Eutelsat S.A. Group

Société anonyme with a capital of 658 555 372.80 euros
Registered office: 70, rue Balard 75 015 Paris
422 551 176 R.C.S. Paris

CONDENSED CONSOLIDATED HALF-YEAR ACCOUNTS AS OF 31 DECEMBER 2012

CONSOLIDATED BALANCE SHEET

(In millions of euros)

ASSETS	**Note**	**30 June 2012**	**31 December 2012**
Non-current assets			
Intangible assets	4	30.7	72.7
Satellites and other property and equipment, net	5	2 169.2	2 425.2
Construction in progress	5	718.6	701.8
Investments in associates	6	193.8	197.9
Non-current financial assets		2.5	2.9
Deferred tax assets		13.8	13.4
TOTAL NON-CURRENT ASSETS		**3 128.6**	**3 413.9**
Current assets			
Inventories		0.9	1.5
Accounts receivable		271.7	257.9
Other current assets		17.4	25.3
Current tax receivable		1.2	1.8
Current financial assets		19.2	4.4
Cash and cash equivalents	7	104.7	170.8
TOTAL CURRENT ASSETS		**415.1**	**461.7**
TOTAL ASSETS		**3 543.7**	**3 875.6**

LIABILITIES AND SHAREHOLDERS' EQUITY	**Note**	**30 June 2012**	**31 December 2012**
Shareholders' equity			
Share capital		658.6	658.6
Additional Paid-in capital		8.0	8.0
Reserves and retained earnings		743.5	718.6
Non-controlling interests		0.4	0.7
TOTAL SHAREHOLDERS' EQUITY	8	**1 410.5**	**1 385.9**
Non-current liabilities			
Non-current financial debt	9	1 691.1	2 015.7
Other non-current financial liabilities	10	45.9	43.0
Other non-current debt		0.1	0.1
Non-current provisions		9.7	12.9
Deferred tax liabilities		120.0	129.8
TOTAL NON-CURRENT LIABILITIES		**1 866.8**	**2 201.5**
Current liabilities			
Current financial debt	9	48.7	71.4
Other current financial liabilities	10	45.4	34.1
Accounts payable		44.9	41.9
Fixed assets payable		16.5	28.3
Taxes payable		13.0	15.0
Other current payables		91.4	92.4
Current provisions		6.5	5.1
TOTAL CURRENT LIABILITIES		**266.4**	**288.2**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3 543.7**	**3 875.6**

CONSOLIDATED INCOME STATEMENT

(In millions of euros, except per share data)

	Note	Six-month period ended 31 December 2011	Twelve-month period ended 30 June 2012	Six-month period ended 31 December 2012
Revenues	12	603.8	1 224.8	634.8
Revenues from operations		**603.8**	**1 224.8**	**634.8**
Operating costs		(48.2)	(106.4)	(55.2)
Selling, general and administrative expenses		(73.8)	(155.3)	(74.1)
Depreciation and amortisation		(130.7)	(264.4)	(141.0)
Other operating income		-	-	-
Other operating charges		(0.1)	(7.0)	-
Operating income		**351.0**	**691.7**	**364.5**
Financial income		15.1	17.9	8.4
Financial expenses		(21.9)	(58.2)	(37.1)
Financial result	13	**(6.8)**	**(40.3)**	**(28.7)**
Income from associates		5.2	11.4	6.2
Net income before tax		**349.4**	**662.8**	**342.1**
Income tax expense	11	(130.3)	(232.1)	(122.8)
Net income		**219.2**	**430.7**	**219.3**
Group share of net income		219.0	430.4	219.0
Portion attributable to non-controlling interests		0.2	0.3	0.3
Earnings per share attributable to Eutelsat S.A. shareholders	14			
Basic and diluted earnings per share in €		0.216	0.425	0.216

COMPREHENSIVE INCOME STATEMENT
(In millions of euros)

