

A satellite with two long solar panel arrays is shown in space, orbiting Earth. The Earth's surface is visible on the left side of the frame, showing clouds and landmasses. The satellite is gold-colored with various instruments and antennas.

# FIRST QUARTER 2015-2016 REVENUES

Wednesday 28<sup>th</sup> October 2015

# Agenda

/// **Business highlights**

/// Q1 2015-2016 performance

/// Outlook

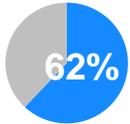
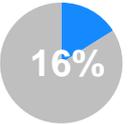
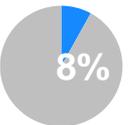
# Business highlights

- ✓ **Q1 revenues up 8.4% and 2.0% at constant currency putting us on track to deliver full-year objectives**
- ✓ **Several contracts signed in in all geographies and applications contributing to an order book of €6.0bn**
- ✓ **Successful launch and entry into service of EUTELSAT 8 West B boosting MENA coverage**
- ✓ **Entry into service ahead of schedule of EUTELSAT 115 West B bringing additional resources in LATAM**
- ✓ **Launch of African Broadband initiative**
  - Lease of AMOS-6 Ka-band payload in partnership with Facebook
  - Procurement of a follow-on stand-alone HTS Satellite
- ✓ **Launch of “Future Video Initiative” with SES to advance the adaptation of the satellite industry to evolving video landscapes**

# Agenda

- /// Business highlights
- /// **Q1 2015-2016 performance**
- /// Outlook

# Q1 revenues: €388m, +2.0% at constant currency<sup>1</sup>

	REVENUE CONTRIBUTION <sup>2</sup>	REVENUES <sup>3</sup> (€m)	Y-O-Y CHANGE (%)	
			AT CONSTANT CURRENCY	ACTUAL
 <b>Video</b>	 <b>62%</b>	<b>229</b>	<b>-1.6</b>	<b>+0.8</b>
 <b>Data</b>	 <b>16%</b>	<b>59</b>	<b>-0.3</b>	<b>+14.9</b>
 <b>VAS</b>	 <b>8%</b>	<b>30</b>	<b>+12.4</b>	<b>+13.1</b>
 <b>Government Services</b>	 <b>14%</b>	<b>53</b>	<b>-0.7</b>	<b>+19.2</b>

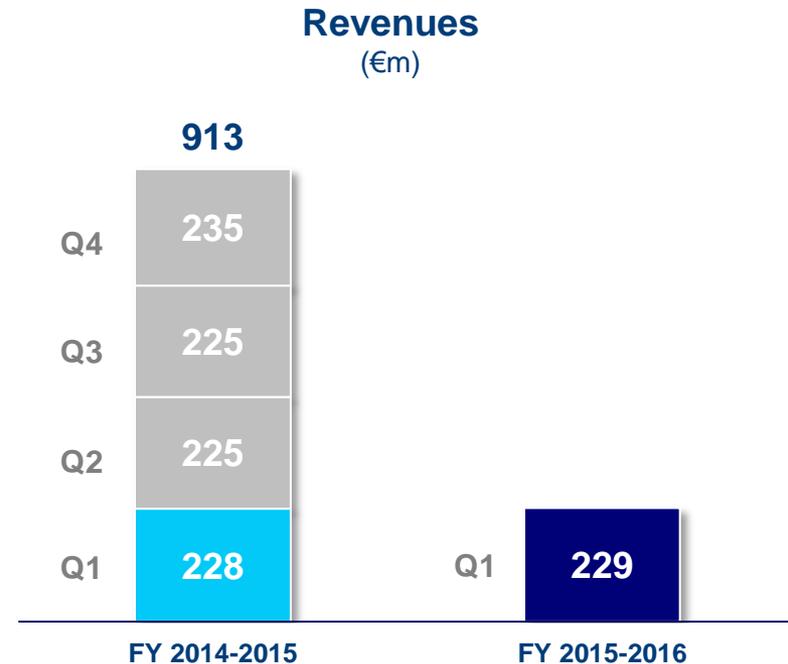
<sup>1</sup> + 8.4% at actual rate

<sup>2</sup> The share of each application as a percentage of total revenues is calculated excluding “other revenues” and “non-recurring revenues”.

