for as intangible assets for a total amount of 56.3 million euros.

7.8 Important contracts

7.8.1 CONTRACTS CONCERNING SATELLITES

During the financial year 2012-2013, the Group signed the following satellite procurement contracts:

- In September 2012, EUTELSAT 8 West B was ordered from Thales Alenia Space;
- In November 2012 and in June 2013, the Group signed long-term lease agreements with RSCC for capacities on the satellites Express-AT1, Express-AT2 and EUTELSAT 36C;
- In June 2013, EUTELSAT 65 WEST A was ordered from Space Systems/Loral.

During the financial year 2011-2012, the Group signed the following satellite procurement contracts:

- In July 2011, EUTELSAT 3B was ordered from EADS Astrium.

During the financial year 2010-2011, the Group signed the following satellite procurement contracts:

- In July 2010, EUTELSAT 25B was ordered jointly with ictQATAR from Space Systems/Loral;
- in November 2010, EUTELSAT 3D (ex-EUTELSAT 7B/W3D) was ordered from Thales Alenia Space following the loss of the W3B in-orbit;
- in October 2011, EUTELSAT 9B was ordered from EADS Astrium.

MAIN PROVISIONS OF SATELLITE PROCUREMENT AND LAUNCH CONTRACTS

The Group is entitled to closely monitor all the tasks carried out as part of these manufacturing contracts, including the design, assembly and testing phases as well as construction. To this end, some engineers of the Group are assigned to the production site. Such supervision allows the Group to ensure that its high standards concerning quality and its technical specifications are met at all stages of the satellite's construction. Furthermore, by virtue of these procurement contracts, the constructors provide a number of in-orbit support services.

IN-ORBIT INCENTIVE PAYMENTS

The Group's satellite procurement contracts also contain a provision for in-orbit incentive payments whereby the manufacturer is paid a portion of the procurement cost throughout the estimated contractual life of the satellite on the basis of the satellite's compliance with the technical and contractual specifications.

In the most recent contracts, the Group has agreed to pay the price for the satellite in full, including the amount allocated for incentive payments and the acceptance review at the time the satellite is brought into operation. However, the Group is entitled to reimbursement of part of the sums paid if the satellite does not meet the technical specifications, or in the event of malfunction. The contracts also contain penalty clauses which become applicable in the event of late delivery.

In cases where delivery is more than six months late, the Group may cancel satellite procurement contracts on the grounds that the supplier has not fulfilled its contractual obligations.

LAUNCH SERVICE CONTRACTS

The Group has entrusted the launch services for its satellites under construction to Arianespace, Sea Launch A.G. and International Launch Services. The fact of having at least three launch service suppliers gives the Group additional flexibility and security to ensure that its satellites under construction will be launched within the scheduled time limits.

During the financial year 2012-2013, the satellite EUTELSAT 21B was launched by the launcher Ariane 5, which is operated by the company Arianespace. Furthermore the satellite EUTELSAT 70B was launched by launcher Zenit 3SL operated by Sea Launch A.G., the satellite EUTELSAT 3D has been put in-orbit by the launcher Proton M/Breeze M, commercialized by International Launch Services.

Under the terms of these launch service contracts, the Group can delay or cancel a launch with or without giving reasons. In the event of a cancellation supported by a reason, the Group is entitled to full reimbursement of any sums paid to the launch service provider.

7.8.2 ALLOTMENT AGREEMENT WITH THIRD PARTIES

These agreements are described in Section 1.4 "In-orbit operations" of this Reference Document.

7.8.3 FINANCING AGREEMENTS

The Group has entered into a number of financing agreements it considers significant. These financing agreements, together with the bonds issued by Eutelsat S.A., are described in Section 6.1.3.3 "Changes in debt and the Group's financing structure".

7.9 Related party transactions

The disclosures with regard to related party agreements cited in Article L. 225-38 of the French Commercial Code may be found in the special Statutory Auditors' report on regulated agreements and commitments in the Appendices of this Reference Document.

SERVICE AGREEMENTS WITHIN THE GROUP AND OTHER CONVENTIONS

The Company and its subsidiaries maintain contractual relationships linked to the organisation and operations of the Group. These operations mainly relate to the division of common administrative expenses, centralised cash management, the existence of a tax group and the chargeback agreement in the event of share purchases as part of the implementation of the free share allocation plans.

7.10 Significant changes in financial and commercial position

ANNOUNCEMENT OF THE ACQUISITION OF SATÉLITES MEXICANOS, S.A. DE C.V.

Eutelsat Communications announced on 31 July 2013 it had reached an agreement to acquire 100% of Satélites Mexicanos, S.A. de C.V. ("Satmex") for an enterprise value of 1,142 million U.S. dollars. This acquisition, together with the recently ordered EUTELSAT 65 West A satellite, will position the Group as a major satellite operator in Latin America, reflecting its strategy to expand in high growth markets.