	Note	Six-month period ended 31 December 2011	Twelve-month period ended 30 June 2012	Six-month period ended 31 December 2012
Net income		**219.2**	**430.7**	**219.3**
Other items of gain or loss on comprehensive income				
Translation adjustment		1.9	(0.5)	(4.7)
Tax effect		-	-	-
Changes in fair value of cash-flow hedging instruments	8.3, 15	(14.7)	(7.0)	1.3
Tax effect		5.1	2.4	(0.5)
Total other items of gain or loss on comprehensive income		**(7.7)**	**(5.1)**	**(3.9)**
Total comprehensive income statement		**211.5**	**425.6**	**215.4**
Group share of net income		211.3	425.3	215.1
Portion attributable to non-controlling interests		0.2	0.3	0.3

CONSOLIDATED STATEMENT OF CASH FLOWS
(In millions of euros)

	Note	Six-month period ended 31 December 2011	Twelve-month period ended 30 June 2012	Six-month period ended 31 December 2012
Cash flow from operating activities				
Net income		219.2	430,7	219.3
Income from equity investments		(5.2)	(11,4)	(6.3)
Other non-operating items		131.0	249,5	133.0
Depreciation, amortisation and provisions		132.4	258.2	143.9
Deferred taxes		9.7	21.2	9.5
Changes in accounts receivable		(43.4)	(28.2)	11.0
Changes in other assets		(8.9)	(6.4)	(1.1)
Changes in accounts payable		7.6	(5.1)	(2.8)
Changes in other debt		20.4	(168.0)	(9.1)
Taxes paid		(143.5)	(246.6)	(111.3)
NET CASH INFLOW FROM OPERATING ACTIVITIES		**319.3**	**493.9**	**386.1**
Cash flows from investing activities				
Acquisitions of satellites, other property and equipment and intangible assets		(241.8)	(487.5)	(388.7)
Changes in other non-current financial assets		(0.2)	1.7	(0.3)
Dividends received from associates		3.4	3.4	2.6
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(238.6)**	**(482.4)**	**(386.4)**
Cash flows from financing activities				
Changes in capital		-	-	-
Distributions		(709.2)	(800.4)	(243.3)
Increase in debt		870.0	800.0	411.7
Repayment of debt		(225.3)	-	(76.6)
Repayment in respect of performance incentives and long-term leases		(5.6)	(11.1)	(4.7)
Other debt-related expenses		(9.3)	(11.3)	(6.5)
Interest and other fees paid	13	-	(35.7)	(0.4)
Interest received		2.1	4.1	0.9
Other variations		(0.1)	-	2.7
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(77.8)**	**(54.4)**	**83.9**
Impact of exchange rate fluctuations on cash and cash equivalents		(1.0)	(1.0)	(0.3)
Increase (decrease) in cash and cash equivalents		**1.9**	**(43.9)**	**83.4**
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		**131.3**	**131.3**	**87.4**
CASH AND CASH EQUIVALENTS, END OF PERIOD		**133.2**	**87.4**	**170.8**
Cash reconciliation				
Cash		135.3	104.7	170.8
Overdraft included under debt (1)	9	(2.1)	(17.3)	-
Cash and cash equivalents per cash flow statement		**133.2**	**87.4**	**170.8**

(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 part of “Current financial debt” within “Current liabilities” on the balance sheet.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In millions of euros, except per share data)