<sup>3</sup> Total revenues of €387.7m also include Other revenues of €16.7m

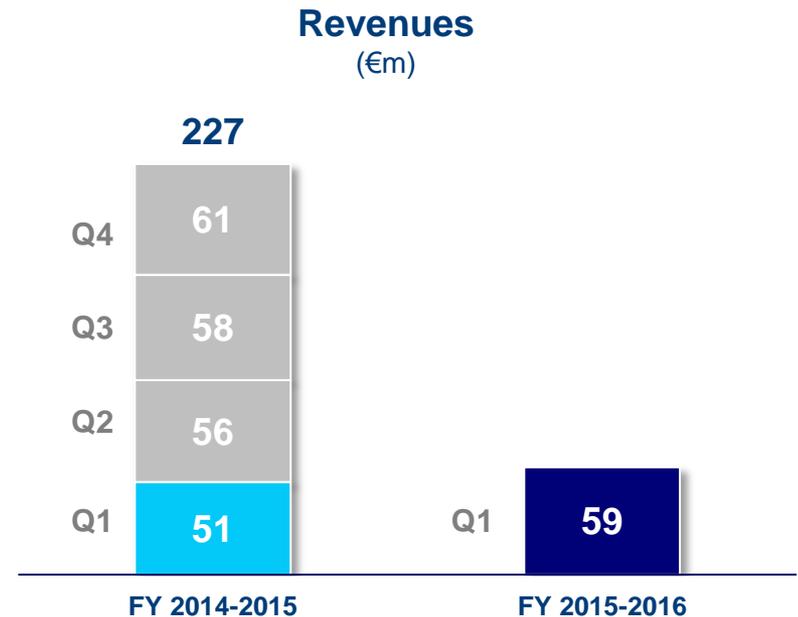
# Video: Slight decline in revenues, awaiting new capacity

- ✓ Revenues of €229m down 1.6% at constant currency<sup>1</sup>
- ✓ Good performance of Eutelsat Americas, 7° East and 16° East
- ✓ Ongoing impact of non-renewal at HOT BIRD of contracts with some service providers
- ✓ Renegotiation of Russian contracts
- ✓ 5,855 channels broadcast at end-September 2015
- ✓ HD penetration at 12.3% vs. 10.9%
- ✓ Entry into service of new capacity in October
- ✓ New contracts signed in Europe, Africa and Latam



# Data: Positive dynamics in LATAM

- ✓ Revenues of €59m, down 0.3%<sup>1</sup> at constant currency
- ✓ Positive dynamics in LATAM
- ✓ Ramp-up of new regular capacity on EUTELSAT 3B
- ✓ Lower revenues at 53° East following the rationalization of capacity in May 2015
- ✓ Ongoing pricing pressure in EMEA

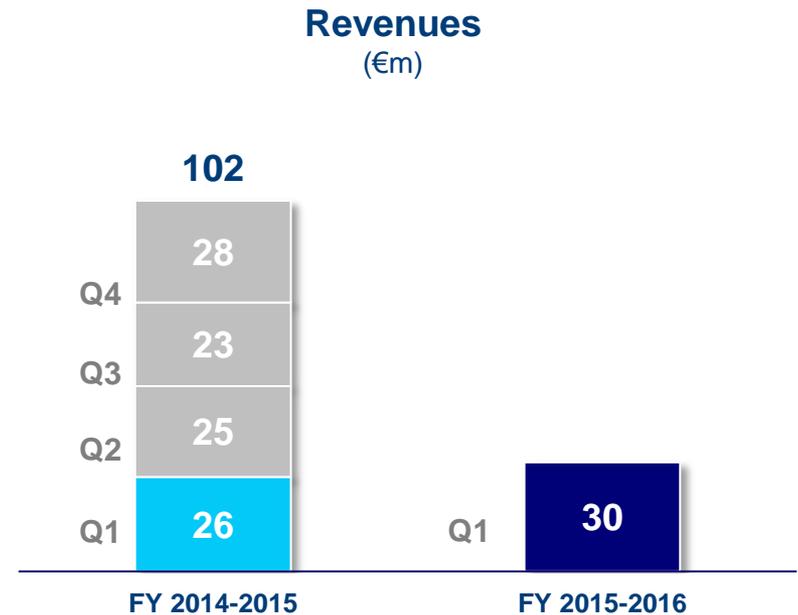


<sup>1</sup> +14.9% at actual rate

# VAS: Double-digit growth

- ✓ Revenues of €30m, up 12.4% at constant currency<sup>1</sup>
- ✓ 190,000 terminals activated on KA-SAT at 30 September 2015
  - 24,000 terminals activated in past 12 months
- ✓ Positive contribution of the maritime mobility business to year-on-year growth

