

FIRST HALF 2015-16 RESULTS

February 17, 2016

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H1 2015-16 highlights

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Operational performance

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Outlook

Key data

REVENUES

- ▶ Revenues of €774m, up 7.1%
- ▶ + 1.5% at constant currency

EBITDA

- ▶ High profitability: EBITDA of €600m
- ▶ H1 EBITDA margin stable at 77.5%

NET INCOME

- ▶ Group share of net income at €188m
- ▶ Net margin of 24%

FINANCIAL POSITION

- ▶ Robust free-cash-flow generation: 36% of revenues
- ▶ Net Debt / EBITDA ratio down to 3.2x

DIVIDEND

- ▶ Dividend of €1.09 paid on December 10, 2015
- ▶ Scrip option uptake of 61%

Recent highlights



Entry into service of EUTELSAT 8 West B (MENA) and EUTELSAT 115 West B (Americas) in October 2015 and EUTELSAT 36C in February 2016



Successful launch of EUTELSAT 9B (Europe) in January 2016



Expansion of the African broadband initiative with the procurement of a standalone HTS Satellite to be launched in 2019



Joint-venture with ViaSat to enhance the commercial reach of KA-SAT, and consider future joint initiatives in Europe

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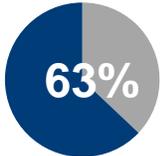
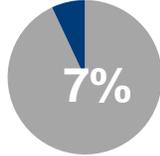
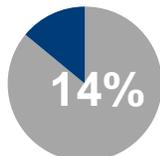
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Outlook

First Half Revenues: €774m, +1.5% like-for-like¹

	REVENUE CONTRIBUTION ²	REVENUES ³ (€m)	CHANGE (%)	
			AT CONSTANT CURRENCY	REPORTED
Video		469	+1.5	+3.7
Data Services		118	-3.1	+9.9
Value-Added Services		55	+6.7	+7.3
Government Services		106	-1.5	+15.2

¹ At constant and excluding non-recurring revenues. +7.1% based on reported figures.

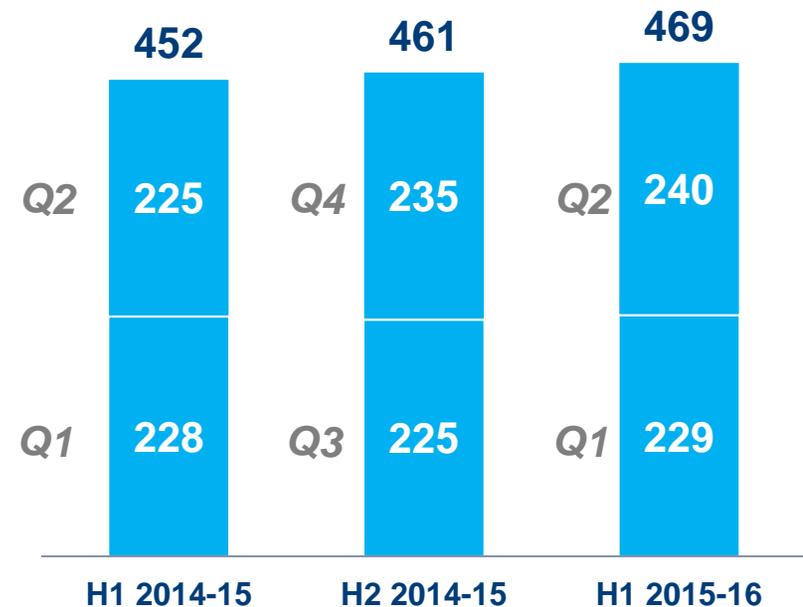
² The share of each application as a percentage of total revenues is calculated excluding "other revenues" and "non-recurring revenues".

³ Total revenues of €774.4m also include Other revenues of €26.1m

Video: entry into service of EUTELSAT 8 West B

- ▶ Revenues of €469m, up 1.5% at constant currency¹
- ▶ Entry into service of EUTELSAT 8 West B in October
- ▶ Positive trend at 7° East, 16° East and Fransat
- ▶ Lower revenues at HOT BIRD
 - non-renewal with some service providers in FY 2015
- ▶ Contract renegotiations with Russian customers last year

REVENUES (€M)



Video: over 6,000 channels in 2016

- ▶ **Threshold of 6,000 channels surpassed at end-December**
- ▶ **Channel count up 263 yoy**
- ▶ **HD penetration continues to rise**