	Common stock						
	Number	**Amount**	**Additional paid-in capital**	**Reserves and retained earnings**	**Shareholders' equity Group share**	**Non-controlling interests**	**Total**
As of 30 June 2011	**1 013 162 112**	**658.6**	**366.3**	**755.2**	**1 780.1**	**0.2**	**1 780.3**
Net income for the period				**219.0**	**219.0**	**0.2**	**219.2**
Other items of gain or loss on comprehensive income				(7.7)	(7.7)	-	(7.7)
Total comprehensive income statement				**211.3**	**211.3**	**0.2**	**211.5**
Transactions affecting the capital				-	-	-	-
Treasury stock				-	-	-	-
Transactions with non-controlling interests				-	-	(0.1)	(0.1)
Distributions			(358.3)	(350.9)	(709.2)	-	(709.2)
Benefits for employees upon exercising options and free shares granted				3.1	3.1	-	3.1
As of 31 December 2011	**1 013 162 112**	**658.6**	**8.0**	**618.7**	**1 285.3**	**0.3**	**1 285.6**
As of 30 June 2012	**1 013 162 112**	**658.6**	**8.0**	**743.5**	**1 410.1**	**0.4**	**1 410.5**
Net income for the period				219.0	219.0	0.3	219.3
Other items of gain or loss on comprehensive income				(3.9)	(3.9)	-	(3.9)
Total comprehensive income statement				**215.1**	**215.1**	**0.3**	**215.4**
Transactions affecting the capital				-	-	-	-
Treasury stock				-	-	-	-
Transactions with non-controlling interests						-	-
Distributions				(243.2)	(243.2)	-	(243.2)
Benefits for employees upon exercising options and free shares granted				3.2	3.2	-	3.2
As of 31 December 2012	**1 013 162 112**	**658.6**	**8.0**	**718.6**	**1 385.2**	**0.7**	**1 385.9**

NOTE 1: KEY EVENTS DURING THE PERIOD

- On 25 September 2012, the Group closed 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 3 different assets (see Note 4 "*Goodwill and other intangibles*" and Note 5 "*Satellites and other property and equipment*"):
    - The satellite,
    - The related customer contracts, and
    - The frequency rights at orbital position 172°East.

- Following its successful launch on 10 November 2012, the EUTELSAT 21B went into operational service on 18 December 2012.

- The EUTELSAT 70B was successfully launched on 3 December 2012.

- On 1 October 2012, the Group issued a € 300 million bond maturing in 10 years (see Note 9 "*Financial debt*").

NOTE 2: APPROVAL OF THE ACCOUNTS

The condensed consolidated half-year accounts of Eutelsat SA as of 31 December 2012 have been prepared under the responsibility of the Board of Directors, which approved them at its meeting held on 7 February 2013.

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 – Compliance with IFRSs

The consolidated half-year accounts as of 31 December 2012 have been prepared in accordance with IFRSs, as adopted by the European Union and effective as of that date.The relevant texts are available for consultation at the following Web site:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

They have been prepared on a going concern basis and under the historical cost convention, except for those items for which the standards require fair value valuations. The financial information disclosed in these financial statements is prepared in accordance with the option contained in IAS 34 "Interim Financial Reporting" in a condensed format. The accounts as presented do not therefore contain all the information and Notes required under IFRSs for the preparation of consolidated full-year financial statements and must be read in conjunction with the consolidated full-year financial statements for the financial year ended 30 June 2012.

3.2 – Published standards and interpretations

The accounting methods and rules used in preparing these condensed interim accounts are identical to those used for the consolidated full-year financial statements for the year ended 30 June 2012, with the exception of the new standards and interpretations as described below, which are adopted by the European Union and are to be applied after 1 July 2012.

- IAS 1 "*Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income*", this amendment requires that when presenting items of comprehensive income, an entity makes a distinction between items that may be reclassified to income and those that would never be reclassified.
- IAS 12 "*Taxes*": amendment on the recoverability of underlying assets.

None of these texts has had an impact on previous financial periods nor on the consolidated half-year accounts at 31 December 20112.

Furthermore, the following standards or interpretations or amendments have not been applied in advance. The Group is currently analysing the practical impact of these new texts and the effects of applying them in the financial statements. This concerns:

- IFRS 10 "*Consolidated Financial Statements*", IFRS 11 "*Joint Arrangements*" and IFRS 12 "*Disclosure of Interests in Other Entities*", including the amendment related to transition guidance.

- Amendments to IAS 19 "*Employee Benefits*" released in December 2011 on the removal of the "corridor" approach and the spreading of actuarial gains and losses. The amendment is applicable for financial years beginning on or after 1 January 2013.