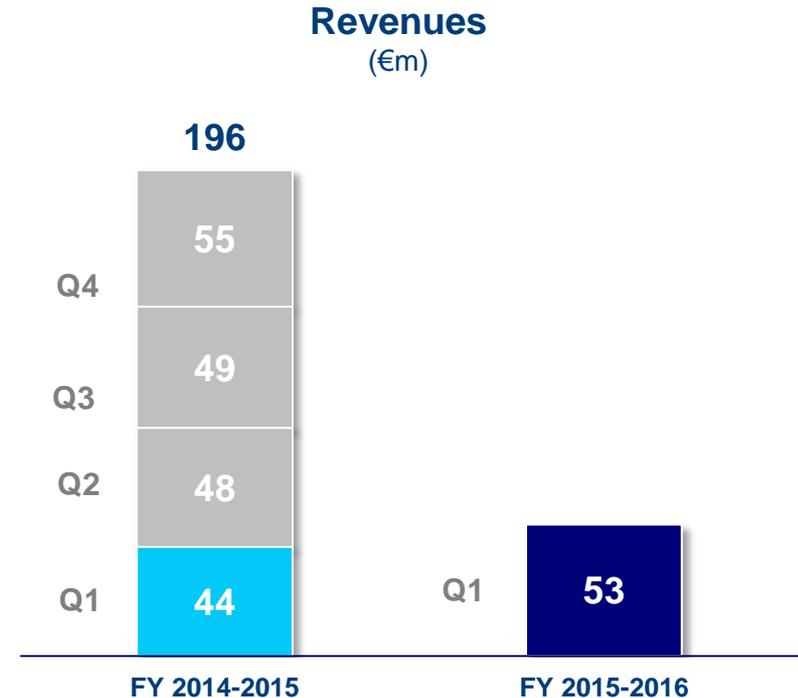
<sup>1</sup>+ 13.1% at actual rate



# Government Services: Continued low visibility

- ✓ Revenues of €53m down 0.7% at constant currency<sup>1</sup>
- ✓ Early termination of a significant contract with a distributor
  - Attendant termination fee recognized in 'Other revenues'
- ✓ New contracts, notably at 172° East
- ✓ Contract renewals currently underway
  - Outcome likely below previous year, in line with expectations
- ✓ Continued low visibility
  - Increasing pricing pressure
  - Impact of reduced operations
  - Ongoing budgetary constraints
  - Tougher procurement processes

<sup>1</sup>+ 19.2% at actual rate



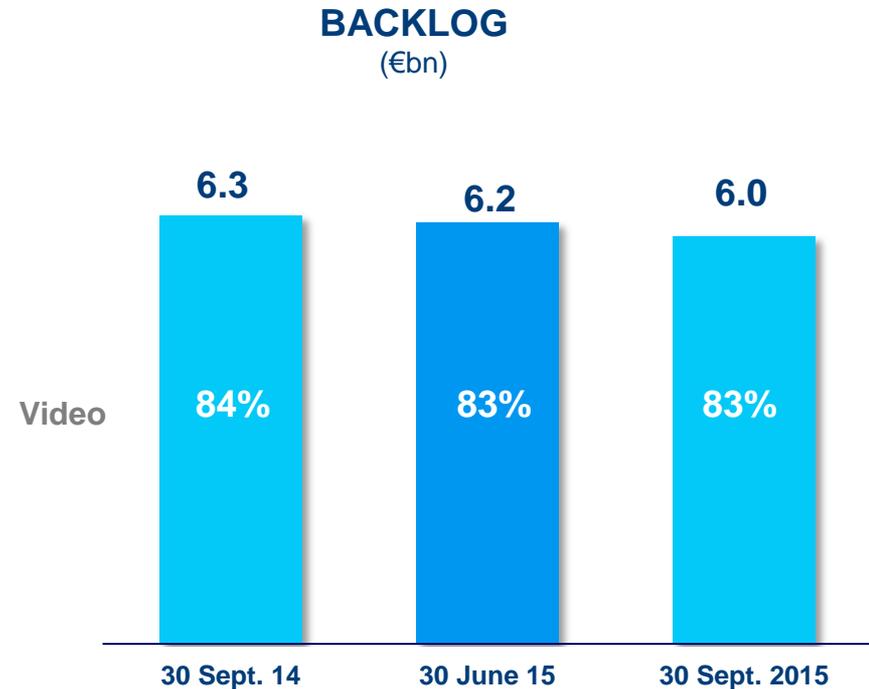
# Backlog representing 4.1 years of revenues