Based in Mexico, Satmex operates three satellites at contiguous positions, 113.0° West (Satmex 6), 114.9° West (Satmex 5) and 116.8° West (Satmex 8) that cover 90% of the population of the Americas. The company benefits from frequency rights in C and Ku-bands and was granted Ka-band rights in 2012. It has an 11% market share in Latin America where it enjoys a strong franchise in corporate data networks and cellular backhaul. Satmex is targeting an increased contribution from video through its positions at 113.0° West and 116.8° West including through the recently launched Satmex 8 satellite, which is well positioned to exploit video opportunities.

In 2012, Satmex's FSS business generated revenues of 111.8 million U.S. dollars and 89.1 million U.S. dollars in adjusted EBITDA. Satmex had a backlog of 242 million U.S. dollars as of 31 March 2013. It has historically enjoyed high customer loyalty, as evidenced by customer retention rates in excess of 95% over the last three years. Satmex also owns and operates Alterna TV, a provider of Hispanic television programming to the U.S. market (revenues of 14.5 million U.S. dollars in 2012). Satmex's subsidiary, Enlaces, a VSAT service provider (revenues of 11.0 million U.S. dollars in 2012) is in the process of being sold.

Satmex is investing to capitalise on key growth opportunities in Latin America. With the launch of Satmex 8 in March this year, it added 21 incremental 36 MHz-equivalent transponders to its fleet, of which 12 have already been contracted. The company has committed to acquire two electric propulsion satellites (Satmex 7 and Satmex 9) that will become operational in 2015 and 2016 to more than double its total in-orbit capacity. It has negotiated satellite procurement and launch contracts with Boeing and SpaceX enabling it to procure and launch these satellites at competitive terms. It has also negotiated options for the procurement of new satellites and launches at similarly favourable terms.

Eutelsat will acquire 100% of the share capital of Satmex for 831 million U.S. dollars. Based on Satmex's reported net debt of 311 million U.S. dollars[1] at 31 March 2013, this price corresponds to an enterprise value of 1,142 million U.S. dollars. Based on the 12 months' EBITDA for the period ending 31 March 2013, pro forma for the incremental capacity already sold on Satmex 8[2], the transaction EBITDA multiple amounts to 9.7x, excluding the value of tax losses carried forward estimated at around 100 million U.S. dollars.

The consolidation of Satmex will benefit Eutelsat's top-line growth. With Satmex's more diversified portfolio of businesses, it will be slightly dilutive to Eutelsat's EBITDA margin at the outset. The expected growth of Satmex as well as the benefits of its integration into Eutelsat are expected to lead to higher margins in the future. The acquisition is expected to be accretive to Eutelsat's EPS in the first full year of consolidation (*i.e.* in the financial year ending 30 June 2015) and to generate a double-digit IRR, consistent with Eutelsat's other investments.

The consideration will be 100% cash and will be financed through a dedicated bridge facility at attractive terms.

Eutelsat's net debt to EBITDA ratio will stand at 3.3x[3] on a pro forma basis following the acquisition. With existing investment programmes and recently announced long-term capital leases, the ratio should temporarily rise above 3.3x. The Group is firmly committed to maintaining its investment grade status and targets in the long-term a net debt / EBITDA ratio below 3.3x.

The transaction is expected to close by the end of 2013, subject to government and regulatory approvals and other customary conditions.

(1) Including 12.8 million U.S. dollars of accrued interest as of 31 March 2013.

(2) Last 12 months pro forma EBITDA equal to 107.0 million U.S. dollars, based on actual last 12 months EBITDA as of 31 March 2013 of 91.1 million U.S. dollars, adjusted for the value of the incremental capacity sold on Satmex 8 (15.6 million U.S. dollars) and for the assumed deconsolidation of Enlaces (EBITDA loss of 0.3 million U.S. dollars).

(3) Pro forma effect as if acquisition was consummated at 30 June 2013.

OPERATIONS AT 28.5° EAST

On 16 September 2013, Eutelsat Communications announced that the International Chamber of Commerce (ICC) of Paris had drawn its conclusions on the first phase of the arbitration initiated by Eutelsat Communications against SES in October 2012.

Eutelsat's request for arbitration was triggered by the claim by SES of the right to use 500 MHz of bandwidth in the 28.2/28.5° East orbital arc according to an agreement signed between SES and Media Broadcast in 2005 and only disclosed in October 2012. This request is grounded on a breach by SES of the Intersystem Coordination Agreement (ICA) signed with Eutelsat in 1999. The ICA signed by both operators covers use of certain orbital positions in Ku frequency bands over Europe and also favours competition in the satellite communications sector.

As a result of this first phase, the Arbitral Tribunal decided that:

- The ICA does not bar SES from using the disputed bands if and when Eutelsat does not hold the "regulatory" right to operate in these bands;
- SES did agree that Eutelsat would use the disputed bands as long as Eutelsat held the "regulatory" right to operate in these bands.

The Arbitral Tribunal did not decide on whether Eutelsat has the "regulatory" right. Eutelsat firmly believes and can demonstrate it has the "regulatory" right to operate in the disputed frequency bands.

On 30 August 2013, Media Broadcast obtained a preliminary injunction before the Regional Civil Court of Bonn preventing the use by Eutelsat of the disputed frequencies in the event that this creates harmful interference. Eutelsat will appeal this preliminary decision and confirms it does not intend to create harmful interference.