- HD penetration at 12.6%

- ▶ **UHD gaining traction**

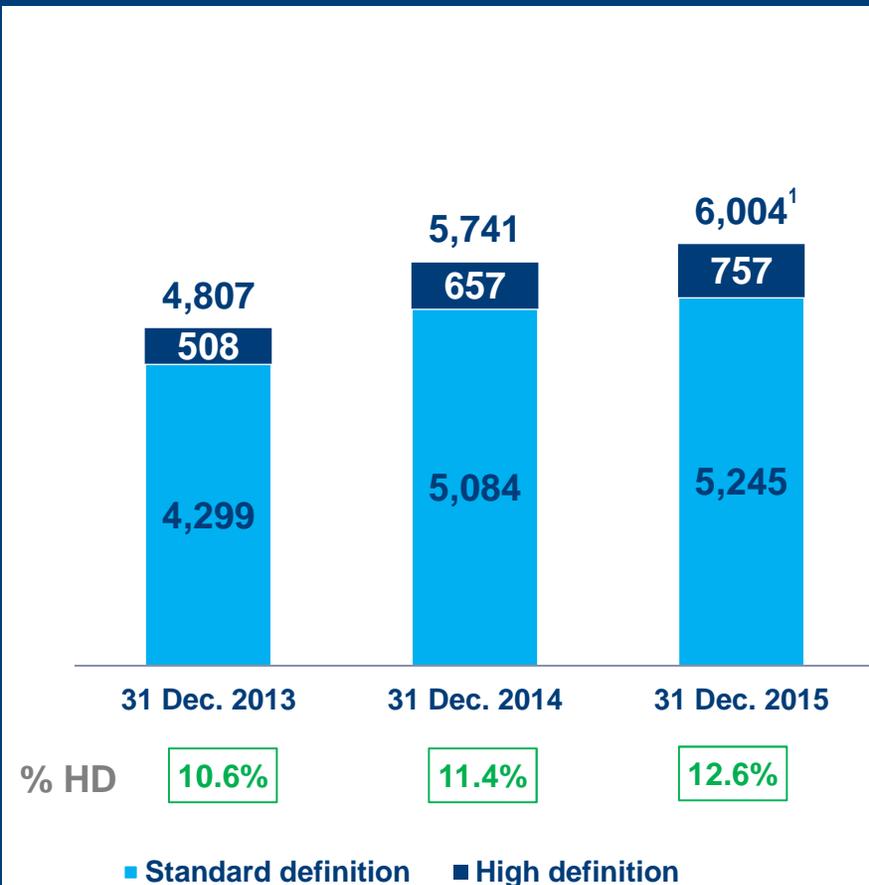
- Three channels on the fleet
- Other trials underway



- ▶ **Over 2 years channels up 18% at constant perimeter**

- Broad stability at HOT BIRD
- Strong growth in emerging markets

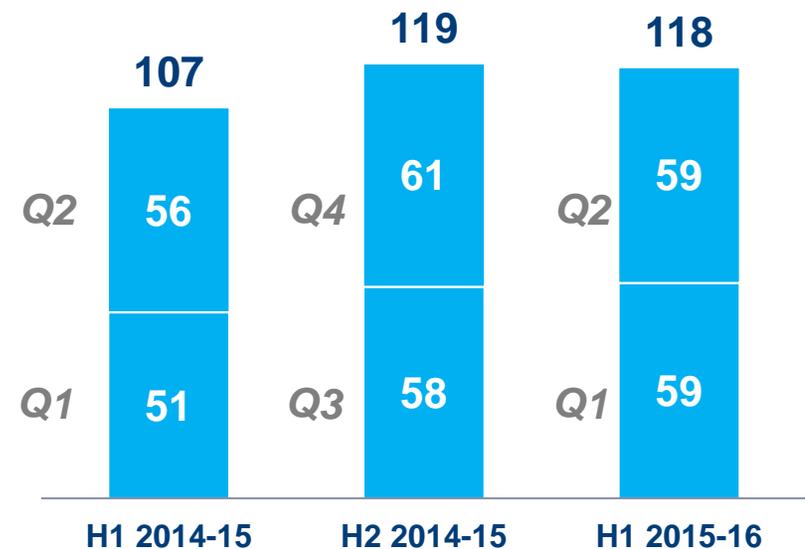
CHANNEL COUNT



Data: entry into service of EUTELSAT 115 West B

- ▶ Revenues of €118m, down 3.1% at constant currency¹
 - Broadly stable excluding reclassification of revenues to Government Services
- ▶ Entry into service of EUTELSAT 115 West B mid-October
- ▶ Lower revenues at 53° East
- ▶ Termination of contract for Ka-band capacity on EUTELSAT 3B
- ▶ Ongoing unfavourable trends EMEA

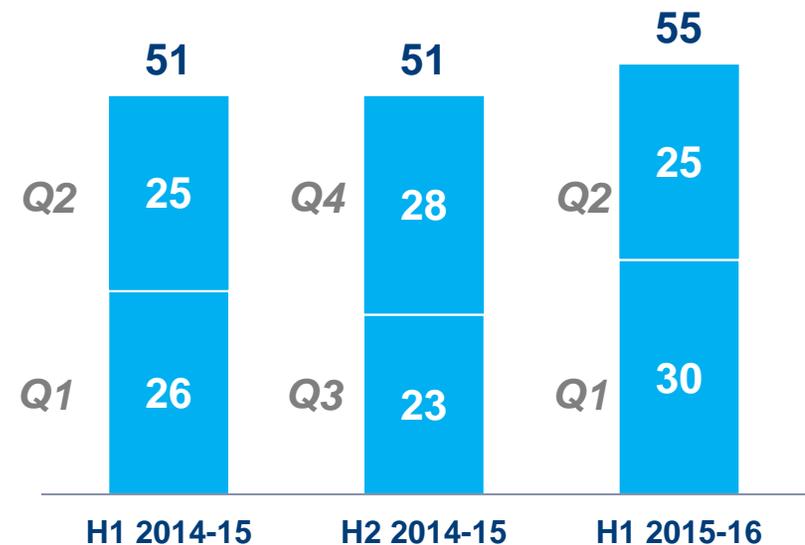
REVENUES (€M)