- Revised IAS 27 "*Separate Financial Statements*" and revised IAS 28 "*Investments in Associates and Joint-Ventures*" issued in May 2010 and applicable for financial years beginning on or after 1 January 2013.

- Amendment to IAS 32 "*Financial Instruments - Presentation: Offsetting Financial Assets and Financial Liabilities*", applicable for financial periods beginning on or after 1 January 2014.

The Group is not impacted by the amendment to IFRS 1 "*First Time Application*" and IFRIC 20 "*Stripping costs*".

Besides, in compliance with Note 4.8 "*Impairment tests*" and Note 5 "*Goodwill and other intangibles*" of the financial statements as of 30 June 2012, the Group implemented the impairment test as of 31 December 2012. The methodology applied to the mandatory annual test for impairments to goodwill and assets with an indefinite useful life has remained unchanged.. In determining these CGUs as of 31 December 2012, the Group took into account fleet utilization considerations, particularly the ability of individual satellites to provide back-up services to other satellites.

3.3 – Periods presented and comparatives

The six-month period extends from 1 July to 31 December 2012.

The functional currency and the currency used in the presentation of the accounts is the euro.

3.4 – Use of 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 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.
As of 31 December 2012, the Group has not identified any major source of uncertainty relating to estimates realised as of the balance sheet date and which would be most likely to change within the coming twelve months, thereby requiring significant adjustments in the amounts recognised.

Judgements
When preparing the half-year consolidated accounts for the period ended 31 December 2012, Management reassessed all risks to which the Group is exposed, particularly those related to the arbitration with Deutsche Telekom (see Note 27.4 "*Litigation*" in the consolidated accounts as of 30 June 2012). Management has not identified any new point that would challenge its initial opinion or the assessment made during the previous year.

During the period closed 31 December 2012, the Group filed a request for arbitration against SES with the International Chamber of Commerce in Paris. 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 degrees East and 28.5 degrees East.

3.5 – Taxes

The interim income tax expense is calculated by applying the average effective rate estimated for the financial year to earnings before taxes for the period (see Note 11 "*Income Tax Expense*").

NOTE 4: INTANGIBLE ASSETS

The “Intangible assets” item breaks down as follows:

Net assets

Goodwill and Other Intangibles breaks down as follows:

(In millions of euros)	Customer contracts and relation-ships	Other intangibles	Total
Net value as of 30 June 2012	**-**	**30.7**	**30.7**
Net value as of 31 December 2012	**30.9**	**41.8**	**72.7**

The change over the period ended 31 December 2012 mainly relates to the acquisition of customer contracts and orbital rights following the acquisition of EUTELSAT 172A.

NOTE 5: SATELLITES AND OTHER PROPERTY AND EQUIPMENT

Changes in gross values, depreciation and net values of assets

(In millions of euros)	Satellites	Other tangible assets	Construction in progress	Total
Gross value as of 30 June 2012	**4 129.4**	**299.2**	**718.6**	**5 147.1**
Acquisitions	131.9	10.2	233.7	375.8
Disposals and scrapping of assets	(1.4)	(0.3)	-	(1.7)
Transfers	249.7	-	(250.5)	(0.7)
Gross value as of 31 December 2012	**4 509.6**	**309.1**	**701.8**	**5 520.5**
Accumulated depreciation as of 30 June 2012	**(2 081.0)**	**(178.4)**	**-**	**(2 259.4)**
Half year allowance	(120.2)	(15.6)	-	(135.8)
Reversals	1.5	0.2	-	1.7
Impairment	-	-	-	-
Accumulated depreciation as of 31 December 2012	**(2 199.7)**	**(193.8)**	**-**	**(2 393.5)**
Net value as of 30 June 2012	**2 048.4**	**120.8**	**718.6**	**2 887.8**
Net value as of 31 December 2012	**2 309.9**	**115.3**	**701.8**	**3 127.0**

During the half-year ended 31 December 2012, the Group brought into service the EUTELSAT 21B satellite on 18 December 2012 following its successful launch on 10 November 2012.