The purpose of the second phase of the arbitration with the ICC is to decide, amongst other issues, whether SES was entitled to sign an agreement in 2005 with Media Broadcast without breaching its obligations under the ICA.

Following these decisions, SES and Eutelsat Communications have collaborated in the best interest of customers to ensure a smooth transition of operations on frequencies at 28.5° East under a German filing. As of 4 October, SES is operating and Eutelsat has ceased operating on these frequencies. The transfer was successfully completed in the night of 3-4 October. SES and Eutelsat are in discussions to find a solution regarding the subject matter of the arbitration.

Revenues from the disputed frequencies were expected to be approximately 20 million euros for the remainder of the fiscal year 2013-2014 and approximately 25 million euros for each of the two following years. Eutelsat and SES are in discussions to find a solution regarding the subject matter of the arbitration.

If necessary, Eutelsat will adjust the financial outlook published on 30 July 2013 and detailed in Section 1.2 of the Reference Document once the outcome is known.

To the best of the Company's knowledge, there have been no significant changes affecting the Company's financial and commercial position since the end of the financial year ended 30 June 2013.

7.11 Relations and conflicts of interest within the administrative and management bodies

7.11.1 RELATIONS WITH THE ADMINISTRATIVE AND MANAGEMENT BODIES

To the best of the Company's knowledge, there are no family ties between the Company's Corporate Officers.

Furthermore, to the Company's knowledge, no Corporate Officer has been the subject of a:

- conviction for fraud within at least the last five years;
- bankruptcy, sequestration or liquidation within at least the last five years;
- official public charges and/or sanctions handed down by statutory or regulatory authorities within at least the last five years.

Finally, to the best of the Company's knowledge, no Corporate Officer has been barred by a court from acting as a member of an administrative, management or supervisory body of an issuer, or from taking part in the management or running of the affairs of an issuer within at least the last five years.

7.11.2 CONFLICTS OF INTEREST WITHIN THE ADMINISTRATIVE AND MANAGEMENT BODIES

To the best of the Company's knowledge, at the filing date of this Reference Document, there are no potential conflicts of interest between the duties carried out on behalf of the Company by Corporate Officers and their private interests.

7.12 Statutory Auditors

7.12.1 STATUTORY AUDITORS

ERNST & YOUNG ET AUTRES

Member of the *Compagnie régionale des commissaires aux comptes de Versailles* (Regional Association of Statutory Auditors of Versailles).

1/2, place des Saisons

92400 Courbevoie

Paris-La Défense 1

France

The Combined Ordinary and Extraordinary General Meeting of 9 November 2009, having duly noted the expiry of the term of office of Ernst & Young Audit as first Statutory Auditor, appointed the firm of Ernst & Young et Autres as Statutory Auditor for a term of six financial years. This term expires at the end of the Ordinary General Meeting approving the financial statements for the financial year ending 30 June 2015.

MAZARS

Member of the *Compagnie régionale des commissaires aux comptes de Versailles* (Versailles Regional Association of Statutory Auditors).

61, rue Henri-Regnault

92400 Courbevoie

France

The Combined Ordinary and Extraordinary General Meeting of 8 November 2011, having duly noted the expiry of the term of office of Mazars as Statutory Auditor, appointed the firm of Mazars as Statutory Auditor for a term of six financial years. This term expires at the end of the Ordinary General Meeting approving the financial statements for the financial year ending 30 June 2017.

7.12.2 ALTERNATE STATUTORY AUDITORS

AUDITEX

1/2, place des Saisons

92400 Courbevoie

Paris-La Défense 1

France

The Combined Ordinary and Extraordinary General Meeting of 9 November 2009, having duly noted the expiry of the term of office of Mr Thierry Gorlin as Alternate Statutory Auditor, appointed Auditex as alternate Statutory Auditor for a term of six financial years. This term expires at the end of the Ordinary General Meeting approving the financial statements for the financial year ending 30 June 2015.

MR GILLES RAINAUT

39, rue de Wattignies

75012 Paris

France

The Combined Ordinary and Extraordinary General Meeting of 8 November 2011, having duly noted the expiry of the term of office of Mr. Gilles Rainaut as Alternate Statutory Auditor, appointed Gilles Rainaut as Alternate Statutory Auditor for a term of six financial years.

This term expires at the end of the Ordinary General Meeting approving the financial statements for the financial year ending 30 June 2017.

7.12.3 AUDITOR FEES

See Section 6.2 "Eutelsat Communications' consolidated financial statements prepared under IFRS for the financial year ended 30 June 2013", Note 32 "Statutory Auditors' fees", in the Notes to the consolidated financial statements of Eutelsat Communications for the financial year ended 30 June 2013.

7.13 Documents available to the public

For the life of this document, the following documents (or copies), may be inspected at the registered office of the Company:

- the By-laws of the Company;
- the minutes of the meetings of the shareholders and other corporate documents of the Company, which are required to be made available to shareholders pursuant to applicable regulation, as well as, where applicable, all audits or statements provided by experts at the request of the Company of which an extract is inserted or mentioned in this document;
- the historical financial information of the Company and its group for each of the three financial years preceding the publication of this document.