Value-Added Services: revenues up 6.7%¹

- ▶ Revenues of €55m, up 6.7% at constant currency¹
- ▶ Q2 reflecting negative seasonality of maritime and lower sales of terminals
- ▶ **190,000 terminals activated on KA-SAT at 31 December 2015**
 - 15,000 terminals activated in past 12 months
 - Quarterly slowdown reflecting loading of certain beams and higher churn
- ▶ **Joint Venture with ViaSat to enhance distribution**

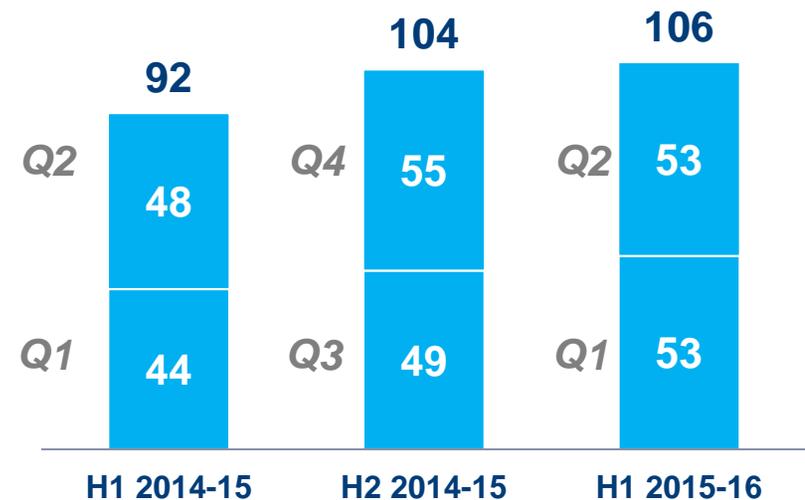
REVENUES (€M)



Government Services: stabilization of revenues in Q2

- ▶ **Revenues of €106m, down 1.5% at constant currency¹**
 - Impact of reclassifications from Data Services
- ▶ **New contracts at 3° East, 21° East, 36° East and 172° East**
- ▶ **Early termination of a contract with a distributor in the first quarter**
- ▶ **Ongoing impact of lower renewals with the US Department of Defence in past 12 months.**
 - Renewal rate at circa 80% in H1 2015-16

REVENUES (€M)



Backlog representing 3.9 years of revenues

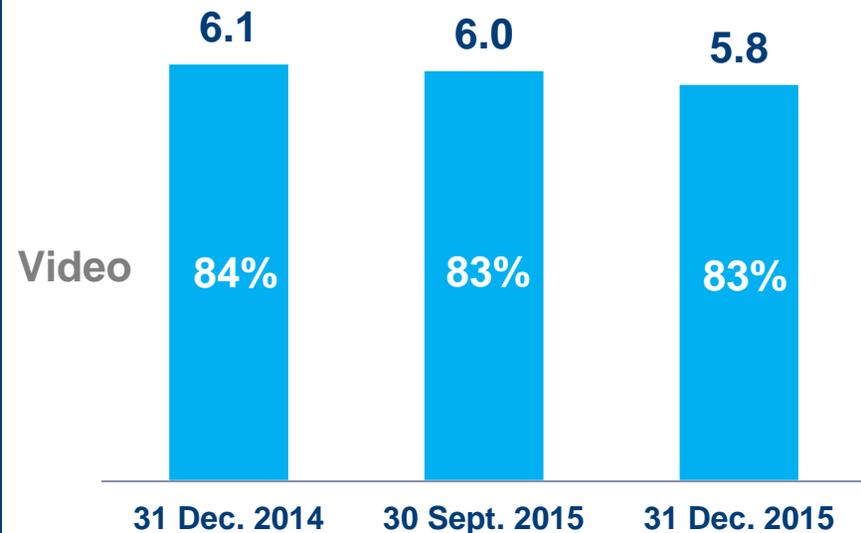
▶ Backlog of €5.8bn, slightly down on end-September

- Backlog consumption
- Termination of contract for the Ka-band capacity on EUTELSAT 3B
- Partially offset by new contracts signed notably at 7/8° West and by Eutelsat Americas