The EUTELSAT 70B satellite was successfully launched on 3 December and will be brought into service during January 2013. Furthermore, it is worth noting that the fully amortised Telecom 2D satellite was de-orbited.

The only acquisition of satellite over the period concerns EUTELSAT 172A (cf. Note 1 "*Key events during the period"*).

As of 31 December 2012, the "Construction in progress" item mainly included the EUTELSAT 7B, EUTELSAT 8WB, EUTELSAT 70B, EUTELSAT 25B, EUTELSAT 3B and EUTELSAT 9B satellites.

NOTE 6: INVESTMENTS IN ASSOCIATES

Investments in associates consist primarily in equity investments in Hispasat for €193.0 million and Solaris for € 4.8 million.

NOTE 7: CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

(In millions of euros)	**30 June 2012**	**31 December 2012**
Cash	38.2	52,2
Cash equivalents	66.5	118,6
Total	**104.7**	**170,8**

Cash equivalents are mainly composed of deposit certificates, the great majority of which mature less than one month on the date of their acquisition and mutual fund investments (UCITS) qualifying as "cash equivalents".

NOTE 8: SHAREHOLDERS' EQUITY

8.1 – Shareholders' equity

As of 31 December 2012, the share capital having remained unchanged since 30 June 2012, comprised 1 013 162 112 ordinary shares with a par value of €0.65 per share.

On 8 October 2012, the Ordinary and Extraordinary General Meeting of Shareholders decided to distribute a gross amount of € 0.33 per share, i.e. a total amount of € 334,3 million, taken from net income and to allocate the remaining, i.e. € 3.4 million to "Retained earnings".

As an interim dividend was already disbursed by decision of the board of directors dated 16 February 2012 for € 91.2 million, i.e. €0.09 euro per share, the dividend disbursed amounted to € 243.2 million, i.e. € 0.24 per share.

8.2 –Share-based payment

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 in shareholder's equity for the period ended 31 December 2012 was € 2.6 million.

The plan implemented in November 2012 has the following conditions:

Vesting Period	November 2012- November 2015 (1)
Settlement	Shares
Lock-up period	November 2015- November 2017 (2)
Maximum number of shares	347 530
Period expense (in € millions)	0.2
Total valuation (in € millions)	4.5

(1) The vesting period goes from november 2012 until november 2016 for foreign entities.
(2) There is no lock-up period for foreign entities.

8.3 – Revaluation reserve of financial instruments (Other Comprehensive Income or OCI)

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	**(6.9)**
Changes in fair value within recyclable equity	(1.5)
Changes in fair value within non recyclable equity	-
Transfer to the income statement	3.1
Balance at 31 December 2012	**(5.3)**

The change over the period does not include the change in OCI of Hispasat, which amounts to € (0.2) million.

8.4 – Change in the translation reserve

(In millions of euros)	**Total**
Balance at 30 June 2012	**1.4**
Balance at 31 December 2012	**(1.3)**

The € (2.7) million change does not include the € (2.0) million change in the translation reserve for Hispasat.

NOTE 9: FINANCIAL DEBT

As of 30 June and 31 December 2012, the aggregate amount of bank debt is denominated in Euros and US dollars.

- *Financial information as of 30 June 2012 and 31 December 2012*

(In millions of euros)	**Rate**	**30 June 2012**	**31 December 2012**	**Maturity**
Loans with Eutelsat Communications	Variable	59.2	53.4	
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
Export financing debt	1.710%	-	35.1	15 November 2021
Sub-total of debt (non-current portion)		**1 709.2**	**2 038.5**	
Loan set-up fees and premiums		(18.1)	(22,8)	
Total of debt (non-current portion)		**1 691.1**	**2 015,7**	
Bank overdrafts		17.3	-	
Accrued interest not yet due		31.4	71,4	
Total of debt (current portion)		**48.7**	**71.4**	

[1] Fair values are presented below:

(In millions of euros)	**30 June 2012**	**31 December 2012**
Bond 2017	939.8	971,3
Bond 2019	886.5	976,1
Bond 2022	-	309,5

The weighted average interest rate on amounts drawn under the revolving credit facilities for the period ended 31 December 2012 is 1.47 % before hedging and 3.49 % after hedging.