Regulated information within the meaning of the provisions of the General Regulations of the French *Autorité des marchés financiers* is available on the Company website (**www.eutelsat.com**).

7.14 Person responsible

7.14.1 PERSON RESPONSIBLE FOR THE 2012-2013 REFERENCE DOCUMENT

Mr Michel de Rosen, Chairman and Chief Executive Officer of Eutelsat Communications.

7.14.2 CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE 2012-2013 REFERENCE DOCUMENT

I hereby certify, after having taken all reasonable care to ensure that such is the case, that the information contained in this Reference Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby certify that, to the best of my knowledge, the accounts have been drafted in accordance with the applicable accounting standards and that they constitute a true and fair view of the assets and liabilities, the financial position and results of the Company and the consolidated Group of companies, and that the management report contained in this document presents an accurate picture of developments in the business, results and financial position of the Company and the consolidated group of companies as well as a description of the main risks and uncertainties that these companies face.

I have received a letter from the Statutory Auditors certifying that they have verified the financial and accounting information given in this Reference Document and that they have read the document in its entirety.

The financial information presented herein has been the subject of Statutory Auditors' reports figuring in appendices 3 and 4.

Paris, 10 October 2013
Michel de Rosen
Chairman and Chief Executive Officer

Person responsible for information

Léonard Wapler
Head of Investor Relations
70, rue Balard – 75015 Paris

Provisional timetable for financial reporting

The following dates are provided for information only and may be changed at any time by the Company:

- 29 October 2013: publication of first-quarter revenues for the financial year 2013-2014;
- 7 November 2013: Combined Ordinary and Extraordinary General Meeting of Shareholders;
- 13 February 2014: publication of half-year results for the financial year 2013-2014;
- 15 May 2014: publication of third-quarter revenues for the financial year 2013-2014;
- 30 July 2014: publication of the full year results for the financial year 2013-2014.

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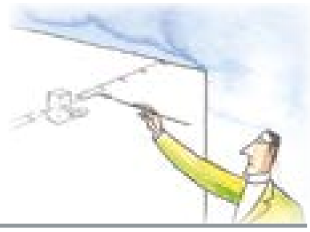

APPENDIX 1.

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*), ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF EUTELSAT COMMUNICATIONS..........184

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APPENDIX 1. STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*), ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF EUTELSAT COMMUNICATIONS

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended 30 June 2013

To the shareholders,

In our capacity as Statutory Auditors of Eutelsat Communications and in accordance with Article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code (*Code de commerce*) for the year ended 30 June 2013.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the Company and to provide the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information;
- confirm that the report also includes the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

INFORMATION ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code (*Code de commerce*).

OTHER INFORMATION

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L. 225-37 of the French Commercial Code (*Code de commerce*).

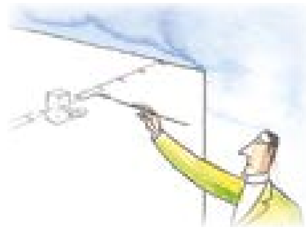
Courbevoie and Paris-La Défense, 30 July 2013

The Statutory Auditors

French original signed by

MAZARS	ERNST & YOUNG et Autres
Isabelle Sapet	Jeremy Thurbin

APPENDIX 2. VERIFICATION REPORT OF SOCIAL AND ENVIRONMENTAL INFORMATION



At the request of Eutelsat Communications, SGS ICS undertook the process of verification of the information contained in the management report for the financial year ending 30 June 2013, in compliance with the decree n° 2012-557 of 24 April 2012 relative to transparency obligations relating to social and environmental topics for companies pursuant to the application of the French Code of Commerce law specified in Article 225 law n° 2010-788 of 12 July 2010 and of Article 12 from the law n° 2012-387 of 22 March 2012 which amended Article L. 225-102-1 of the French Code of Commerce and the enactment of the law on 13 May 2013 specifying the procedures to be followed by third party auditors to complete their mission.

The Board of Directors has the responsibility to deliver a report on the management of the company including information related to the social, environmental and societal issues, to define the reference or references used and to provide access to all quantitative or qualitative data.

SGS ICS's responsibility consists of attesting to the presence of all information specified in Article R. 225-105-1 in the management report, and to express an opinion on the sincerity of the information provided as well as the explication given by the Company in the cases where certain information is absent, to opine on the diligence used to complete the verification.

THE NATURE AND SCOPE OF THE AUDIT

SGS's mission consisted of:

- review of steps taken that relate to sustainable development, as a function of the social and environmental consequences resultant to the company's activities as well as its societal commitments, and, where appropriate establishing action plans or programs;
- comparing the information listed in Eutelsat Communications' management report for 2013 with the list in Article R. 225-105-1 and flag, in cases of incoherence, any information omitted or left unexplained under the third paragraph of Article R. 225-105;
- verifying that a process has been established by the Company for complete collection of information contained in the management report and identifying any irregularities.