▶ 3.9 years of revenues

▶ Video accounting for 83%

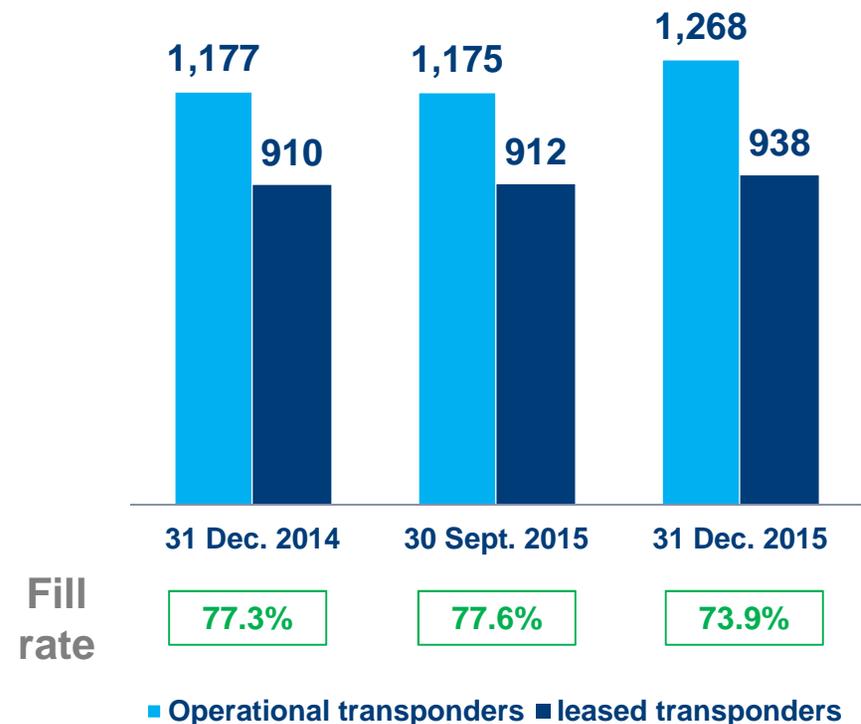
BACKLOG (€BN)



Fill rate: increase in leased transponders

- ▶ Entry into service of EUTELSAT 8 West B and EUTELSAT 115 West B
- ▶ Operational transponders up by 93 Q-o-Q
- ▶ Leased transponders up by 26 Q-o-Q, reflecting new contracts
- ▶ Fill rate diluted to 73.9%

OPERATIONAL AND LEASED TRANSPONDERS



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

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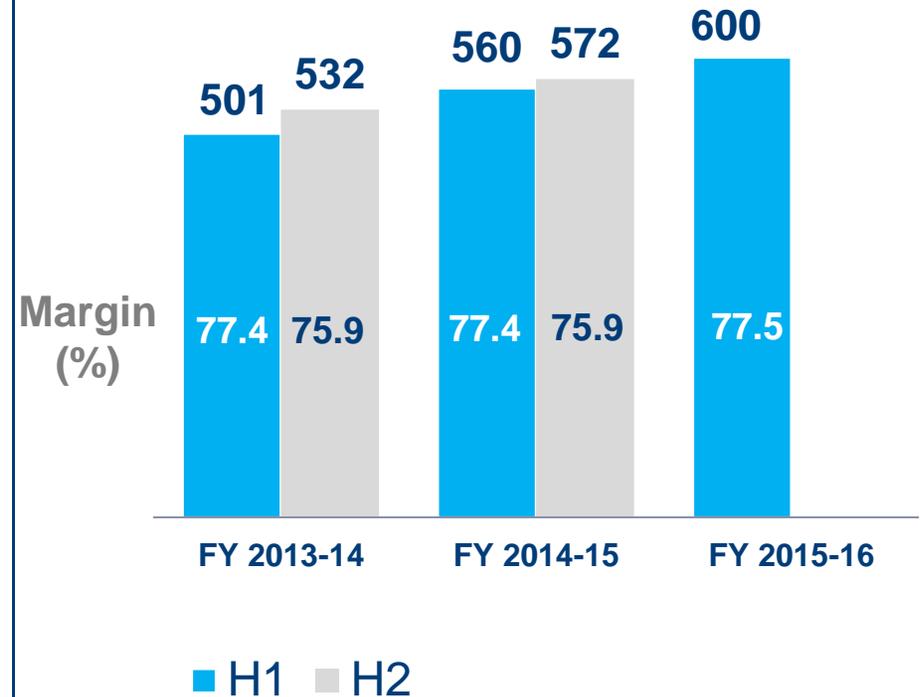
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Outlook

Stable EBITDA margin

- ▶ EBITDA up 7.3%
- ▶ Broadly stable EBITDA margin of 77.5%
- ▶ Phasing of operating costs marginally favourable to the First Half.

EBITDA (€M)