## Backlog of €6.0bn, slightly down on end-June

- Backlog consumption
- Negative impact of the early termination of a contract in Government Services
- Positive impact of new contracts signed this quarter notably at:
  - 3° East (CANAL+ Overseas),
  - 28° East (with Arqiva)

## 4.1 years of revenues

## Video accounting for 83%



*The backlog represents future revenues from capacity lease agreements (including contracts for satellites not yet delivered). These capacity lease agreements can be for the entire operational life of the satellites.*

# Fill rate

## Operational TPEs<sup>1</sup> broadly stable year-on-year

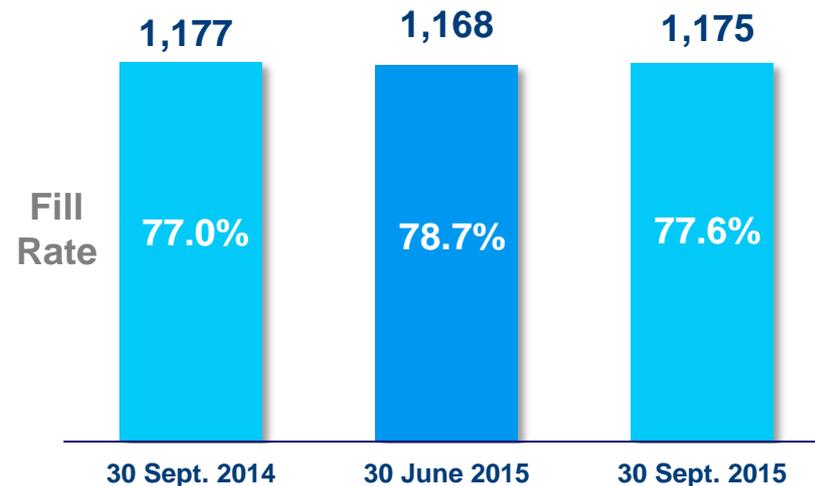
- Rationalization of capacity at 53° East
- 3 transponders returned at 56° East
- Relocation of EUTELSAT 28A

## Fill Rate

- Slight increase year-on-year
- Sequential decline reflecting mainly the early termination of a significant contract with a distributor in Government Services

<sup>1</sup>The number of operational and leased transponders was previously reported on the basis of physical transponders including HTS spotbeams. To better reflect actual capacity volumes, the number of transponders (operational and leased) and the fill rate is henceforth disclosed on the basis of the number of 36 MHz-equivalent transponders (TPE) for regular capacity, excluding HTS capacity.

## Operational TPEs (Regular capacity)



Based on 36 MHz-equivalent transponders (TPE), excluding HTS capacity (KA-SAT 82 spot-beams and EUTELSAT 3B's 5 Ka-band spot beams)

# Agenda

- Business highlights
- Q1 2015-2016 performance
- Outlook**

# EUTELSAT 8 West B: incremental resources at leading video neighbourhood

## Eutelsat 8 West B: incremental resources

- ✓ Launched on 20 August, operational early October
- ✓ Capacity: 42 Ku-band and 20-C band TPE<sup>1</sup>
- ✓ Enhanced resources
  - Incremental resources
  - Increased power
  - more coverage options
  - Higher in-orbit security
- Positive response from customers:
  - Ku-band incremental capacity already fully sold

## 7/8° WEST: leading video Neighbourhood in MENA

- ✓ Strong partnership with Nilesat
- ✓ Audience of 52 M TV Homes, x2 in 4 years
- ✓ > 1,000 channels broadcast
- ✓ Main customers:



# EUTELSAT 115 West B: extended coverage of the Americas

## Entry into service

- ✓ Launched in March 2015
- ✓ First all-electric satellite
- ✓ In service in October