SGS ICS completed its mission at Eutelsat Communications, including its subsidiaries and companies under its control, on a geographically international scope for which Eutelsat Communications consolidates its accounts.

DILIGENCE

SGS ICS undertook its mission by conducting a series of interviews with managers of the company regarding the collection, validation and publication of quantitative data and qualitative information at the Group (Holding) level and with two subsidiaries, Eutelsat S.A. and Skylogic, representing 88.9% of the Group's employees. On-site verifications were done for both the headquarters as well as the most important non-headquarters operations, in particular the core activity of the groups at its teleports in Rambouillet and Turin.

SGS ICS reviewed the reliability of the procedures followed for data collection and compilation, and the measure of control used to ensure that information was exhaustive and coherent at the subsidiaries and at each of the sites, thus demonstrating a knowledge of the procedures and internal controls and the management of risks associated with the preparation of the information.

For qualitative data, SGS ICS requested verification of calculations and formulas used for data collection, including cross-checking information with source documents for 15 selected indicators as it related to their pertinence (in compliance with the law and taking into account the business sector), their reliability, neutrality and exhaustively. Random checks were also carried out for both quantitative and qualitative information in the final consolidation data phase. Selected indicators were validated via walkthroughs to ensure consistency and materiality.

Two auditors were assigned to this mission that took place from 25 May to 19 July 2013.

SGS ICS conducted face-to-face interviews in order to verify that correct procedures were followed in obtaining information, we were able to carry out our audits with middle and senior management, namely the deputy CEO, and managers responsible for: programs, internal audit, purchasing, institutional relations, investor relations, human resources, information systems and the site managers for the two locations audited. In all, 12 interviews were conducted.

STATEMENT OF INDEPENDENCE AND COMPETENCE

SGS is the world leader in inspections, audits, analyses and certifications. Recognized as the global benchmark for quality and integrity, SGS employs more than 75,000 people and operates a network of more than 1,500 offices and laboratories around the world.

SGS ICS is a wholly-owned French subsidiary of the SGS Group. SGS ICS declares that its audit and findings were prepared in complete independence and impartiality with regard to Eutelsat Communications and that the tasks performed were completed in line with the SGS Group's code of ethics and in accordance with the professional best practices of an independent third party.

Auditors are authorised and appointed to each audit assignment based on their knowledge, experience and qualifications.

STATEMENT AND REASONED OPINION

Based on Eutelsat Communications' statement on sustainable development policies, the social and environmental impacts of the Company's business activities, its social commitments and the diligence implemented:

- we certify that the information included in the Eutelsat Communications 2013 management report is in compliance with the list set forth in Article R. 225-105-1 and that any exceptions have been duly justified;
- we declare that we found no significant irregularity that would call into question the fair presentation of the information included in the 2013 management report.

COMMENTS

- The internal control for reporting indicators related to environmental, social and societal issues, were well documented and communicated to all of the contributors and verifiers questioned. However, to improve the process of information collection and sharing of best practices for the next reporting period, informational meetings would be helpful.

Signed in Arcueil, 24 July 2013

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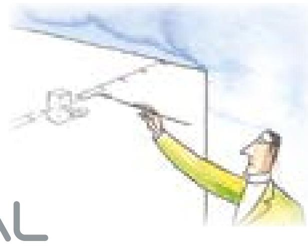
Technical Audit Director,
Moncef BOURKAIB

APPENDIX 3.
STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS



This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Year ended 30 June 2013

To the shareholders,

In compliance with the assignment entrusted to us by your shareholders' meetings, we hereby report to you, for the year ended 30 June 2013, on:

- the audit of the accompanying consolidated financial statements of Eutelsat Communications;
- the justification of our assessments;
- the specific verification required by French law.

These consolidated financial statements have been approved the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit consists in performing procedures, by audit sampling and other means of testing, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also consists in evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as of 30 June 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- As explained in note 4.7 of the notes to the consolidated financial statements, your Company performs an annual review of the remaining useful lives of its in-orbit satellites on the basis of both their forecasted utilization and their technically assessed life time. We assessed the reasonableness of the assumptions underlying the forecasted utilization.
- As explained in note 4.8 of the notes to the consolidated financial statements, the carrying-values of long-life assets, which include goodwill, satellites and equity investments, are reviewed for impairment. Your Company compares the carrying-value of these assets to the estimated recoverable value based on discounted future cash-flows. We assessed the reasonableness of the assumptions used by your Company to prepare the business plans and of the calculation of the recoverable value resulting from these assumptions.
- As explained in note 3.5 of the notes to the consolidated financial statements, your Company has exercised its judgment on litigations as described in notes 27.4 and 27.5 of the notes to the consolidated financial statements. We assessed the reasonableness of this judgment.

The assessments were made as part of our audit of the consolidated financial statements taken as a whole and, therefore, contributed to our audit opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATION

We have also verified, in accordance with professional standards applicable in France, the information given in the Group management report as required by French law.