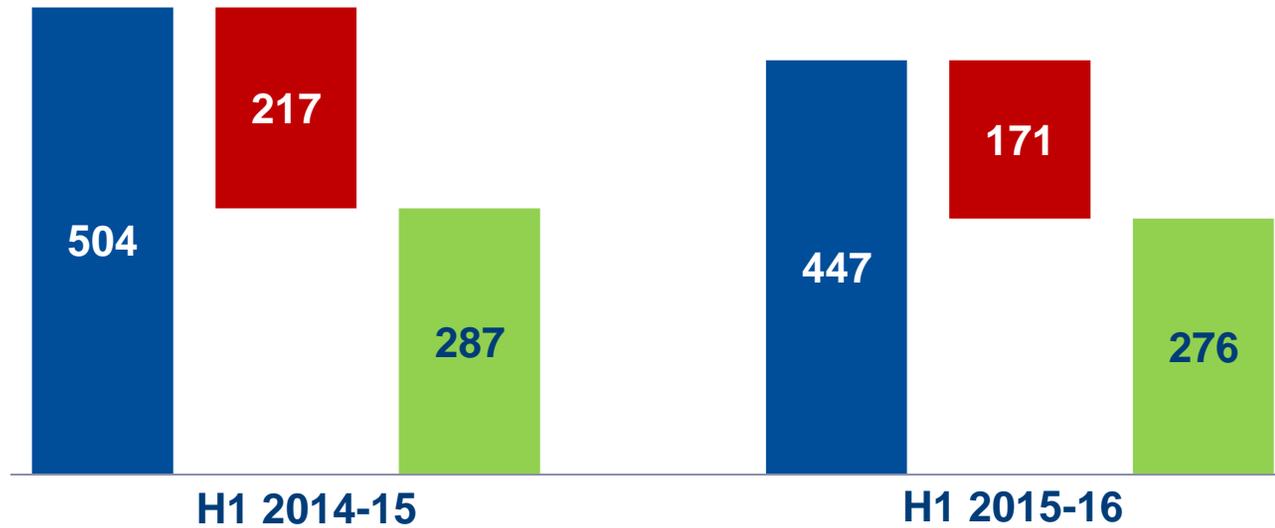


Net income of €188m, net margin of 24%

<i>Extracts from the consolidated income statement in €m¹</i>	H1 2014-15	H1 2015-16	Var.	
Revenues	723	774	+ 7.1%	▶ Positive currency impact of 5.6 points
EBITDA ²	560	600	+ 7.3%	▶ Stable margin ▶ Phasing of opex marginally favourable to H1
Operating income	325	361	+11.0%	▶ Increase in D&A following OSD of EUTELSAT 8 West B and EUTELSAT 115 WEST B
Financial charge	(56)	(63)	+12.8%	▶ Positive impact of term loan refinancing ▶ Higher capitalized interests ▶ Variation in Forex impact
Income tax	(108)	(112)	+3.3%	▶ Tax rate of 37.7%
Income from associates	8	10	+30.2%	▶ Higher contribution of Hispasat
Group share of net income	161	188	+17.0%	▶ Net margin of 24%

Strong cash flow generation

In €m



% of revenues

70%

30%

40%

58%

22%

36%

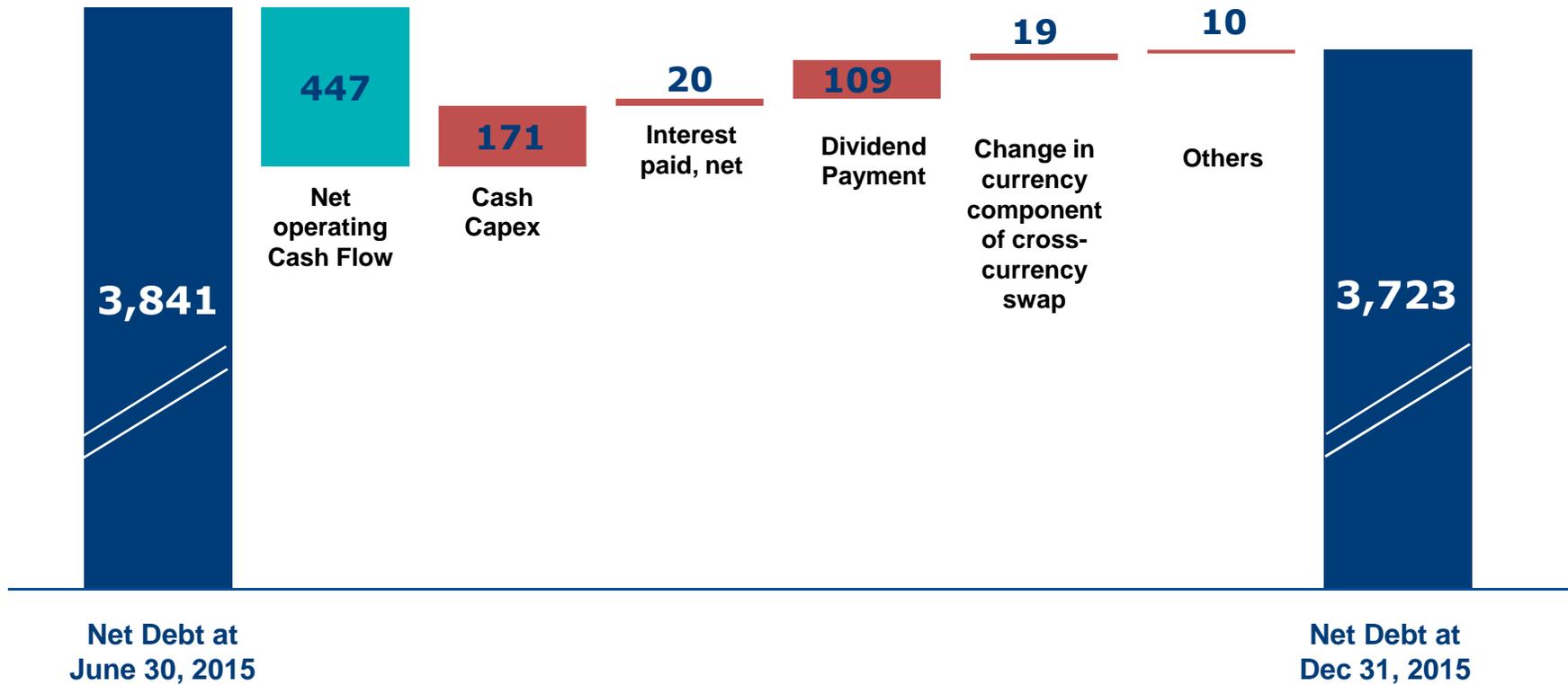
■ Free Cash-flow ■ Cash Capex ■ Net cash Flow from operations