## Coverage

- ✓ Extended coverage of the Americas
- ✓ Truly Pan-American footprint

## Applications

- ✓ Focus on Data Services: Backhaul, VSAT, Social connectivity, Mobility, Government initiatives, Broadband

## Capacity

- ✓ Ku-band: 41 TPE<sup>1</sup>
- ✓ C-band: 24 TPE<sup>1</sup>

## Commercial

- ✓ Positive response from customers: capacity secured ahead of entry into service by Elara, Axesat and Hunter



EUTELSAT 115 West B stacked with its co-passenger  
Photo: Boeing



<sup>1</sup> Number of 36 Mhz equivalent transponders

# African Broadband: Two initiatives allowing timely access to the market and progressive ramp-up

## Amos 6

- Multi-year lease of Amos-6 HTS Ka-band payload in partnership with Facebook
  - 18 HTS Ka-band spot beams
  - ~18 Gbps o/w c. 50% for Eutelsat
- Eutelsat to build ground network
- Service expected to start end-2016

facebook

AMOS  
by Spacecom



## Follow-on Satellite

- Procurement of a new-generation HTS satellite from TAS
  - All-electric satellite
  - New Spacebus Neo platform
  - Unprecedented flexibility
  - Baseline mission: 65 spotbeams, ~75 Gbps with options to upscale
- Launch expected in 2019



# Updated deployment plan



	<b>EUTELSAT 36 C</b>	<b>EUTELSAT 9B</b>	<b>EUTELSAT 117 WEST B</b>	<b>EUTELSAT 65 WEST A</b>	<b>EUTELSAT 172 B</b>	<b>EUTELSAT QUANTUM</b>	<b>African Broadband Satellite</b>
<b>Position</b>	36° East	9° East	116.8° West	65° West	172° East	To be defined	To be defined
<b>Launch</b>	<b>Q4 2015</b>	<b>Q1 2016</b>	<b>Q1 2016</b>	<b>Q1 2016</b>	<b>H1 2017</b>	<b>Delivered end-2018</b>	<b>2019</b>
<b>Manufacturer</b>	Airbus DS	Airbus DS	Boeing	SSL	Airbus DS	Airbus DS	TAS
<b>Launcher</b>	Proton	Proton	SpaceX	Arianespace	Arianespace	Not allocated	Not allocated
<b>Coverage</b>	<b>Russia SSA</b>	<b>Europe</b>	<b>LATAM</b>	<b>LATAM</b>	<b>Asia-Pacific</b>	<b>Flexible</b>	<b>SSA</b>
<b>Applications</b>	<b>Video Data Broadband</b>	<b>Video</b>	<b>Video Data GS</b>	<b>Video Data Broadband</b>	<b>Data GS Mobility</b>	<b>Data GS Mobility</b>	<b>Broadband</b>
<b>Capacity (TPE / Spotbeams)</b>	48 Ku 18 Ka <sup>2</sup>	47 Ku	48 Ku	24 Ku 15 C 24 Ka <sup>3</sup>	42 Ku 24 C 11 HTS Ku <sup>4</sup>	N/A	65 HTS Ka <sup>5</sup>
<b>O/w expansion<sup>1</sup></b>	19 Ku 18 Ka <sup>2</sup>	12 Ku	48 Ku	24 Ku 15 C 24 Ka <sup>3</sup>	19 Ku 11 HTS Ku <sup>4</sup>	N/A	65 HTS Ka <sup>5</sup>



Electrical propulsion. EUTELSAT 115 West B and EUTELSAT 117 West B will enter service 7 to 9 months after launch; and EUTELSAT 172 B c. 4 months.