We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

Courbevoie and Paris-La Défense, 30 July 2013

The Statutory Auditors

French original signed by

MAZARS	ERNST & YOUNG et Autres
Isabelle Sapet	Jeremy Thurbin

APPENDIX 4.
STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Year ended 30 June 2013

To the shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended 30 June 2013, on:

- the audit of the accompanying financial statements of Eutelsat Communications;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 30 June 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Your Company evaluates its financial investments according to the method described in note 2.3 to the financial statements. Based on available information, we have assessed the appropriateness of the methods and assumptions adopted by your Company to estimate the value of its investments. We have also performed some tests to control the correct application of these methods. As part of the justification of our assessments, we have assessed reasonableness of these assumptions.

These assessments were made as part of our audit of the financial statements taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the Directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or being controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Courbevoie and Paris-La Défense, 30 July 2013

The Statutory Auditors

French original signed by

MAZARS	ERNST & YOUNG et Autres
Isabelle Sapet	Jeremy Thurbin

APPENDIX 5.
STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users.
This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

General Meeting of Shareholders to approve the financial statements for the year ended 30 June 2013

To the shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF SHAREHOLDERS

We hereby inform you that we have not been advised of any related party agreements or commitments authorised in the course of the year and to be submitted to the General Meeting of Shareholders for approval in accordance with Article L. 225-38 of the French Commercial Code (*Code de commerce*).

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

In accordance with Article R.225-30 of the French Commercial Code (*Code de commerce*), we have been advised that the implementation of the following agreements and commitments, which were approved by the General Meeting of Shareholders in prior years, continued during the year.

With Eutelsat S.A., Eutelsat Inc, Eutelsat America Corp., Eutelsat do Brasil, Eutelsat Madeira Unipessoal Lda, Eutelsat Polska, Eutelsat Services und Beteiligung GmbH, Eutelsat Visavision GmbH, Eutelsat UK Ltd, Skylogic S.p.A., Skylogic Espana SAU and Skylogic Mediterraneo Srl, subsidiaries of your Company

Nature and purpose

Reinvoicing agreement in case of purchase of shares under free share plans.

Conditions

On 22 June 2010 an agreement was signed between Eutelsat S.A. and several subsidiaries of the Group (including Eutelsat Inc, Skylogic S.p.A. and Eutelsat Services und Beteiligung GmbH) to reinvoice the costs of any shares purchased on the market by your company in the context of the implementation of plans for the free allotment of shares in your company to employees of the Eutelsat group.

During the year ended 30 June 2013, your company did not purchase any shares on the market. Your company has invoiced its subsidiaries for 480 474 shares in respect of the Free Share Plan of 1 February 2010.

With Eutelsat S.A., Eutelsat VAS S.A.S., Eutelsat Communications Finances S.A.S., Fransat S.A., and Skylogic France S.A.S.

Nature and purpose

Tax consolidation agreement.

Conditions

A tax consolidation agreement approved by the Board of Directors on 28 June 2007 and dated 2 July 2007 continued during the period.

In accordance with this agreement, your Company recognized tax income in the amount of 21.7 million euros during the period ended 30 June 2013.

Courbevoie and Paris-La Défense, 30 July 2013

The Statutory Auditors

French original signed by

MAZARS	ERNST & YOUNG et Autres
Isabelle Sapet	Jeremy Thurbin

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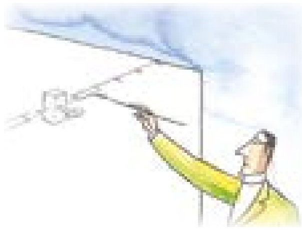
APPENDIX 6.
CROSS-REFERENCE TABLE OF THE ANNUAL FINANCIAL REPORT



This Reference Document incorporates all information required for the annual financial report as mentioned in Article L. 451-1-2 of the French Monetary and Financial Code and in Article 222-3 of the General Regulations of the *"Autorité des marchés financiers"* (French financial markets regulator, AMF).

The documents mentioned in Article 222-3 of the AMF General Regulations and the corresponding sections in this Reference Document are as follows:

AMF's General Regulations—Article 222-3

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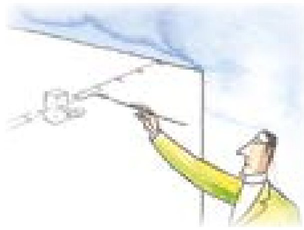

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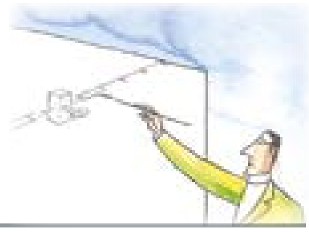
GLOSSARY



Analogue

Format of a broadcast signal where a continuously varying physical quantity precisely describes the variation of the information it represents.

Bandwidth

Band of frequencies used for an RF transmission (*e.g.* 36 MHz).

Beam

Term used to describe the radiation pattern of a satellite antenna. The intersection of a satellite beam with the surface of the Earth is called the footprint (of the beam).

Broadcast Satellite Service (BSS)

Communications service in which signals transmitted or retransmitted by satellite are intended for direct reception by the general public. Use of the corresponding frequencies is governed by international regulations, with the aim of allowing all countries to offer services of this kind. In Europe, the downlink frequency range for the BSS is 11.7 to 12.5 GHz.