Free Cash flow: Net Cash Flow from operations – Cash Capex

Cash Capex includes capital expenditures and payments under existing export credit facilities and under long-term lease agreements on third party capacity

Slight decrease in net debt

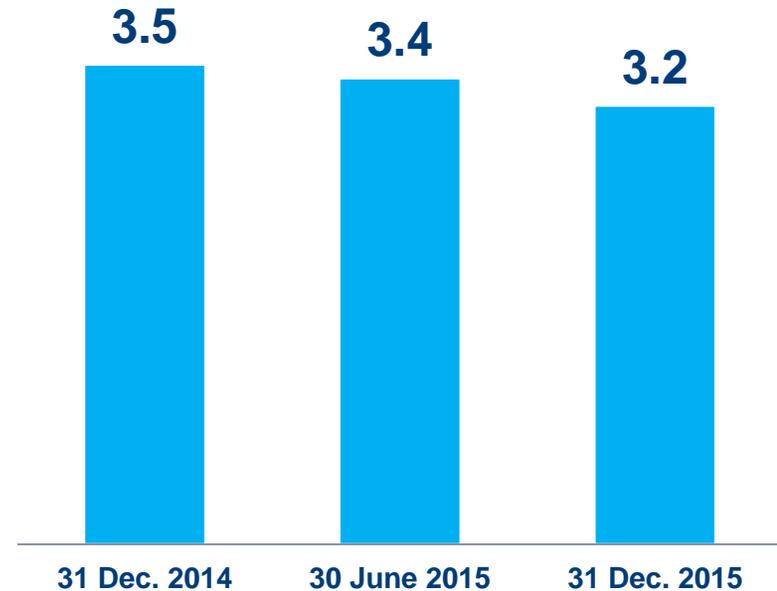
In €m



Sound financial structure

- ▶ **Improving Net Debt /EBITDA ratio**
- ▶ **Average weighted maturity of 3.6 years**
- ▶ **Average cost of debt after hedging: 3.6%**
- ▶ **Strong liquidity**
 - Cash of €563m
 - €650m revolving lines of credit available

NET DEBT / EBITDA RATIO¹



¹Based on net debt at the end of the period and last twelve months' EBITDA

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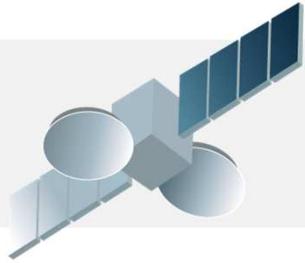
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Outlook

Update on our growth drivers



3 priority growth opportunities



VIDEO

- ▶ **Entry into service of EUTELSAT 8 West B**
- ▶ **Threshold of 6,000 channels surpassed**
- ▶ **Further developments in key geographies**



BROADBAND

- ▶ **Launch of African Broadband initiative**
- ▶ **Partnership with ViaSat for European Broadband**

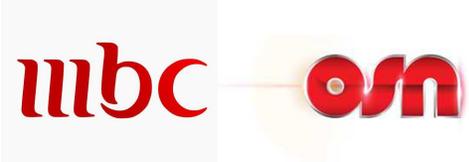


FAST-GROWING GEOGRAPHIES

- ▶ **Entry in service of EUTELSAT 115 West B adding capacity in LATAM**
- ▶ **Launch of EUTELSAT 36C boosting resources in SSA and Russia**

Significant developments in key emerging geographies



SUB-SAHARAN AFRICA	LATIN AMERICA	MIDDLE-EAST AND NORTH AFRICA
<ul style="list-style-type: none"> ▶ 6 new or expanded DTH platforms in recent months ▶ 16° East a leading FTA position in West Africa <ul style="list-style-type: none"> • Reach: over 500k homes ▶ Several DTT&DTH contracts facilitating digital transition <div style="display: flex; justify-content: space-around; margin-top: 20px;">    </div>	<ul style="list-style-type: none"> ▶ Star TV, new DTH Pay-TV service in Mexico <ul style="list-style-type: none"> • Multi-transponder, multi-year contract at 117° West <div style="text-align: center; margin: 20px 0;">  </div> <ul style="list-style-type: none"> ▶ Expansion of Tigo Star (Millicom) to Colombia <ul style="list-style-type: none"> • Ramping-up capacity at 117° West <div style="text-align: center; margin-top: 20px;">  </div>	<ul style="list-style-type: none"> ▶ Entry into Service of EUTELSAT 8 West B <ul style="list-style-type: none"> • Significant presales on incremental capacity ▶ Ramp-up of high definition <div style="text-align: center; margin: 20px 0;">  </div> <ul style="list-style-type: none"> ▶ UHD trials underway <div style="text-align: center; margin-top: 20px;">  </div>