<sup>1</sup> excludes unannounced redeployments

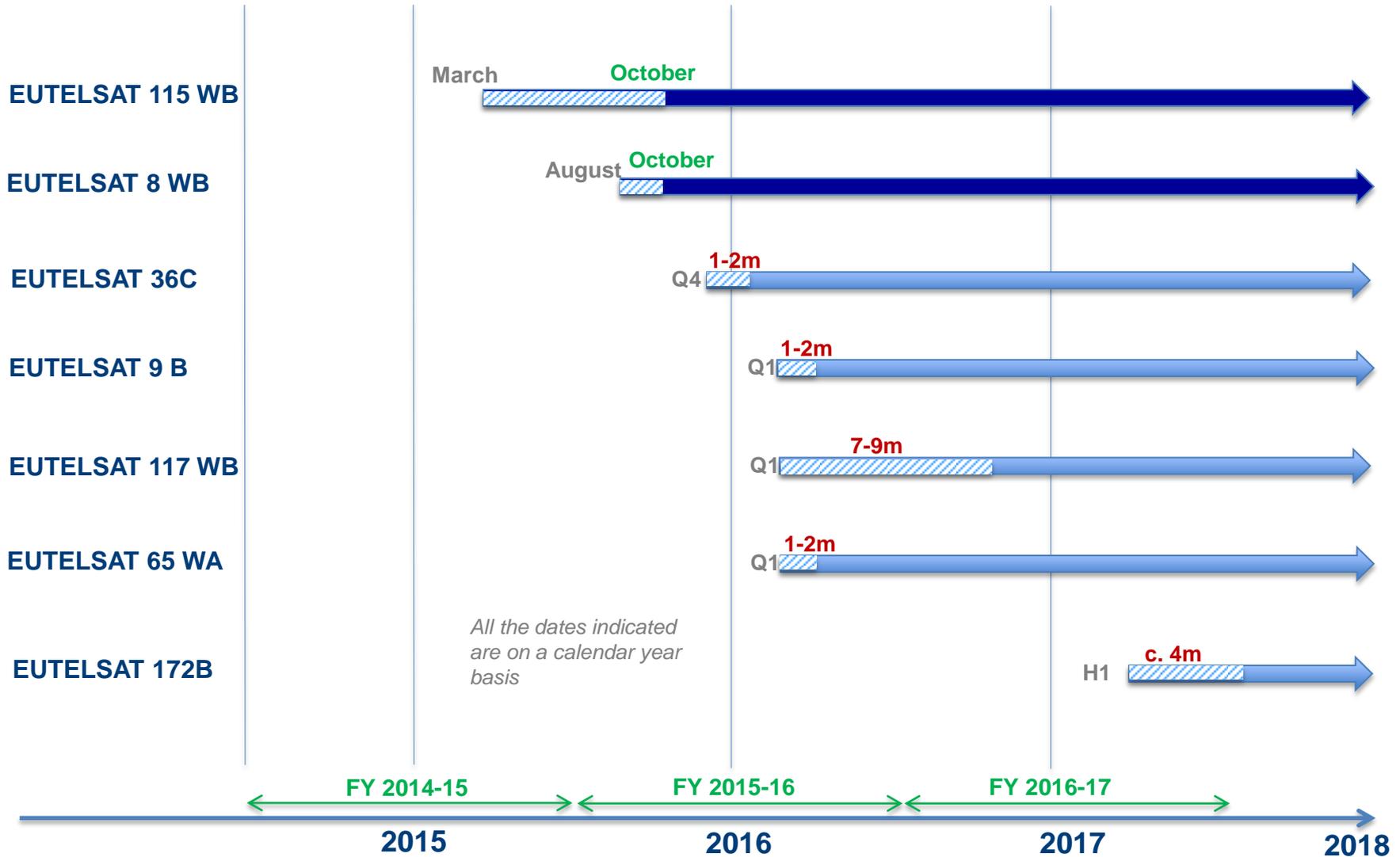
<sup>2</sup> Total capacity of the HTS payload: 11.6 Gbps

<sup>3</sup> Total capacity of the HTS payload: 37.5 Gbps

<sup>4</sup> Total capacity of the HTS payload: 1.8 Gbps

<sup>5</sup> Total capacity of the HTS payload: 75 Gbps for the baseline mission. Option to double the capacity

# Progressive ramp-up of new capacity



# Financial outlook

## Revenues

(At constant currency,  
excl. non recurring revenues)

**Growth of 2-3% in 2015-16**

**Growth of 4-6% in 2016-17**

## EBITDA

**EBITDA margin above 76.5% to June 2017**

## Capex

**Average of €500m per year to June 2018**

Including cash outflows related to ECA loan repayments and capital lease payments

## Leverage

**Investment grade ratings**

**Objective of Net debt / EBITDA below 3.3x**

## Distribution

**Payout ratio of 65% to 75% of Group share of net income**

# Questions & Answers



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