Furthermore, the Group has €450.0 million available under its various lines of undrawn revolving credit.

- *Change in structure since 30 June 2012*

The Group has issued a 10-year €300 million bond issued 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% percent, 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 USD 66.2 million for the investment in one geostationary satellite. As of 31 December, the Group has drawn USD 46.3 million. 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%.

- *Debt maturity analysis*

At 31 December 2012, 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
Eutelsat Communications term loan	53.4	53.4	-	-
Export financing debt	35.1	-	-	35.1
Bond 2017	850.0	-	850.0	-
Bond 2019	800.0	-	-	800.0
Bond 2022	300.0	-	-	300.0
Total	**2 038.5**	**53.4**	**850.0**	**1 135.1**

- *Compliance with banking covenants*

As of 31 December 2012, the Group was in compliance with all banking covenants under its credit facilities.

NOTE 10: OTHER FINANCIAL LIABILITIES

(In millions of euros)	30 June 2012	31 December 2012
Financial instruments [(1)]	5.3	0,6
Performance incentives [(2)]	12.5	10,0
Finance leases [(3)]	11.2	9,1
Other liabilities	62.3	57,4
Total	**91.3**	**77,1**
- incl. current portion	*45.4*	*34,1*
- incl. non-current portion	*45.9*	*43,0*

[(1)] See Note 15 – *Financial instruments*
[(2)] Including interest related to "Performance incentives" of €4.1 million at 30 June 2012 and €3.1 million at 31 December 2012.
[(3)] As of 30 June 2012 and 31 December 2012, amounts of interest on finance leases are not material.

"Other liabilities" comprise advance payments and deposits from clients.

NOTE 11: INCOME TAX EXPENSE

"Income tax expense" shows current and deferred tax expenses for consolidated entities.

As of 31 December 2012, the Group's tax expense was 36.6%. The distortion between the Group's tax rate and the French overall tax rate is mainly explained by the Amended Finance Act for 2012 (*Loi de finances rectificative 2012*) which introduced an additional contribution of 3% on dividends, and by the 2013 Finance Act (*Loi de finances 2013*) which caps the deductibility of financial expenses at 85%.

NOTE 12: SEGMENT INFORMATION

Over the period ended 31 December 2012, there was no change in the Group's organisation which could affect the nature of and method used for reporting financial information and business performance data to the Group's chief operating decision maker.

Therefore, as with the period ended 30 June 2012, 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 purpose. 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.

Group revenues by geographical zone, based on invoice addresses, for the twelve-month periods ended 31 December 2011 and 2012 are as follows:

(In millions of euros and as a percentage	**Six-month period ended 31 December 2011**(**)		**Six-month period ended 31 December 2012**	
Regions	**Amount**	**%**	**Amount**	**%**
France	73.8	12.2	74.9	11.8
Italy	95.2	15.8	100.8	15.9
United Kingdom	45.6	7.6	47.8	7.5
Europe (other)	195.5	32.4	206.9	32.6
Americas	87.8	14.5	85.5	13.5
Middle-East	66.1	10.9	73.5	11.6
Africa	32.5	5.4	33.2	5.2
Asia	4.6	0.8	12.0	1.9
Other (*)	2.7	0.4	0.2	0.0
Total	**603.8**	**100.0**	**634.8**	**100.0**

(*) Including indemnity payments for late delivery for the period ended 31 December 2011.
(**) The revenues of the Madeira entity as of 31 December 2011, which was presented under the "Europe (other)" line, was restated to be spread over all geographical zones.