Source: Africascope report produced by TNS Sofres



- ▶ **Partnership to jointly develop Broadband in Europe**
- ▶ **Combining Eutelsat's existing European broadband activity around Ka-Sat with ViaSat's satellite broadband technology and retail expertise**
- ▶ **Two entities**
 - Infrastructure (51% Eutelsat): owning and operating satellite, gateways and terrestrial network, responsible for indirect sales of capacity to distributors
 - Retail (51% ViaSat): development of direct-to-consumer ISP business in Europe
- ▶ **ViaSat to pay €132.5m for 49% of Eutelsat's existing European broadband business**
 - Earmarked for future Broadband projects
- ▶ **Plans for additional capacity over Europe, featuring improvements in bandwidth and cost per bit under joint-consideration**
- ▶ **Closing expected during Q2 2016**



+

ViaSat

▶ JV to jointly develop European broadband business

- History of co-operation
- Unique European broadband activity with 190k customers
- Access to state-of-the-art technology
- ViaSat's experience in direct distribution



**Mixed distribution model,
combining direct and indirect
distribution**



Faster ramp-up



Improved retention



Cost sharing



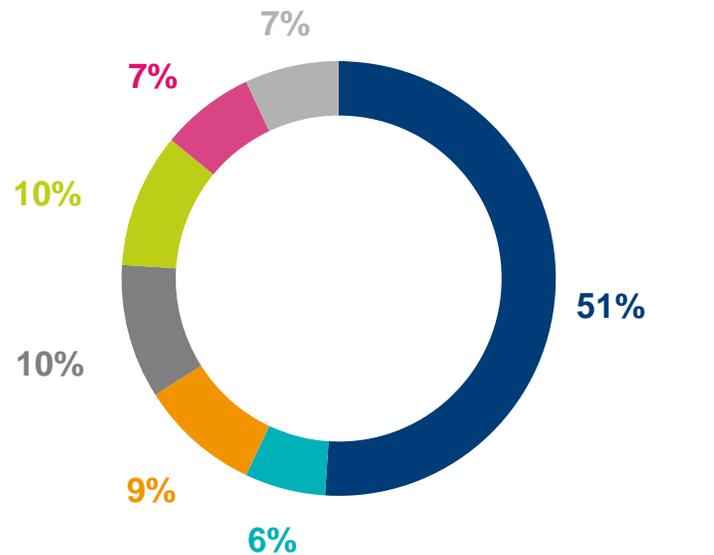
**Mutualizing existing and new
capacity**

Expansion capacity focused on emerging markets



**FAST-GROWING
GEOGRAPHIES**

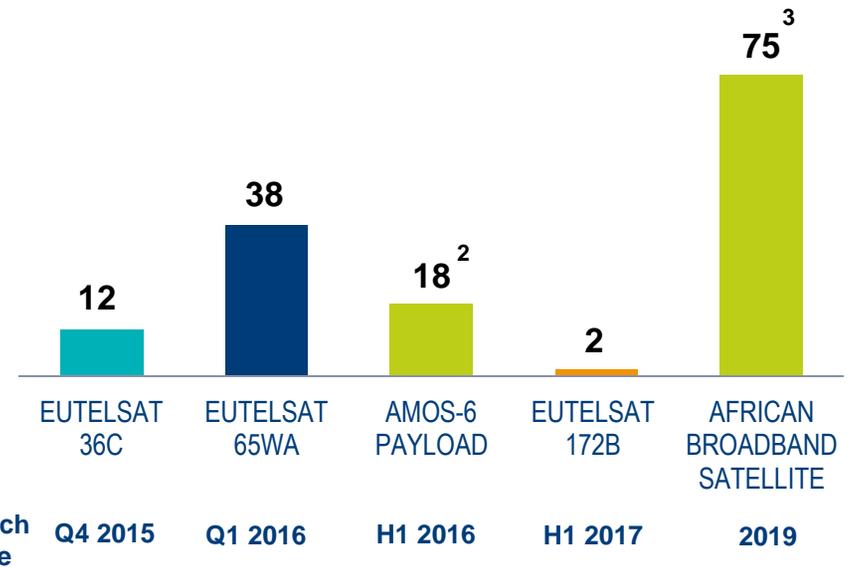
EXPANSION OF REGULAR CAPACITY (36 MHZ-EQUIVALENT TRANSPONDERS) BY GEOGRAPHY¹



- Latin America
- Asia-Pacific
- Sub-Saharan Africa
- Europe
- Russia and Central Asia
- North-America
- MENA