C-band

Frequency range assigned to satellite communication systems, approximately 4 GHz for the downlink and 6 GHz for the uplink. The associated transmit power is relatively low in comparison with Ku-band, for example. Large antennae are therefore required for C-band operations.

Capacity

Quantity of information transmitted. As an analogy, there is often reference to spectrum width and to the associated power needed to transmit such a quantity of information.

Digital

Format for recording, processing, transmitting and broadcasting data *via* a binary signal (and not by a continuously varying signal).

Direct broadcasting

Direct reception of satellite signals by the user, *via* DTH or community reception facilities (satellite dish).

Downlink

Path travelled by the signal in the direction Space-Earth.

DSL

Digital Subscriber Line. Technologies that make it possible to use the copper lines connecting the customers of the switched telephone network for purposes of broadband transmission in packet mode (digital).

DVB

Digital Video Broadcasting. A set of European standards for the broadcasting and reception of digital TV signals by satellite (DVB-S), cable (DVB-C) or terrestrial means (DVB-T), developed within the framework of the Digital Video Broadcasting project and formalised by the European Telecommunications Standards Institute (ETSI). These European standards have been adopted by many countries throughout the world.

Earth segment

A series of earth stations operated in a given satellite system or network (synonym: ground segment).

Earth station

Installation required in order to receive a signal from a satellite and/or transmit a signal to a satellite. The facility consists essentially of an antenna and communication equipment on the ground. (synonym: ground station).

EDP

Eutelsat Digital Platform. Platforms set up to make it possible to share multiplexing costs on the ground.

Fixed Satellite Service (FSS)

Communications service between earth stations located at fixed points, such points being determined when one or more satellites are used. However, this expression frequently refers to "unplanned" frequency bands, that are not subject to international regulations governing the use of BSS frequencies. In Europe, the downlink FSS frequencies are 10.7-11.7 GHz and 12.5-12.75 GHz.

Frequency

Number of vibrations produced by unit of time during a given period. Frequency relates to the rate of variation per second of the carrier wave or modulating signal. Satellite transmissions are generally in GHz (see C-band, Ka-band and Ku-band).

Internet backbone

The communications networks on which the Internet is based.

IP

Internet Protocol.

Ka-band

Frequency range assigned to satellite communication systems, approximately 20 GHz for the downlink and 30 GHz for the uplink. These frequencies have the shortest wavelength of the three principal frequency bands used by geostationary satellites. Although small antennae can be used, Ka-band requires the use of beams that are tightly concentrated over fairly small geographical areas.

Ku-band

Frequency range assigned to satellite communications systems, approximately 14 GHz for the uplink and 11 GHz for the downlink. Used for radio and TV, this band is the most widespread in Europe, owing to the small size of the antennae needed for reception.

MPEG

Moving Pictures Experts Group. Working Group charged by the ISO with the task of developing international standards for the compression, decompression, processing and encoding of video, audio and any combination thereof, such as to ensure a wide range of applications. Name also given to the compression and digital broadcasting standard for TV, resulting from the deliberations of this group of experts.

MPEG 2 is the second-generation standard designed for TV broadcasting and MPEG 4 provides a smaller compression format compared with MPEG 2 that can carry all the new Video Applications.

Operating period

Period during which a satellite is able to function. The operating period of a satellite in-orbit depends in particular on the quantity of fuel it carries for station-keeping.

Passband

Range of frequencies permitted for an RF transmission (see "Bandwidth").

Payload

Set of satellite equipment used for reception, frequency conversion, processing, and retransmission of the communications signals after they have been amplified, but excluding add-on equipment, for example the platform (physical structure and sub-systems such as electrical and thermal control, attitude control, etc.).

Radio frequency

Electromagnetic frequency generally higher than 20 kHz, used to transmit information.

Redundancy

Architecture based on the use of several identical components, each able to replace any of the others in the event of failure.

RF relay

Professional terrestrial RF link generally used between the studios of a radio or TV station and the antennas transmitting the programmes to customers' homes.

S-band

Frequency range assigned to satellite communication systems, approximately 2 GHz for the uplink. Frequency adjacent to UMTS frequencies.

Signal

Variation of a physical value of any kind carrying information.

Simulcasting

Simultaneous transmission of a programme or service using two transmission standards or media. This technique developed by Eutelsat under the name of Simulcast makes it possible to transmit a carrier wave in analogue mode and a digital TV signal on a single satellite transponder which could normally only transmit the carrier wave of the analogue signal.

Skyplex

System allowing several digital services to be multiplexed on-board the satellite rather than on the ground and retransmitted by a single carrier wave compliant with the DVB standard. TV channels can thus be transmitted independently, from different geographical locations, and received on DTH equipment meeting the DVB standard. Skyplex systems require the use of specific equipment on-board the satellite for reception and multiplexing of the digital services.

Space segment

Satellites in a satellite communications system belonging to an operator.

Steerable beam

Beam of a satellite antenna that can be directed onto a particular geographical region using ground-based controls.