NOTE 13: FINANCIAL RESULT

The financial result is made up as follows:

(In millions of euros)	**Six-month period ended 31 December 2011**	**Twelve-month period ended 30 June 2012**	**Six-month period ended 31 December 2012**
Interest expense (banks)[1]	(20.7)	(59.2)	(41,5)
Capitalized interests and other interest expense [2]	7.6	17.3	15,2
Loan set-up fees	(0.3)	(1.0)	(0,8)
Commitment fees and other similar charges	(1.1)	(2.2)	(1,3)
Changes in financial instruments [3]	(0.6)	(1.8)	-
Provisions for risks and expenses and other expenses	(0.6)	(1.2)	(2,7)
Foreign-exchange losses [4]	(6.2)	-	(6,0)
Financial expenses	**(21.9)**	**(10.1)**	**(37,1)**
Changes in financial instruments [3]	-	-	3,1
Interest income	2.1	3.8	1,0
Foreign-exchange gains [4]	13.0	14.1	4,3
Financial income	**15.1**	**17.9**	**8,4**
Financial result	**(6.8)**	**(40.3)**	**(28,7)**

[1] Interest expense (banks) includes the effects of the interest-rate risk hedging instruments employed. Coupons due and matured on the caps that are qualified as interest-rate risk hedges have not affected the interest expense for the years ended 31 December 2011, 30 June 2012 and 31 December 2012.

[2] The amount shown is the interest expense net of loan costs charged to the value of the eligible assets. During the period, the capitalised costs amounted to €11.8 million as of 31 December 2011, €23.0 million as of 30 June 2012 and €16.4 million as of 31 December 2012. They strongly depend on the progress and number of satellite construction programmes recognised during the financial year.

The portion of the capitalised interest expense paid is included within financing expenses in the consolidated cash-flow statement under the heading “Interest and other fees paid”.

The capitalisation rates used to determine the amount of interest expense eligible for capitalisation were 4.5% for the period ended 31 December 2011, 4.8% at 30 June 2012 and 4.9% at 31 December 2012.

[3] Gains or losses in the fair value of financial instruments mainly include changes in the fair value of non-qualifying derivatives in a hedging relationship and the ineffective portion of qualifying derivatives in a hedging relationship.

[4] Foreign-exchange options’ contracts are put in place to hedge future sales in dollars. Changes in the time value of these instruments (excluded from the hedging relationship) have a direct impact on income. The intrinsic value of options exercised during the year, taking into account that the hedged item has also affected the result for the year,

has similarly been recognised directly under income or expense (no net change in equity due to these options). Changes in the intrinsic value of options where the hedged item has not yet affected the result have been recognised within equity and have not affected the result for the year.

Results on financial instruments per accounting category:

(In millions of euros)	**Six-month period ended 31 December 2011**	**Twelve-month period ended 30 June 2012**	**Six-month period ended 31 December 2012**
Net result on instruments measured at fair value per result on the option (cash equivalents)	-	-	-
Net result on instruments valued at fair value per result (non-qualifying derivatives for hedges and components excluded from hedging relationships)	(0.6)	(1.8)	3.1
Financial income on assets valued at amortised cost (loans and long term advance payments and other receivables)	-	-	-
Interest expense on loans (excluding hedging effect)	(20.7)	(59.2)	(41.5)
Reversals and (depreciation) of financial assets (accounts receivable)	(4.1)	(4.1)	(2.0)

NOTE 14: EARNINGS PER SHARE

The following two tables show the reconciliation between net income and net earnings attributable to shareholders (basic and diluted) used to compute earnings per share (basic and diluted):

	31 December 2011	**31 December 2012**
Net income	219.2	219.3
Income from subsidiaries attributable to non-controlling interests before taking into account the dilutive instruments in the subsidiaries	(0.2)	(0.3)
Net earnings used to compute basic earnings per share	**219.0**	**219.0**

There are no dilutive instruments as of 31 December 2011 and 31 December 2012.

NOTE 15: FINANCIAL INSTRUMENTS

15.1 – Foreign-exchange risk

During the financial year ended 30 June 2012 and the first half year ended 31 December 2012, the Group only used forward sales with a knock-in option.