¹ Between end-June 2015 and end-Dec.2017 based on nominal deployment plan

EXPANSION OF HTS (GBPS) CAPACITY BY GEOGRAPHY



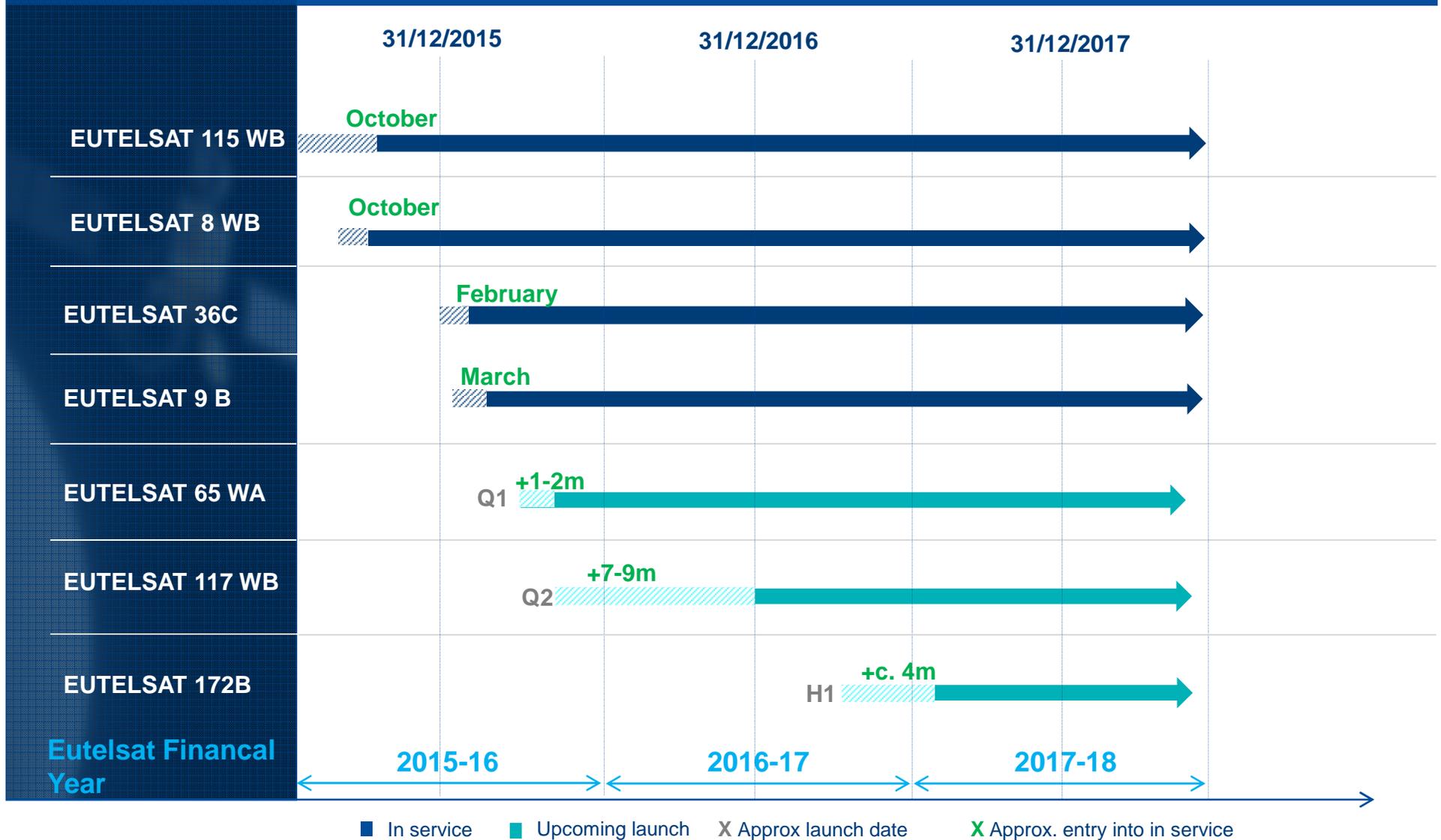
² Total leased capacity on AMOS-6, of which c.50% operated by Eutelsat

³ Total capacity for the baseline mission. Option to double the capacity

Fleet deployment

Name	EUTELSAT 36 C	EUTELSAT 9B	EUTELSAT 65 WEST A	EUTELSAT 117 WEST B	EUTELSAT 172 B	eutelsat QUANTUM	AFRICAN BROADBAND SATELLITE
Position	36° East	9° East	65° West	116.8° West	172° East	TBD	TBD
Launch	Launched Dec. 24	Launched Jan. 29	Q1 2016	Q2 2016	H1 2017	2019	2019
Manufacturer	 AIRBUS DEFENCE & SPACE	 AIRBUS DEFENCE & SPACE	 SSL	 BOEING	 AIRBUS DEFENCE & SPACE	 AIRBUS DEFENCE & SPACE	 ThalesAlenia Space
Launcher	Federal Proton	 ILS	 arianespace	 SPACEX	 arianespace	TBD	TBD
Coverage	Russia SSA	Europe	LATAM	LATAM	Asia-Pacific	Flexible	SSA
Applications	Video Data Broadband	Video	Video Data Broadband	Video Data GS	Data GS Mobility	Data GS Mobility	Broadband
Total Capacity (TPE / Spotbeams)	48 Ku 18 Ka / 11.6 Gbps	47 Ku	24 Ku 15 C 24 Ka / 37.5 Gbps	48 Ku	42 Ku 24 C 11 Ku / 1.8 Gbps	N/A	65 Ka / 75 Gbps ²
Expansion Capacity ¹	19 Ku 18 Ka / 11.6 Gbps	12 Ku	24 Ku 15 C 24 Ka / 37.5 Gbps	48 Ku	19 Ku 11 Ku 1.8 Gbps	N/A	65 Ka / 75 Gbps ²

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
 - Inc. cash outflows related to ECA loan repayments and capital lease payments

LEVERAGE

- ▶ Investment grade rating
- ▶ Target net debt / EBITDA below 3.3x

DISTRIBUTION

- ▶ Payout ratio of 65-75% of net income

QUESTIONS & ANSWERS

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