Telemetry

Encoded communication sent by the satellite to the earth station to transmit the results of measurements related to the satellite's operation and configuration.

Transponder

Name given to the retransmitter on-board the satellites, whose function is to retransmit the signals received from the earth uplink station to a specific part of the globe.

Uplink

Path travelled by the signal in the direction Earth-Space.

VSAT Terminal

Microterminal connected to a fixed antenna and making satellite reception or transmission possible.

SPACE FOR A DIGITAL WORLD

In this Reference Document, the terms "Eutelsat Communications" and the "Company" mean Eutelsat Communications S.A. "Eutelsat S.A." means the company Eutelsat S.A., which is the Company's main operating subsidiary. "Group" or "Eutelsat Group" means the group of companies consisting of the Company and all its subsidiaries. "IGO" means the European Satellite Telecommunications Organisation before the Transformation (the "Transformation" – see Section 7.1.1.5 "Key events" and Section 5.6 "Other provisions applicable to the Group") and "Eutelsat IGO" means the same organisation after the Transformation.

This Reference Document contains the Group's consolidated financial statements and data for the year ended 30 June 2013 prepared in accordance with International Financial Reporting Standards (IFRS) and incorporates for reference purposes the IFRS consolidated financial statements for the years ended 30 June 2011 and 30 June 2012.

This Reference Document also includes the Company's financial statements for the year ended 30 June 2013 as presented in Section 6.3 "Eutelsat Communications' annual financial statements for the year ended 30 June 2013".

Unless otherwise stated, the figures presented in this Reference Document are based on the consolidated financial statements for the year ended 30 June 2012 and the consolidated financial statements presented in Section 6.2 of this Reference Document for the year ended 30 June 2013.

Investors are invited to read carefully and take into account the risk factors described in Chapter 4 ("Risk factors") of the Reference Document before making any investment decision, since the occurrence of one or all of these risks may have a negative impact on the Group's activity, financial position, results or ability to achieve its objectives.

This Reference Document contains information on the Group's objectives and forward-looking statements. These statements are sometimes identified by the use of the future tense or conditional mood, as well as terms such as "estimate", "believe", "have the objective of", "intend to", "expect", "contemplate", "should" and other similar expressions. These forward-looking statements and information about objectives depend on circumstances or facts likely to occur in the future, and must not be interpreted as guarantees that the facts and data mentioned will occur or that objectives will be attained. These forward-looking statements and information about objectives are based on data and assumptions that may be affected by the realisation of known and unknown risks, uncertainties and other factors, including those relating to the economic, financial, competitive and regulatory environment. It is reminded that the revenues, EBITDA and capital expenditures perspectives do not take account of the impacts of the acquisition of the Mexican satellite operator Satélites Mexicanos, S.A. de C.V. announced on 31 July 2013 and for which closing is expected by the end of calendar year 2013.

A glossary defining the main technical terms used in this Reference Document is provided at the end of the document.

This document is an unofficial translation of the French *document de référence* filed with the *Autorité des marchés financiers* ("AMF") on 10 October 2013 in accordance with Article 212-13 of the AMF General Regulations. The French *document de référence* may be used in connection with a financial transaction if supplemented with an offering memorandum (*note d'opération*) approved by the AMF.

In the event of any ambiguity or discrepancy between this unofficial translation and the French *document de référence*, the French version shall prevail. The French version was drafted by the issuer and holds the signatories thereof liable.

Pursuant to Article 28 of EC Regulation No. 809/2004, the following information is included for reference purposes in this Reference Document:

- the consolidated financial statements of Eutelsat Communications prepared in accordance with IFRSs for the financial year ended 30 June 2012 and the related Statutory Auditors' report figuring, respectively, in Sections 20.1.1 and 20.1.2 of Eutelsat Communications' 2011-2012 *document de référence* registered under No. D. 12-0861 by the AMF on 24 September 2012 (the "2011-2012 Reference Document");
- the consolidated financial statements of Eutelsat Communications prepared in accordance with IFRSs for the financial year ended 30 June 2011 and the related Statutory Auditors' report figuring, respectively, in Sections 20.1.1 and 20.1.2 of Eutelsat Communications' 2010-2011 *document de référence* registered under No. D.11-0875 by the AMF on 23 September 2011 (the "2010-2011 Reference Document");
- information on the Eutelsat Group's financial situation and results for the financial years ended 30 June 2012 and 2011 figuring, respectively, in Section 9.4 of the 2011-2012 *document de référence* and Section 9.4 of the 2010-2011 *document de référence*.

Parts not included in this or these document(s) are either irrelevant to the investor or included elsewhere in this Reference Document.

As of the date of this Reference Document, no additional financial information (neither quarterly nor half yearly) has been published since the financial statements for the year ended 30 June 2013, provided in sections 6.2 and 6.3 of this Reference Document.

Copies of this Reference Document are available free of charge at the registered office of Eutelsat Communications, 70, rue Balard, 75015 Paris, France or on the websites of Eutelsat Communications (**www.eutelsat.com**) or the *Autorité des marchés financiers* (**www.amf-france.org**).

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