The net position in terms of controlling foreign-exchange risk at 31 December 2012 is as follows:

(In millions of euros)

Assets	57.5
Liabilities	(47.0)
Net position before risk management	**10.5**
Off-balance-sheet position (foreign exchange hedging)	(7.6)
Net position after risk management	**2.9**

Considering its exposure to foreign-currency risk, the Group believes that a 10-cent decrease in the US dollar/euro exchange rate would have a € 6.1 million impact on Group income and would result in a negative change amounting to € 25.8 million in Group translation reserves.

15.2 – Sensitivity to interest-rate risk

Considering the full range of financial instruments available to the Group as of 31 December 2012, an increase of ten basis points (+ 0.10 %) above EURIBOR would have a minor impact in the income statement.

15.3 – Key figures at 31 December 2012

The following tables analyse the contractual or notional amounts and fair value of the Group's derivatives as of 31 December 2012 by contract type. The instruments are valued by an independent expert, and this valuation is verified/validated by the Group's banking counterparts.

(In millions of euros)	**Notional**		**Fair value**		**Change in fair value over the period**	***Impact on income (excl. coupons)*** [1]	***Impact on equity***
	30 June 2012	**31 December 2012**	**30 June 2012**	**31 December 2012**			
Synthetic forward transaction with knock-in option	103.3	56.9	(4.8)	(0.1)	4.7	3.1	**1.6**
Total forex derivatives	***103.3***	***56.9***	***(4.8)***	***(0.1)***	***4.7***	***3.1***	***1.6***
Collar [2]	100.0	100.0	(0.5)	(0.5)	-	-	**-**
Total interest rate derivatives	***100.0***	***100.0***	***(0.5)***	***(0.5)***	-	-	**-**
Total derivatives			**(5,3)**	**(0.6)**	**4.7**	**3.1**	**1.6**
Equity interests							(0.2)
Total							**1.4**

[1] The ineffective portion of the hedges was not significant and has not been isolated.
[2] Instrument not qualifying for hedge accounting.

As of 31 December 2012, the cumulative fair value of financial instruments was negative at € 0.6 million (see Note 10 "*Current financial assets*").

NOTE 16: OTHER OFF-BALANCE SHEET LIABILITIES

16.1 – Purchase commitments

At 31 December 2012, future payments under satellite construction and financing contracts amounted to €600.2 million, and future payments under launch agreements amounted to €310.2 million. These future payments are spread over sixteen years.

The Group has also made commitments with other suppliers for service provisions and acquisitions of fixed assets relating to the monitoring and control of satellites.

Future minimum payments in respect of such acquisitions of assets and provision of services at 31 December 2012 are scheduled as follows:

(In millions of euros)	**At 31 December 2012**
2013	57.1
2014	25.6
2015	19.0
2016	15.7
2017 and beyond	63.5
Total	**180.9**

On 27 December 2012, Eutelsat exercised its pre-emption right over the sale by Telefonica of its stake in the Spanish satellites operator Hispasat. The exercise of this right will result in the Group acquiring 19 359 new shares in Hispasat, for approximately €56 million.
Subject to the required regulatory approvals, the closing of this transaction will enable Eutelsat to increase its stake in the Spanish operator’s capital from 27.69% to 33.69%.

16.2 - Fleet insurance

As of 31 December 2012, the Group’s existing “L + 1 insurance” (“Launch + 1 year”) and in-orbit 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 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 seventeen satellites covered under this policy are insured for their net book value.

16.3 – Contingent Liability

The entities Eutelsat Communications S.A. and Eutelsat S.A., which belong to the tax Group headed by Eutelsat Communications, were subject to a tax inspection procedure for the periods ended 30 June 2009, 2010 and 2011.
Subsequent to the inspection, the tax administration notified Eutelsat S.A., on 20 December 2012, of its tax adjustments’ amount of € 26.1 million, including late interests and penalties.
The entity Eutelsat S.A. intends to protest over the validity of this proposed adjustments and, given the elements in its possession at the closing date, did not book any provision accordingly, as it meets the definition of a contingent liability.

NOTE 17: SUBSEQUENT EVENTS

None